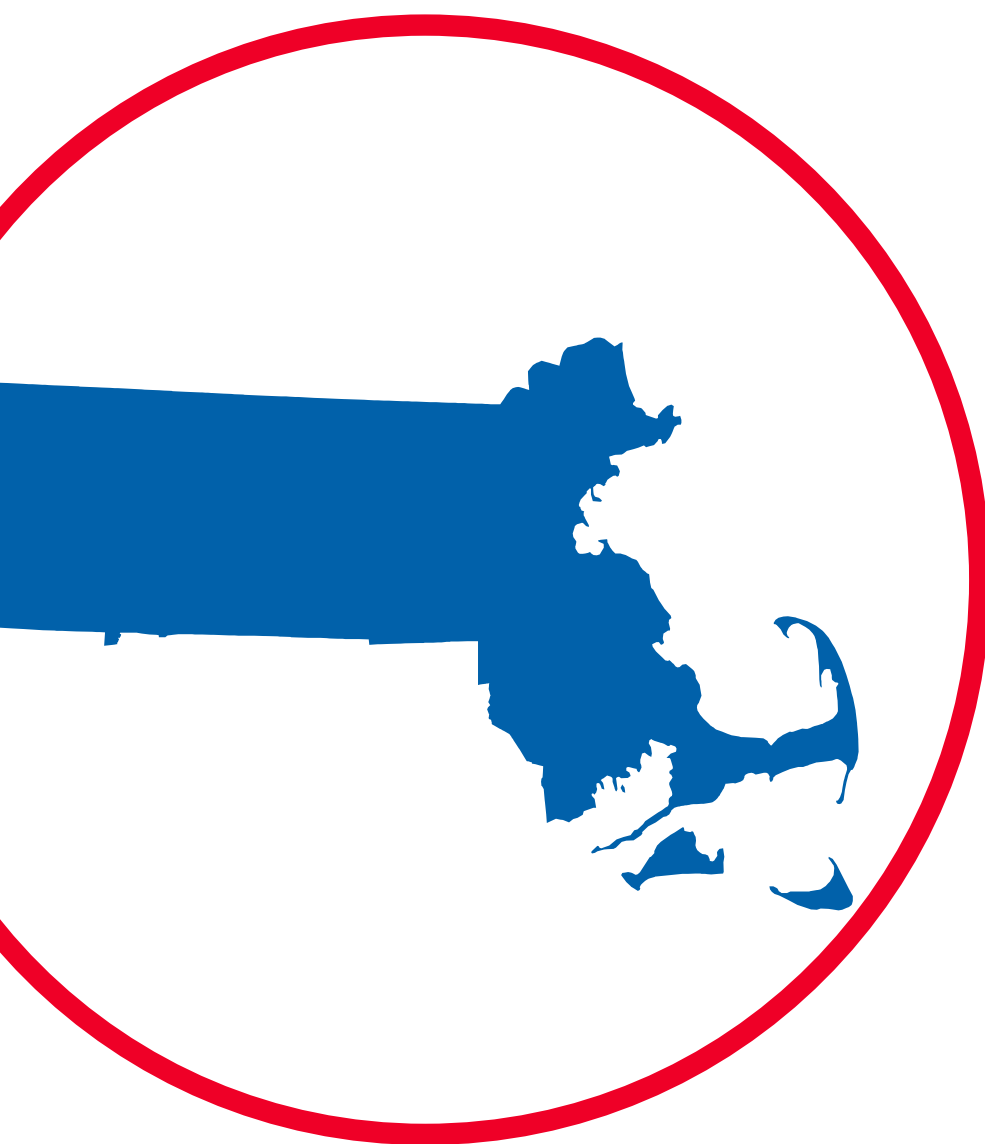


THREAT TO PUBLIC EDUCATION NOW CENTERS ON MASSACHUSETTS

May 2016



Preface

This document updates and expands on *Threat from the Right*, an MTA task force report issued in May 2013. During the intervening years, the threat to public education, organized labor and social justice has grown substantially. Massachusetts is now in the crosshairs, with the forces behind charter schools, privatization and other attacks on the public good coalescing on Beacon Hill and throughout the state. That is reflected in the title of the 2016 edition, *Threat to Public Education Now Centers on Massachusetts*. No one should doubt the danger of the challenges outlined in these pages or the intensity of the forces behind them, which are national in scope. Nevertheless, winning the many fights we face is well within the power of the MTA and our allies — parents, students and other members of communities across Massachusetts and the nation. Understanding our opponents is an important step, and this report is intended to help us move toward meaningful victories as we continue to organize, mobilize and build the power we need to realize the goals of our Strategic Action Plan.

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Introduction

The threats aligned against public education and unions today are broad, deep and substantial. More and more, they are focused on Massachusetts, where proponents of charter school expansion are preparing to spend millions of dollars as they test just how far they can go in privatizing public education and profiting off the public good. The outcome of this assault is vital to the future of our Commonwealth — and to the future of public schools, colleges and universities across the nation.

For MTA members and students, this is nothing short of an existential struggle.

Key battlegrounds include the Legislature, the courts, Congress and the governing bodies of every city and town in Massachusetts, along with all types of media. Elements crucial to success or failure include elections for political office at all levels, ballot initiatives, and debates in every policy arena.

With the stakes so high, it is no wonder that the forces arrayed against unions and allied social justice organizations are strong, influential and expansive. These forces are active in Massachusetts and nationally — and, as this report will demonstrate, there is often little or no space between funders, foundations, policymakers, operators of charter schools, proponents of education “reform” and advocates for small government and privatization. Much of their spending is opaque, and many donors to right-wing advocacy organizations and other funders do not disclose their contributions.

Old-line benefactors — including the Koch brothers, the Walton family and the Eli and Edythe Broad Foundation — continue to contribute massive amounts of money to the fights they take on. But now they are joined by a new breed of “venture philanthropists” eager to use their vast fortunes to shape policy changes.

As always, undermining unions is an important part of the agenda. One key difference in recent years, however, lies in a blurring of ideologies that seeks to merge nonprofit and for-profit interests. The forces that have long sought to privatize education to reduce government are now picking up steam from those who see schools and colleges as just another business challenge open to disruption.

Some wealthy individuals have signed the “Giving Pledge,” promising to devote much of their accumulated money to causes they support during their lifetimes. Former Enron executive-turned-hedge-fund-manager John Arnold and his wife, Laura, are among them. The Arnolds, who are backers of the National Alliance for Public Charter Schools, have provided at least \$25 million to boost charters in Louisiana, \$22 million to Teach for America, \$7.5 million to StudentsFirst, \$5 million to Stand for Children and a minimum of \$1 million to Families for Excellent Schools. They say they will work full time at the Laura and John Arnold Foundation for many years to come and intend to “exhaust most or all” of their estimated \$3.5 billion in accumulated wealth on issue advocacy that has included challenging the structure of public pensions.

The Chronicle of Philanthropy notes that the Arnolds are “the youngest among the top givers — by more than two decades in most cases.” John Arnold says: “We have the benefit of being young, so we can look at very complicated problems. ... We have years to see these through.”

The forces that have long sought to privatize education to reduce government are now picking up steam from those who see schools and colleges as just another business challenge open to disruption.

In Massachusetts, charter schools, which are draining more than \$400 million a year from local districts, are at the center of the storm. As the Legislature considers lifting the cap on the number of Commonwealth charters and allowing an even greater diversion of public funds to private interests, proponents are mounting legal action and threatening to spend untold sums on a ballot initiative this November.

Governor Charlie Baker has made charter expansion a top priority, mirroring his privatization efforts involving transportation and other public services. Baker vows to hold the line on taxes despite the myriad unmet needs that persist year after year for our public schools, colleges and universities, as well as for early childhood education. Make no mistake: The governor remains faithful to a hard-line conservative ideology even as he puts forth a moderate front.

With his ascension to the corner office, some of the groups profiled in this report are taking on a high level of prominence. One of them is the Pioneer Institute, a member of the State Policy Network with extensive ties to Baker. Another is the NewSchools Venture Fund, where Education Secretary James Peyser was an executive for many years.

Support from Baker and Peyser is a boon to Great Schools Massachusetts and the New York-based Families for Excellent Schools, which are leaders in the campaign to allow an unlimited number of new charter schools — up to a dozen each year without end — to open in Massachusetts.

The impact? Billions of dollars more would be taken from our public schools and placed in private hands, students would be subjected to a two-track system of education, and the jobs of unionized educators would be lost by the hundreds each year.

The effort to expand charters in the Commonwealth corresponds with actions on many other fronts in many other states — including efforts to privatize elements of public higher education, the promotion of school vouchers, assaults on pensions and benefits, and broad legal attacks on public-sector unions. *Friedrichs v. California Teachers Association*, a U.S. Supreme Court case that sought to end agency fees and allow free riders to benefit from unions' collective bargaining activities, was an example of this nationwide strategy.

The court's disposition of the case, handed down in March, came as a relief, but left the central issues unresolved. In leaving the current law intact, the unexpected end of *Friedrichs* provided a measure of fairness not only to organized labor, but also to the governmental and political processes. Moreover, it served to underscore the importance of this year's presidential election, in which voters will choose who nominates justices to the court for four potentially pivotal years.

In that context, it pays to remember that *Friedrichs* was far from the only anti-union case in the judicial pipeline. As MTA General Counsel Ira Fader noted recently in *MTA Today*: "One of the most virulently anti-union legal outfits in the country — the National Right to Work Legal Defense Foundation — is litigating a *Friedrichs*-style case that is pending now in the Massachusetts appellate courts. The foundation has openly acknowledged its intent to take the case to the Supreme Court. Now that *Friedrichs* is over, this case could be next."

In the following pages, readers will find cause for concern, and perhaps alarm. Although no such report can cover every group or every entanglement present in the web of big money and advocacy, there is abundant evidence here that achieving victory in Massachusetts is part of a broader playbook — and it is serious business to the forces that are out to destroy public education and educators' unions.

The answer to defeating this all-out assault is no great mystery, and MTA members — along with parents, students, allied organizations and many others — are at the heart of it. At this writing, the MTA is taking many steps at once, all of them involving the kind of relentless organizing that created power for educators and other working people in the first place.

Not long ago, the MTA collected more than 29,000 signatures for the Raise Up Massachusetts campaign, which seeks to place an additional tax on annual income exceeding \$1 million, bringing in billions of dollars over the years ahead for public education and transportation.

Today, the charter campaign is front and center. We are working closely with fellow members of the Massachusetts Education Justice Alliance, a coalition of community groups, parents and unions formed to take on the many issues challenging our public schools: lack of funding, high-stakes testing and the state's rigid accountability regime, as well as charter expansion. MEJA has organized a ballot campaign called Save Our Public Schools to fight the charter question, and the MTA is a leader in that effort.

The threat to public education and unions will not go away. But it can be countered forcefully and effectively if union members join others in their communities in organizing for power and then using it wisely and well. Understanding the current situation is a key step along that road, and the information presented here will be helpful in that regard.

**ELEMENTS OF THE
CHARTER CAMPAIGN**

The Massachusetts Alignment

Charter enrollment has grown by 100 percent nationally since 2007-2008, and privatized schools have expanded rapidly in New Orleans and other cities. But proponents remain frustrated by what they view as a lack of recent progress in expanding the charter footprint.

The right-leaning Center for Education Reform, which ranks state charter laws, noted with some frustration in 2015: “Charter school growth does continue at a steady, nearly linear pace nationally, especially in states with charter laws graded ‘A’ or ‘B,’ but an even more accelerated pace would allow charter schools to play a more central role in addressing the demands and needs of our nation’s students.” This pressure for action is clearly evident in Massachusetts, where charter advocates are pursuing a three-pronged attack — through the courts, the Legislature and the ballot box — to increase the number of charter schools.

Many of the money figures behind the charter push — investors and venture capitalists with access to cash through their firms and their vast personal wealth — are people not accustomed to waiting for results. They want to “disrupt” education and change the “output” — overhauling how schools are created, managed and run. They join more experienced education “reformers” who have spent years investing in the vast network of think tanks, advocacy organizations, legal groups and funding vehicles to make a coordinated push for a greater private role in schools.

What brings them together in Massachusetts in 2016 is a seemingly perfect alignment: a supportive governor, a legislature with key members who are listening, a growing network of professional “grassroots” groups working in concert with established policy organizations, and a deep bench of donors who have long been dabbling in charter school operations and investing in educational products with the potential for huge returns. These players have worked together with varying success in recent years in Connecticut, New York, Louisiana, California and Washington state.

Supporters of public education face a steep challenge in this atmosphere. It may be easy to identify why charter proponents are pushing for change and what elements they are bringing together to force that change, but how much they can devote to a full-on charter assault may be unknowable.

The money from education privateers that can be identified and counted in the drive to raise the Massachusetts charter school cap is merely the tip of the iceberg — just a whiff of the potentially tens of millions of dollars poised to be spent pressing for more charter schools. Public filings for the charter campaign and for legislative lobbying expenses show dollars raised and spent on charter advocacy, but that reflects only a small share of the vast resources being assembled.

The campaign committee for the charter ballot campaign, Public Charter Schools for Mass, filed its first report in January 2016, reporting just under \$500,000 raised for a ballot measure. Contributions included eight \$40,000 donations from individuals and \$70,000 from a political committee linked to state Republicans. Such filings cover general expenses for any campaign, such as signature-gathering costs. Lobbying reports for charter advocates show public relations costs and some organizing expenses for staging rallies.

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But what the campaign and lobbying reports fail to reflect is the millions already spent to sway public opinion and create the illusion of vast grassroots support for raising the state charter cap. They do not hint at the millions more to come — additional money that will be expended by some of the same campaign donors, their corporate education reform colleagues and other out-of-state funders with charter interests.

These charter resources are showing up in new advocacy groups making a splash in the state, such as Families for Excellent Schools and the charter-educator organization Educators 4 Excellence — out-of-state entities with a new Massachusetts presence. More potential campaign money is buried inside the workings of political operations associated with the Great Schools Massachusetts coalition, such as Education Reform Now and its sister group, Democrats for Education Reform.

Because nonprofit groups such as these file tax returns in the years after money is spent, it is impossible to track all of the resources committed to the Massachusetts charter drive in real time. But experiences in other states and the track records and intertwined relationships of charter advocates and their donors hint at the extensive resources primed for impact.

In January, *The Boston Globe* reported that a “business-backed coalition” was “poised to spend up to \$18 million and obliterate state campaign spending records in favor of expanded charter schools.” The story noted that Great Schools Massachusetts, the “umbrella group” for the campaign, had warned that if it was not satisfied with charter legislation, it would “press ahead with a ballot measure.” The article continued: “The group is prepared to take to the airwaves, step up its legislative lobbying, and deploy canvassers if a charter school question lands on the ballot, the people familiar with its intentions said.”

Now, with the issue almost certainly headed for the ballot in November, it is clear that assuming the proponents’ threats are real, the Commonwealth will be at the center of an all-out campaign to ease the frustrations of the national pro-charter forces — an effort that will be sharply countered by parents, students, community coalitions, union members and others.

Great Schools Massachusetts

Pressures building both within the Commonwealth and outside its borders have converged this year in legislative, legal and political efforts to expand charter schools in Massachusetts. Proponents' focus — and the support of many donors — have shifted to the state for the battle and united under the umbrella of a group calling itself Great Schools Massachusetts.

Since 2013, charter advocates representing business interests, right-leaning donors, investors and existing charter schools have been working to assemble the resources and infrastructure needed for a full-scale charter campaign. Out-of-state donors and Massachusetts charter donors have pitched in to ensure that local groups have sufficient resources to finance a protracted fight. Proponents have said they are willing to spend \$18 million for the charter campaign, though millions have already been spent laying the groundwork for legislative, judicial and voter consideration.

Although there are Massachusetts members of the coalition, Great Schools Massachusetts is not merely a local group of concerned parents and community members advocating for a change in the state's charter laws. Instead, GSM is a collection of some groups with local ties and other organizations that have worked in Massachusetts with the backing of out-of-state donors who have challenged "traditional" public schools in California, Connecticut, Illinois and New York, often to increase the number of charter schools and weaken educators and their unions.

Seeds of the campaign in 2013. The Boston Foundation supported "raise the cap" legislation in 2013, only to see it die the next year in the state Senate. In 2013, in what would foreshadow the 2016 charter campaign, The Boston Foundation gave the Massachusetts Charter Public School Association a three-year \$100,000 grant "to support its campaign to expand and improve charter schools and to support efforts to raise the charter school cap in Massachusetts." The president of the Massachusetts Charter Public School Association is Beth Anderson, Phoenix Charter Academy Network founder and CEO. She is also chairing the Public Charter Schools for Mass ballot committee.

Advocacy groups began assembling their money in 2014 to make a play for Massachusetts. Records show that donors gave the New York group Families for Excellent Schools funding that year to open a Boston office, preparing to mobilize for a major legislative effort and, if needed, a ballot initiative push.

Political money was moving around as well. Democrats for Education Reform, a sister nonprofit to the well-funded Education Reform Now charter advocacy group, poured money into the Boston mayoral race and later into legislative campaigns to elect "education reform friendly" candidates. All of these groups and others joined with local business groups and a handful of community groups in late 2015 to put up a united front with Governor Charlie Baker on behalf of charter schools, launching Great Schools Massachusetts.

GSM members and supporters represent education, advocacy and business groups, with some overlap in donors and some leaders.

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- Families for Excellent Schools, the rapidly growing advocacy group that spent a record amount of money in New York and lobbied heavily in Connecticut, counts on funders such as the Walton Family Foundation of Arkansas, the California venture philanthropy fund NewSchools Venture Fund, and Texans John and Laura Arnold. Californians Eli Broad and Bill Oberndorf, longtime supporters of privatizing education, have supported FES through their foundations. FES donors include the foundation of New Yorker Gideon Stein, who advocates for charters while selling schools education technology, and DonorsTrust, which collects support from right-leaning funders such as the Koch, Coors and Scaife families.
- The group that provided early money for FES, the New York-based Education Reform Now, was moving money over to Democrats for Education Reform, an independent expenditure committee active in Massachusetts legislative campaigns in 2014 and 2016.
- Many Bostonians know Democrats for Education Reform for making a significant splash in the 2013 mayoral race. DFER reported spending \$1.7 million to help elect what it called an “education reform friendly mayor”; the committee backed the unsuccessful mayoral campaign of then-City Councilor John Connolly. DFER had been led by Joe Williams, who left the group in 2015 to run an education advocacy initiative of the Walton Family Foundation.
- Unsurprisingly, local anti-tax groups that favor reduced spending on government services, including schools, have joined the coalition. The Massachusetts Taxpayers Foundation and Massachusetts Fiscal Alliance are both on board. The MTF has collected at least \$65,000 from Boston Foundation donors in recent years.
- At least four business groups, some unfriendly to labor, have joined Great Schools Massachusetts. They include the Greater Boston Chamber of Commerce, the Massachusetts Business Roundtable and the Massachusetts Technology Leadership Council. Also a member is the nationwide commercial real estate development association NAIOP, which calls itself the “acknowledged leader in real estate advocacy and policy development for owners, developers and investors.” Developers will be watching the outcome of the charter battle closely, given that charter schools spend hundreds of thousands of dollars — sometimes millions — on finding sites for schools and developing property.

Great Schools Massachusetts will not only rely on local and out-of-state funding from donors who want more charter schools for financial or ideological reasons, it will also get support from education advocacy groups eager for more progress in the fight to expand the national charter footprint.

They include groups such as the right-funded Center for Education Reform, which has long touted private vouchers as alternatives to public schools and more recently has served as a vocal voice for charter schools. CER ranks charter school laws and gave Massachusetts a “C-” grade for failing to have an independent authorizer and for its cap on the number of schools. CER, which shares some donors with Families for Excellent Schools, is helping out by providing links on its website to the Massachusetts campaign and its “Fact Check” feature on charter schools.

Families for Excellent Schools

Families for Excellent Schools — which has now expanded to Massachusetts to join the three-pronged offensive to lift the charter school cap — has previously worked in New York and Connecticut, pouring money into advocacy and political campaigns and enlisting parents and families as it seeks to suggest a groundswell of community support for charters. Donors who support a greater private role in education, seeing Massachusetts as the next significant charter battleground, provided the seed money to open the local FES affiliate in 2014. FES became a vocal member of the Great Schools Massachusetts coalition, organizing and lobbying to advocate for charters through a “Unify Boston” campaign.

Today, FES draws money from old-line donors who want to privatize schools to shrink the size of government. But it is also a tool of investor-donors who have created interlocking advocacy groups to help capture a share of the public money flowing to schools.

A swift impact on New York charter schools. FES is a relatively new group that was ramped up quickly to impact state charter debates. From its start, it joined a jumble of New York advocacy groups linked together by donors and leaders. By 2014, it was dumping millions of dollars of hard-to-track political and lobbying money into New York’s charter school debate.

The growing impact of the group can be seen clearly in the period between July 1, 2011, and June 30, 2014. The 501(c)(3) FES nonprofit began with \$1.1 million in reported revenue for its first fiscal year. By the end of its third fiscal year, it reported \$12 million in revenues. In 2014, FES and its companion 501(c)(4) political arm, FES Advocacy, shared a New York address with StudentsFirst New York, also home to New Yorkers for a Balanced Albany, which was created by StudentsFirst to support Republicans friendly to its agenda in the New York State Senate. The allied group Education Reform Now, parent of Democrats for Education Reform, provided funding for FES in its first year of operation, both directly and through a New York charter group called The Tapestry Project. All of these groups have shared donors.

FES has myriad ties to the New York charter community, not the least of which is its connection with The Tapestry Project, which was started by Eric Grannis, husband of Success Charter Academy founder Eva Moskowitz — a central and highly controversial figure in the charter school drive.

FES reported spending on event costs, advocacy and organizing, and in its first year it paid nearly \$100,000 for “parent stipends” while moving money over to FES Advocacy for political action and organizing parents. In 2014, FES spent a record \$9.7 million lobbying for charter-friendly legislation, and FES expenditures included \$3.6 million spent blasting New York Mayor Bill de Blasio with ads and other attacks for trying to block funding for charter schools in New York. After the FES onslaught, New York legislators provided charter funding and limited New York City in how it could manage the growth of charter schools.

Tax records show that current Massachusetts Education Secretary James Peyser, then managing partner of NewSchools Venture Fund in charge of expanding Boston’s charter school footprint, was on the FES board in 2013 and 2014 during this explosive growth. NewSchools Venture Fund —

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which provides startup and expansion money for charter schools, education nonprofits and for-profit education companies — gave FES \$500,000 in 2014 to open its Massachusetts operation.

FES was making an impact in Connecticut at the same time. In 2013, FES Advocacy Inc. gave \$330,000 to A Better Connecticut, a Connecticut advocacy group that supports expanding charters in the state. ABC indicated that in addition to FES, its largest donors were Education Reform Now Advocacy, 50CAN Action Fund, Inc., Real Reform Now Network and Students for Education Reform. A Better Connecticut was established in 2013 by leaders of ConnCAN, the Connecticut Coalition for Achievement Now, which was created by the original funders behind Achievement First, Inc., including NewSchools Venture Fund board member Jonathan Sackler. FES lobbied legislatures and staged rallies urging legislators to increase funding for charter schools.

A revenue stream that can't be tracked. With money flowing between FES and its companion 501(c)(4) political arm, FES Advocacy, it is impossible to track the source of all the funds involved. “These guys have invented the ‘hedge-fund loophole’ in the dark-money world of [Governor] Andrew Cuomo’s Albany,” said Billy Easton, executive director of the Alliance for Quality Education, an educator-backed group that faced FES in the 2014 New York charter expansion fight.

Along the way, FES has been propped up by loans from board members. FES reports owing Chair Paul Appelbaum and board members Bryan Lawrence and Jonathan Lewinsohn — all Wall Street investors — a total of \$99,000 in its 2013 fiscal year and \$200,000 for the 2014 fiscal year.

In addition, there are transfers from related groups that helped FES in the early days and that further muddle the funding picture. Education Reform Now gave FES \$10,000 in 2012 and provided a \$49,500 grant to the charter school development entity The Tapestry Project, which in turn gave FES \$19,000 that same year. Education Reform Now was operating in part on a \$250,000 loan from Charles Ledley, its board chair and a \$40,000 donor to the Massachusetts charter ballot campaign.

Finally, FES receives funding from charter school groups. For its fiscal year ending June 30, 2013, FES Advocacy reported collecting a fee for “support services” from Public Prep Network, a charter school management company run by FES Advocacy board member Lawrence. FES reported \$515,989 in revenue for “advocacy and training.” Public Prep’s tax return for the same period reports “school support expenses” to unspecified providers of \$193,067. In Massachusetts, the Match Foundation, a nonprofit supporter of Match Charter Schools, paid FES \$9,000 in 2014 “and is engaged in lobbying efforts,” the foundation tax return states.

Old-line donors meet education investors in the FES funding pool. Identifiable funding for FES reflects the powerful convergence of hedge fund figures, investors using their extensive wealth to change how education is delivered, and longtime education “reformers” who have tried for years to steer taxpayer money into private schools through vouchers and tax credits.

Boston-based Strategic Grant Partners, a fund whose leaders and funders include major donors to the Massachusetts charter ballot campaign — some of them tied to charter schools and education companies — gave \$2.15 million to Families for Excellent Schools “to help support launch of Massachusetts site,” according to grant records.

As noted previously, NewSchools Venture Fund gave FES \$500,000 to open a Massachusetts office. The fund was pleased with the FES contribution, citing the funding in its Boston Charter Replication Fund report and noting that a November 2014 charter school rally staged by FES was “one of the largest education rallies the city of Boston has ever seen.”

In addition to SGP and NewSchools Venture Fund, donors to FES come from all over the country, all sharing an interest in increasing the number of charter schools.

- The Walton Family Foundation of Arkansas, the pro-voucher, anti-labor philanthropic arm of the family that founded and owns Walmart, had given FES at least \$5.71 million through 2014.
- DonorsTrust, the donor-advised fund in Virginia used by wealthy right-leaning donors to funnel money to think tanks and advocacy groups, gave FES \$100,000 in 2014.
- John and Laura Arnold, Texas billionaires who are also active in efforts to curb public pension spending, have reported giving between \$1 million and \$5 million to FES through their foundation.
- Former Alliance Capital executive Roger Hertog of New York, a chairman emeritus of the right-leaning Manhattan Institute think tank and a past donor to the national voucher political action committee All Children Matter, gave FES \$1.6 million in 2014 and 2015. Hertog co-founded the now-defunct *New York Sun* as the right’s answer to *The New York Times*. Hertog was vice chair of Alliance Capital when the financial firm advised the state of Florida’s pension fund in a decision to buy Enron stock after Enron was under investigation. The pension fund subsequently lost \$334 million when it sold its Enron stock for 28 cents a share.
- The Eli and Edythe Broad Foundation, a critical source of early charter funding in California and other states, has contributed at least \$430,000 to FES.
- The Lone Pine Foundation of Connecticut gave FES \$400,000 in 2014 and 2015. The foundation, the philanthropic funding vehicle of Stephen Mandel and employees at his Lone Pine Capital, supports public schools in Connecticut but also gives extensively to charter schools in Connecticut and New York. Mandel is on the board of Teach for America and was one of four donors — joining the Eli and Edythe Broad Foundation, the Laura and John Arnold Foundation and the Robertson Foundation — pledging \$25 million each to create a \$100 million endowment for Teach for America.
- Some \$350,000 came to FES in two grants from the Peter and Carmen Lucia Buck Foundation, also known as the PCLB Foundation. Peter Buck is a co-founder of Subway who has become increasingly active in charter advocacy in recent years. The couple’s foundation has funded charter school expansion efforts in New York and Connecticut, providing at least \$5 million to Achievement First plus major gifts to Education Reform Now and ConnCAN.
- Bill Oberndorf of California, a veteran voucher advocate and major donor to California’s 1998 and 2012 “paycheck protection” ballot initiatives, gave FES \$50,000 in 2014 as it was moving into Massachusetts and gave StudentsFirst \$100,000 in 2013 for FES backer Education Reform Now.

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Oberndorf's voucher activism has included supporting the All Children Matter voucher PAC, which worked for years in states to elect pro-voucher legislators, and its successor, the Alliance for School Choice.

- Manhattan Institute board member Ravenel Curry, founder of Eagle Capital Management, gave \$25,000 to FES in 2012 and has also supported the Alliance for School Choice and the Center for Education Reform, among other organizations. Curry gave \$5 million to help match Facebook founder Mark Zuckerberg's pledge to give \$100 million to the Newark schools; of the \$200 million total raised for Newark, about \$57 million helped charter schools. In 2013, Curry gave \$1 million to Uncommon Schools, a network of public charter schools in Boston, New Jersey and New York. Curry's son, Ravenel Boykin Curry IV, is a founding board member of Public Prep, a charter school network with ties to FES.
- Hedge fund manager Steve Cohen and his wife have given FES at least \$50,000 through their foundation, the Steven A. and Alexandra M. Cohen Foundation. Cohen founded and owns 100 percent of SAC Capital Advisors. The Cohens gave Achievement First at least \$16 million from 2008 through 2014 and funded charter schools in Connecticut and New York. The Cohens have been major funders of Teach for America, have supported Education Reform Now and gave the Partnership for Educational Justice, the tenure-challenging advocacy group started by former CNN anchor Campbell Brown, \$500,000 in 2014. The Cohens have given at least \$83 million to the Robin Hood Foundation, the massive foundation created by hedge fund manager Paul Tudor Jones II to support nonprofits, including charter schools.
- The Vanguard Charitable Endowment Program, a \$4.5 billion donor-advised fund, has given Families for Excellent Schools at least \$50,000.

For-profit case study and FES funding. Another donor is the Moriah Fund of Washington, D.C., which contributed at least \$205,000 to FES in 2012 and 2013. The fund is controlled by Gideon and Mary Ann Stein. Gideon Stein is an education investor who started the charter management company Future Is Now with Green Dot school founder Steve Barr. Stein was president of the national group and on the board of the New Orleans chapter when it ran the John McDonogh High School, one of many charter schools opened in New Orleans in the aftermath of Hurricane Katrina.

Initially touted as a turnaround standout and featured on the Oprah Winfrey Network show *Blackboard Wars*, the school was forced to close, abandoned by Future Is Now after running out of money and reporting some of Louisiana's lowest test scores. Stein left the New Orleans board in 2013, not long before Future Is Now announced the school's closing. Barr was slammed for bemoaning the quality of New Orleans students when he said: "This is what seven generations of crap looks like."

After leaving Future Is Now, Stein started LightSail Education, a for-profit digital literacy company whose products are used in public and charter schools. Investors in the company include Appelbaum and the Bezos Family Foundation, started by the parents of Amazon founder Jeff Bezos and a \$2.5 million donor to the NewSchools Venture Fund. Documents from New York state show that Success Academy charter schools use LightSail for reading instruction. Other accounts say the products are being used in public schools, including those in Boston. LightSail's President is Ryan Alexander, former chief financial officer of Success Academy Charter Schools.

Stein has served on the boards of New Classrooms, Success Charter Academy, Stand for Children, Teach Plus and the unionized University Prep Charter High School, formerly Green Dot New York. Stein is treasurer of the pro-charter group Chalkbeat, formerly called the Education News Network. Finally, Stein served on the board of The Tapestry Project, the New York charter school development company that helped FES with early funding. Tapestry was started by Eric Grannis, husband of Success Charter Academy founder Eva Moskowitz. FES board member Lawrence is also on the board of The Tapestry Project, which gave FES at least \$19,000.

Who's involved? The boards of FES and FES Advocacy are heavy with hedge fund and for-profit education figures.

As of its latest available tax return, the FES board was led by Appelbaum, principal at Rock Ventures LLC, whose company is also an investor in Stein's LightSail Education. He was a senior advisor for Teacher U, which was developed by KIPP, Achievement First and Uncommon Schools to offer teacher preparation courses, primarily for educators in charter schools. Now called the Relay School of Graduate Education, the school offers courses for master's, alternative certification and special education programs for teachers and for the "National Principal Academy."

FES Vice Chair Lawrence, a former managing director of Lazard Frères, chairs the Public Prep charter network. FES Treasurer Jonathan Lewinsohn runs Centerbridge Partners, a private equity firm. Secretary Frances Messano is chief of staff and a managing partner for NSVF and a former vice president of strategy at Teach for America. Trustee Yvonne Chao is a senior adviser to UKA Ventures, a school development nonprofit spun off from the graduate education company she helped start, Relay Graduate School of Education. Researcher Diane Ravitch called Relay "a master's program that was created by three charter school chains to prepare teachers for working in charter schools."

Trustee Reshma Singh is a former vice president of Achievement First who was executive director of the Partnership for Educational Justice, the advocacy group started by former news anchor Brown. On her LinkedIn account, Singh said she "launched and led an organization dedicated to helping students, families and communities advocate for great schools through legal action. Oversaw organization's first campaign, *Wright v. NY*, a lawsuit filed by nine families that challenges New York's teacher tenure, teacher dismissal and layoff policies."

The FES Advocacy board includes Appelbaum, Lawrence, FES Executive Director Jeremiah Kittredge and Joseph Kusnan, who served on the board of KIPP New Jersey with Peyser.

Among FES staff, Kittredge, former executive director of Democracy Builders, is a former coordinator of civic initiatives at the Democracy Prep Charter School. Chief Operating Officer Katie Cunningham worked for Teach for America, including in fundraising. Chief of Staff Richard Kwon's résumé includes stints at Teach for America, Achievement First and Barclays Capital. FES staff members show the overlap with Education Reform Now and Democrats for Education Reform: FES Chief Program Officer Sean Andersen was DFER's chief of staff and ERN's deputy field director, and FES Massachusetts State Director Keri Rodrigues Lorenzo is a former Education Reform Now staff member.

The Pioneer Institute

The Pioneer Institute is a Boston-based think tank that develops and promotes “public policy solutions” and “research” grounded in free-market principles and a model of limited government. Pioneer was founded in 1988 by oil and gas executive Lovett Peters, who also worked with donors and policy leaders outside of Massachusetts to nurture the State Policy Network. The SPN, in the model of the Heritage Foundation, operates with a goal of showcasing conservative advocacy in states across the country.

While today’s Pioneer forums attract an array of voices — including representatives of the MTA at times — its work product and organizational advocacy lean decidedly right. Researcher Frederick Clarkson, who has tracked the rise of the right’s influence, once wrote that the Pioneer Institute is typical of the state-based think tanks that work together through the SPN “in projecting an appearance of intellectual rigor while pursuing an unquestionably ideological agenda.”

Pioneer’s policy priorities call for curtailing spending on public employee pensions and benefits, reining in allegedly excessive governmental regulation, and evaluating health care reform from a free-market perspective. Four policy centers — which Pioneer calls School Reform, Healthcare Solutions, Economic Opportunity and Better Government — make up the think tank’s structure.

Where education is concerned, Pioneer has honed the right’s strategy in working to achieve its goals: convince the public and policymakers that there is a problem — in the case of education, with public schools — and then promote a “solution.” The education solution, Pioneer argues, is to spend public money on more privatized options and promote high-stakes testing.

Pioneer has long been a booster of charter schools in Massachusetts. Early on, staffers helped write the Massachusetts charter law. Founder Peters, who died in 2010, believed that charters opened the door to more private options. Yet Pioneer’s charter advocacy is only one piece of the think tank’s strategy to create more educational options outside of traditional public schools. Promoting virtual schools, supporting parochial schools and encouraging taxpayer-funded vouchers for private school tuition, Pioneer has worked with its allies to diminish resources for public schools.

Some policymakers are open to Pioneer’s message because its alumni are well connected in government and business. Through the 1990s and early 2000s, a revolving door cycled policymakers and leadership between Pioneer and the administrations of ideologically friendly Republican governors. A Pioneer Institute executive director, Steven F. Wilson, was recruited to help then-Governor William Weld draft the original charter school law. Governor Charlie Baker was one of Pioneer’s early executive directors and “played a role in a number of research initiatives since that time,” Pioneer noted after his election.

When he took office in 2015, Baker looked to someone with Pioneer experience to shape the state’s education policies. Former Pioneer Executive Director James Peyser had advised Weld and had been named chair of the state Board of Education before he ran the East Coast business of the NewSchools Venture Fund, a nonprofit funded by wealthy donors to expand the footprint of education companies and charter school chains. Peyser was also on the board of the charter advocacy group Families for Excellent Schools when Baker tapped him as state education secretary in December 2014.

The Peyser appointment spoke volumes about the governor's interests in the direction of public education. "Charter school advocate picked for Mass. education chief," said the *Boston Globe* headline on the story about Peyser's selection. Peyser brought to the office a wealth of connections in policy, funding and advocacy to advance the governor's education agenda.

Providing talking points and advocacy tools for the charter campaign. As a reliable proponent of charter schools, the Pioneer Institute can be counted on to produce ready-made materials for a legislative or ballot campaign. A May 2016 seminar sponsored by Pioneer and the NewSchools Venture Fund examined "Best Practices from Urban Charter Schools," including tools helpful for "educating" legislators and potentially voters. Pioneer circulates white papers, such as its January 2016 document contending that charter schools are delivering on the promise of curricular innovation. Pioneer's Center for Education Reform commanded more than 40 percent of the organization's annual expenses in its budget of about \$1.5 million, according to recent financial figures.

Film to boost "school choice" options. Pioneer worked in 2016 on a "school choice" film scheduled to be aired at National School Choice Week in January 2017. Pioneer says the film will reveal the "nativist bigotry" of school choice critics by examining "the persecution and violence directed at Catholics by Know-Nothing mobs during the 1840s and 1850s." The anti-Catholic sentiment resulted in an "anti-aid" state constitutional amendment that prevented disbursement of state money and local tax revenues to parochial schools. Still in the Massachusetts Constitution, the language has been modernized by the voters several times since its enactment and protects against the use of public money to benefit or aid private entities absent public control or public ownership. Pioneer wants to repeal the language, which would be one way to steer state taxpayers' money to parochial schools, other private schools and non-educational entities.

Promoting virtual schools, supporting parochial schools and encouraging taxpayer-funded vouchers for private school tuition, Pioneer has worked with its allies to diminish resources for public schools.

Opposition to Common Core and national education standards. Pioneer says it has been waging war on the Common Core standards since 2009, producing research and an advocacy "toolkit" that contend Common Core is replacing what it considers more academically rigorous state curriculum standards. Common Core is expensive to administer, Pioneer says, and it contends that the U.S. Department of Education's Common Core guidelines imposing rules on states may not be legal.

The Jaquelin Hume Foundation and *MassReportCards.org*. Since 2009, Pioneer has offered *www.MassReportCards.org* to "provide information parents can use to make informed decisions about where they send their children to school" — similar, it claims, to the comparative shopping consumers do when buying a car. The website provides access to school-specific MCAS results and a few other metrics and encourages parents to rate their child's school. (Sample questions: "How would you describe the quality of the teachers?" and "How would you describe the level of safety?") The project is funded through the support of the right-leaning Jaquelin Hume Foundation.

Targeting promised public employee retirement benefits as unaffordable, likening educator pensions to a train wreck and suggesting their replacement with a defined-benefit/401(k) hybrid. Pioneer's Center for Better Government tackles pension "reform" and government regulation and spending and brings what it alleges is "transparency" to public pensions. In December 2012, Pioneer's executive director, Jim Stergios, characterized municipal employee retirement benefits in Massachusetts as "basically a Ponzi scheme" for which the government has no way of paying. Stergios has also stated that teachers' pensions amount to an unaffordable system that is leading to the fiscal

equivalent of a “slow train wreck.” Stergios suggests that the state move to a hybrid system in which teachers’ retirements have a diminished defined benefit coupled with a 401(k) plan.

Sponsoring a “Better Government Competition.” Pioneer sponsors an annual “Better Government Competition” that seeks ideas from around the Commonwealth and the nation for making public services more cost-efficient. While not all winners are politically conservative, the awards are keyed to themes that track with Pioneer’s small-government ethos. The 2008 prize, for example, went to the Florida Virtual School — the largest state-funded K-12 school in the nation, which functions as a public school free to Sunshine State residents but has a for-profit arm and a partnership with a leading private education marketer. Another winning idea was a libertarian foundation’s proposal to privatize Logan International Airport.

Advocating for a free-market approach to health care. Pioneer advocates for bringing a “common sense, free market perspective to the health care debate” and has been critical of Massachusetts’ ongoing reform efforts and implementation of the federal Affordable Care Act. Pioneer published “The Great Experiment,” a look at the 2006 Massachusetts health care reform law, and offered a “market-oriented blueprint” for future action. Billing the publication as judicious and balanced, the book’s promotional website quotes favorable reviews almost exclusively from the political right, including Republican economic advisor Douglas Holtz-Eakin and the opinion pages of the *National Review* and *The Wall Street Journal*. Pioneer’s blog has condemned the state’s 2012 health cost containment law as patterned on “failed top-down approaches of the past” that “trusted government, not patients.” Pioneer has been especially critical of the state’s participation in the Affordable Care Act, faulting Massachusetts’ experiences in launching its health care exchange.

Funding from reliable right-leaning donors favoring a small-government agenda. Pioneer attracts financial support from numerous right-leaning foundations and donors who favor the think tank’s philosophy: reduce the size and scope of public education, make it harder for unions to organize, and generally shrink the size of government, services, programs and regulatory oversight. Benefactors contributing through Donors Capital, the donor-advised fund for some of the right wing’s wealthiest and most politically active families, including the Kochs, gave Pioneer at least \$235,000 from 2012 through 2014.

The Walton Family Foundation gave Pioneer more than \$493,000 from 2011 through 2013, including some of the policy group’s largest grants. The Jaquelin Hume Foundation, active in “school choice” funding, gave at least \$210,000. The Thomas Roe Foundation, a philanthropic vehicle created by the late Thomas Roe, a founder of the State Policy Network and the Heritage Foundation, gave Pioneer \$75,000 from 2011 through 2014, and the Lynde and Harry Bradley Foundation has given at least \$50,000.

Among Massachusetts donors, The Boston Foundation gave Pioneer \$211,450 from 2003 through 2013, and the Flatley Foundation, which was established by the late Thomas J. Flatley, founder of a commercial real estate development company, has given Pioneer at least \$311,000 in recent years. The foundation of the late Lovett Peters has contributed at least \$100,000.

Who’s involved? The Pioneer board is led by Chair Stephen Fantone, founder and CEO of Optikos Corporation, and Vice Chair C. Bruce Johnstone, a managing director and senior marketing investment strategist at Fidelity Investments. Mary Z. Connaughton, an unsuccessful past Republican candidate for state auditor, is among the politically connected board members of Pioneer.

The Investors: Massachusetts Campaign Money

Massachusetts is in the center of the growing national education privatization storm, with supporters eyeing a huge payoff for anyone willing to invest in the infrastructure and political advocacy it takes to privatize a greater share of the nearly \$800 billion education marketplace. Education is “really the last honey pot for Wall Street,” says Donald Cohen, executive director of In the Public Interest, which tracks government privatization.

Massachusetts charter advocates have vowed to spend at least \$18 million to press the case for more charters in the state — a number that would seem to be easily within reach given that an arguably smaller group of pro-charter forces spent at least \$16 million in New York’s 2014 charter expansion campaign, according to an estimate by *Politico*.

The early money supporting the Massachusetts charter campaign, made public through campaign filings, comes from familiar faces in the local education privatization movement — investors and donors who have backed charters, for-profit education companies, and political advocacy in favor of charters. The initial report filed by the charter ballot committee, Public Charter Schools for Mass, shows contributions ranging from \$3 to \$70,000, with the bulk of the nearly \$500,000 initially raised coming from eight individual donors and a political group that has helped Republican candidates.

Nuts and bolts of the early ballot campaign. Beth Anderson, CEO and founder of Phoenix Charter Academy Network, chairs Public Charter Schools for Mass. A former Teach for America educator and former deputy executive director of Boston’s Match Charter High School, Anderson served on Governor Charlie Baker’s transition team and co-chaired his Education Advisory Committee. She is currently president of the Massachusetts Charter Public School Association. The committee’s treasurer is Thomas Kiley, an attorney specializing in election and criminal law.

Campaign committee expenses reported in January 2016 totaled \$362,280.59, with the bulk of expenditures — totaling \$305,000 — paid to J.E.F. Associates Inc. of West Springfield for signature gathering. The balance of expenses included a \$20,000 payment to the Cosgrove, Eisenberg & Kiley law firm. Keyser Public Strategies, which is also the lead outside consultant for Great Schools Massachusetts, collected \$25,000 from the campaign. Keyser is run by Will Keyser, a chief campaign strategist to Baker who still advises the governor.

Mary Wong collected \$10,064.94 for compliance work. She previously was the contact listed for the Committee for Charter Public Schools, a Section 527 political committee established in 2009 in Milton. James Peyser, now the state’s education secretary, was the custodian of records for that committee, which collected contributions from some of the 2016 charter campaign’s donors plus national charter and privatization advocates including Eli Broad, Donald Fisher and Alice Walton.

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Contributions reported in January 2016 show eight top-tier donors who gave \$40,000 to launch the ballot effort:

Josh Bekenstein, co-chair, Bain Capital. Bekenstein is a veteran charter supporter. His charitable gifts through the Joshua & Anita Bekenstein Charitable Fund, a donor-advised fund of Combined Jewish Philanthropies of Greater Boston, Inc., have provided more than \$1 million to the advocacy group Stand for Children. While leading Bain's investments — including investments in education companies — Bekenstein personally has provided critical support to two key education investment groups that have helped grow charter schools: the Boston-based education incubator New Profit and the national charter school investment group NewSchools Venture Fund.

In February 2016, Bekenstein stepped down as chair of New Profit, a venture philanthropy fund that stakes nonprofit and for-profit education, health, early childhood development and economic development entities with a mission to invest in “innovative, disruptive approaches to social problem solving.” Bekenstein's Bain work has included guiding education investments in companies including Bright Horizons, a growing school operator that runs Montessori and elementary schools in six states and that provides preschool options. Bekenstein is among the donors hoping to pour the bulk of his personal wealth into philanthropy. The goal for Bekenstein and his wife, Anita, he says, “is to see if we can give it all away while we're alive, and die broke.”

Paul Edgerley, retired Bain Capital managing director. Edgerley runs a family foundation that supports charter development and advocacy. In 2013-2014 alone, the Edgerley Family Foundation gave about \$600,000 each to New Profit and Strategic Grant Partners, two charter school incubators. Edgerley is a former SGP board member and was among the initial donors who launched that funding vehicle to support both charter schools and the groups that advocate for their growth. His wife, Sandra Edgerley, who co-leads the family foundation, is on the Board of Directors of The Boston Foundation, a major charter supporter, donor to charter schools and funder of pro-ballot-initiative groups including the Massachusetts Charter Public School Association.

Seth Klarman, president of the Baupost Group. *The Boston Globe* described Klarman as “New England's top campaign contributor” and a \$3 million GOP contributor to federal elections in 2014. Klarman is well versed in political advocacy to support charter school expansion: He was among a group of hedge-funders who financed New Yorkers for a Balanced Albany, a \$4 million-plus political committee that aimed to elect pro-charter Republicans to the New York state Senate in 2014. The New York donors worked closely with Families for Excellent Schools to expand charter school financing at the expense of public schools.

Klarman runs a \$603 million family foundation that supports cultural, youth and community groups, as well as charter schools and EdVestors, the Boston fund that provides financial support to programs in public, charter, parochial and independent schools. KIPP and Edison charter schools are included in the EdVestors portfolio. Klarman and his wife have agreed to the Giving Pledge, through which donors agree to give away the majority of their wealth. In a letter stating his intentions to spend down the bulk of his philanthropic assets, Klarman says more money needs to be spent in the community. “One key observation is that society's problems seem to be compounding as fast or faster than wealth can compound, suggesting a greater urgency to current funding,” Klarman wrote.

Brian Spector, retired partner at the Baupost Group. Spector left Baupost in December 2015 to focus on “family and philanthropy.” He is on the board of New Profit. His \$20 million Spector Foundation is handled by The Boston Foundation, which is central to funding for the Massachusetts network of charter schools. Spector’s contributions include support for Stand for Children and Excel Charter Academy, among other education groups.

Charles Ledley, analyst at Highfields Capital Management, former partner at Cornwall Capital and a former Bain Capital consultant. Ledley’s charter involvement has included serving on the boards of Democrats for Education Reform and Education Reform Now, a group he helped launch that was a force behind a punitive anti-teacher-tenure law passed in New Jersey. Money funneled through Education Reform Now helped establish the Families for Excellent Schools affiliate in Massachusetts. Tax records show that one year, Ledley loaned Education Reform Now \$250,000 for operating expenses. Ledley’s wife, Rebecca Ledley, a board member of the UP Academy Charter School Company, was at one time director of the online education company K-12, founded by Bill Bennett, Ronald Reagan’s education secretary. The firm has been a beneficiary of expanded voucher laws and public spending on online schools. Rebecca Ledley is a former board member of Students for Education Reform.

Joanna Jacobson, managing partner of Strategic Grant Partners. With \$128 million in assets, SGP is a major contributor to charter schools and advocacy groups including Families for Excellent Schools and Stand for Children. SGP gave \$2.4 million to Educators 4 Excellence in 2014 and another \$550,000 to establish a new group supporting Teach for America and its alumni called Leadership for Educational Equity. Jacobson is an advisory board member of Brooke Charter Schools, as is Charles Ledley. She is married to Jonathan Jacobson, founder of Highfields Capital Management. She runs the couple’s \$513 million Jacobson Family Trust Foundation, another significant charter backer that gave at least \$2.8 million to SGP in 2014.

Abigail Johnson, CEO of Fidelity Investments parent FMR LLC. The company is owned by her family; Johnson, whose worth is an estimated \$15.6 billion, is also on the board of her family’s \$270 million Edward C. Johnson Foundation, which supports Boston’s Steppingstone Foundation, operator of College Success Academy. Family member Allison Johnson is on the Steppingstone board. Boston Foundation President Paul Grogan and SGP’s Joanna Jacobson are on the Steppingstone advisory board.

Paul Severino, investor and advisor to emerging technology companies. Severino co-founded and chaired Bay Networks Inc. and is former chair of Massachusetts Technology Development Corp.

Strong Economy for Growth. The largest single donor to the charter ballot committee, a group called Strong Economy for Growth, provided two checks totaling \$70,000, according to the initial campaign filing. Little information is available about the group, which uses a Lynnfield address.

The national research group Citizens for Responsibility and Ethics in Washington has examined Strong Economy for Growth and how it has moved money around to support candidates, finding scant information available about its donors. In 2014, according to its tax return, Strong Economy for Growth gave \$165,000 to the Independent Leadership for New Hampshire PAC, created to help the unsuccessful U.S. Senate campaign in New Hampshire of former Massachusetts U.S. Senator

Scott Brown. State campaign finance records show that it gave the Strong Economy for Massachusetts Independent Expenditure PAC \$3,500, which helped fund online ads supporting Baker. Federal election records show earlier donors to Strong Economy for Massachusetts, in 2012, included charter campaign donor Seth Klarman.

CREW's research expresses frustration with the inability to identify donors to Strong Economy for Growth — a likely constant factor as the charter campaign unfolds. Reflecting on 2014 campaign activity, CREW's blog said the group "seems to mostly exist to funnel money to support Massachusetts Republicans like Mr. Baker and former Sen. Brown. All while keeping its donors secret."

Smaller donors from the investment world. Still more donors to the charter campaign include two \$30,000 givers: Bill Helman, general partner at Greylock Partners and a Dartmouth College trustee, and Martin Mannion, managing director and chief investment officer at Summit Partners. Greylock is a Silicon Valley venture capital firm whose portfolio includes education companies. Greylock has funded the If You Can Company, a startup that uses game play to teach children social and emotional learning skills, and CreativeLive, a provider of online education classes to schools including charters. Mannion is on the board of UP Academy and helped launch Strategic Grant Partners.

Two donors of somewhat lesser amounts are likewise tied to charters, and both were among the initial givers to the charter backer Strategic Grant Partners. Denise Dupré, founder and managing partner of Champagne Hospitality, a hotel design and development company, gave \$10,000 to the charter campaign. Dupré is married to Mark Nunnally, executive director of the Massachusetts Office of Information Technology and a special advisor to Baker, who is on the New Profit board. Dupré is an advisory board member of Wendy Kopp's group Teach For All and is a Dartmouth College trustee along with charter donor Bill Helman.

A second \$10,000 donor is Richard Burnes, co-founder and general partner of Charles River Ventures, a board member of Boston Plan for Excellence and previously a Boston Foundation board member. In 2007, Burnes borrowed an idea from Silicon Valley and started the Entrepreneurs Foundation of New England, which asked startup companies to commit small amounts of early-stage stock for charitable purposes. The Entrepreneurs Foundation used the proceeds of this effort to create a donor-advised fund through The Boston Foundation that pumped money into groups including charter schools. Burnes and his family are major donors to The Boston Foundation; Burnes and his wife, Nonnie, have a fund there, and the couple's three adult children each have their own donor-advised funds at the foundation.

A smaller-dollar donor is Charles Longfield, senior vice president and chief scientist at Blackbaud, who gave \$1,000. A Blackbaud white paper pitching the company's K-12 management software noted: "Charter schools are becoming a popular alternative to public and private schools. They require strong fiscal controls to be put into place to ensure accountability to state and federal entities that provide them with funding. As a result, staff members at charter schools should be looking for an integrated software solution that can easily track grants and projects, fixed-asset information, and the abundance of paperwork that is required for an audit trail." Thomas Tierney, co-founder of The Bridgespan Group, likewise gave \$1,000. Bridgespan provides consulting advice to clients that include charter schools KIPP, Green Dot Public Schools and Harlem Children's Zone.

The Boston Foundation

The 101-year-old Boston Foundation has more than \$1 billion in assets, making it one of the nation's largest foundations. The foundation offers donor-advised funds and initiatives targeting education, health and wellness, economic development and community nonprofits. Colleges and universities, civic nonprofits, environmental groups and Boston landmarks have received grants through The Boston Foundation and its donors. Foundation giving is significant, with more than \$110 million distributed to nonprofits in the foundation's fiscal year ending June 30, 2014.

By its own description, the foundation's education philanthropy works inside the Boston Public Schools and outside of the system. Within BPS, the foundation, among other things, promotes autonomy for schools and "expanding or importing innovation that reforms and strengthens the school district, including collaboration across schools and school type."

Outside of BPS, the foundation's funding focuses largely on charter schools; it provides grants supporting charter systems such as the Match and Excel schools. The foundation supports "replicating high performing charter public schools, especially charter networks," and "advocating for policy changes that allow successful schools to proliferate, including removing barriers to expanding high performing schools." The foundation also counts research as part of its non-BPS funding mission.

A key initiative of the foundation is the Boston Opportunity Agenda, described as a public/private education-focused partnership among the city of Boston, the BPS, major charities and local foundations. The foundation said that because the Boston Opportunity Agenda "is a long-term partnership focused on achieving system change that will ultimately affect all Boston residents," leaders broadened its focus in 2014 to include Catholic and charter schools.

That builds on the foundation's support for the Boston Plan for Excellence, which had focused exclusively on public schools until it added a citywide partnership in 2009 that included public, charter, independent, parochial and pilot schools through the Boston Schoolchildren's Consortium. The Boston Foundation steered at least \$4.6 million to the Boston Plan for Excellence from 2009 through 2013.

In recent years, while calling for more charter schools, the foundation has acted as a one-stop shop for advocacy. The foundation has convened supportive groups, advocated for legislation and supported research and charter school operations — all to make the case for more charter schools. The foundation shows up repeatedly providing financial support to groups that are now part of the Great Schools Massachusetts coalition, which is backing charter expansion legislation and a ballot campaign. The foundation gave at least \$115,000 to the Education Reform Now advocacy group in 2013 and at least \$612,500 to the NewSchools Venture Fund, including at least \$200,000 specifically for the Boston Charter School Replication Fund.

The foundation gave the Massachusetts Charter Public School Association more than \$1 million from 2004 through 2013, including a \$100,000 grant that helped instigate the current charter drive,

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and has supported the Boston Charter Alliance. A \$2.5 million foundation grant to the Massachusetts Development Finance Agency in 2006 covered a loan guarantee for charter school funding.

Race to the Top Coalition. The Boston Foundation makes the push to raise the charter cap a clear priority. In 2009, the foundation convened the Race to the Top Coalition, a group of business and community leaders brought together to discuss education.

The coalition's member groups have included some of the same advocacy groups working in Massachusetts and other states to promote more privatized options in education, and it resembled a forerunner to Great Schools Massachusetts. Race to the Top Coalition members have included Families for Excellent Schools, Education Reform Now Advocacy, the Boston Charter School Alliance and the Massachusetts Public Charter School Association, as well as business groups such as the Massachusetts High Technology Council.

The coalition played a major role in passing "An Act Relevant to the Achievement Gap," the 2010 legislation that increased the number of charter school seats in the state and gave superintendents "new intervention powers" in underperforming districts, the foundation says in its materials.

Strategic Grant Partners, a nonprofit incubator fund started and funded by some of the top donors to the charter ballot campaign and a Race to the Top Coalition member, gave The Boston Foundation \$30,000 in 2013 to help pay for the Race to the Top Coalition's work.

Charter-friendly research. In advocating for more charter schools, Foundation President and CEO Paul Grogan cites pro-charter research prepared for the foundation or funded by charter supporters. Grogan used a Stanford University Center for Research on Education Outcomes report to call for further action on the cap in 2014, supporting "An Act to Further Narrow the Achievement Gap."

The 2013 CREDO study was funded by the Walton Family Foundation, a longtime supporter of charter schools and an advocate for private school vouchers that has given Stanford more than \$10 million in recent years for mostly unspecified support. CREDO has received nearly \$300,000 from the Michael & Susan Dell Foundation, a donor to the NewSchools Venture Fund, for work on the "Washington, D.C., Public Charter School Board Accountability Model Redesign."

Grogan has also highlighted research at MIT's Department of Economics' School Effectiveness and Inequality Initiative to support charter arguments. A 2014 charter study at MIT was paid for by the U.S. Department of Education and NewSchools Venture Fund. NewSchools and The Boston Foundation combined forces to support MIT's 2013 research, also cited by Grogan, on "Charter School Demand and Effectiveness."

Much of the research the foundation and others cite has been called into question by educators and others.

Supporting the 2016 charter push. Grogan is front and center in the charter debate in 2016. After a November 2015 Boston Common rally kicking off the 2016 charter school push, Grogan wrote an op-ed that provided, point by point, his reasoning for increasing the number of charter schools. He cited the foundation-supported research in making the case. "How can we not expand them?" Grogan asked of charters in his *Boston Globe* piece.

In March 2016, charter school advocates including the Massachusetts Charter Public School Association, Great Schools Massachusetts, the Race to the Top Coalition and the Massachusetts High Technology Council announced a “Fact Check: Public Charter Schools in Massachusetts” website to promote charters. Members of the coalition supporting the site, appearing with Governor Charlie Baker, said the information would help legislators as they consider raising the charter cap. The “fact check” feature is one of several Massachusetts charter advocacy tools accessible on the website for the national pro-privatization Center for Education Reform.

Grogan is also founder and director of The Community Development Trust and a trustee of Brandeis University. He is a board member of New Profit, a venture fund that finances charter schools, education technology companies and health and community groups. The Boston Foundation gave New Profit at least \$3.5 million from 2003 through 2013.

Sandra Edgerley is a Boston Foundation board member. Her husband, retired Bain Capital Managing Director Paul Edgerley, contributed \$40,000 to the charter ballot campaign committee Public Charter Schools for Mass, and the Edgerleys give extensively to support charter schools and community nonprofits.

**OTHER STATE
POLITICAL PLAYERS**

The Massachusetts Fiscal Alliance

Vowing at its start to be “a little more confrontational” than most right-leaning Massachusetts advocacy groups, the Massachusetts Fiscal Alliance promotes its policy goals of “fiscal responsibility, transparency, and accountability in state government” through advertising, mailers and testimony before the Legislature. Mass Fiscal has joined Great Schools Massachusetts, the coalition organized to raise the state’s cap on charter schools.

The group is organized under IRS section 501(c)(4) as a nonprofit organization, a structure that allows it to engage in significant amounts of advocacy work and to pay for organizing, advertising, mailers and other campaign-type expenses without publicly identifying its contributors. Indeed, its website states: “General contributions to Massachusetts Fiscal Alliance are not required to be publicly disclosed.”

Democrats have complained that Mass Fiscal’s voter outreach and education target specific candidates for defeat. Executive Director Paul Craney says, however, that his group is nonpartisan. “We’re just concerned about the issues we feel passionate about — taxes, spending, the budget, and transparency at the State House,” he told *The Boston Globe* in March 2016. The same story, citing an unnamed source, reported that the state’s Office of Campaign and Political Finance was reviewing the group’s activities.

Mining Mass Fiscal’s reported spending. Mass Fiscal made an immediate impact when it was formed in 2012, and leaders say that wealthy donors have been happy to support its work. Chairman Rick Green told an audience during a 2013 debate for Republican Party chair that he had a 75 percent success rate at persuading “folks who can write five, ten, fifteen thousand dollar checks” to contribute to Mass Fiscal.

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On its 2012 tax return, Mass Fiscal reports spending about \$184,000, including expenses on “mailings and other outreach activities to support or oppose various candidates during the 2012 election” that accounted for \$68,652 in “political activities.” Spending in 2013 of \$325,495 included \$177,430 for “educational opportunities and information for the public,” including costs for developing a legislative scorecard on the alliance’s website. Buoyed by even more contributions, Mass Fiscal spent \$817,197 in 2014, including \$584,537 on activities including ads and mailings providing voters with information on votes by legislative candidates.

Documents on file with the OCPF reported \$289,000 in electioneering communications by Mass Fiscal in 2014, opposing the campaigns of House Democrats, including state Representative Paul Heroux, who called the group a “Republican front.” The state Democratic Party alleged partisan activity in complaints against Mass Fiscal that were lodged that year with the Internal Revenue Service and the OCPF.

The Mass Fiscal “scorecard.” Mass Fiscal has developed a “scorecard” for its advocacy that rates Massachusetts legislators based on their votes. Percentages are assigned to legislators tied to how they vote on labor, education, environmental, tax and budget bills, including legislation involving charter schools. “With each vote cast in the State House, our economic freedom either advances or recedes,” Mass Fiscal writes on its website, explaining the tool. Nearly all Republican legislators rate in the 80 percent and 90 percent range, and there are a few with perfect “100” scores. Most Democrats hover

in the tens and twenties, with a few receiving single-digit scores for rarely voting the Mass Fiscal way. Mass Fiscal promotes its scorecard and uses the votes to “educate” voters on their representatives in a way that is similar to a process used by Heritage Action, the political arm of the Heritage Foundation, in rating members of Congress.

Votes as the basis for “voter education.” Mass Fiscal used legislators’ votes and stances on issues as the basis for ads and mailers in the 2012 and 2014 House races and in two 2016 special elections. Ads and mailers highlighted tax and spending votes by House Democrats and votes “denying veterans priority housing benefits over illegal immigrants,” according to Mass Fiscal and news accounts. Democrats have cried foul over the content of the ads: The charge concerning veterans, for instance, involved votes against a Republican amendment to a bill that was ruled out of order by the House clerk.

Ads have prompted Democratic leaders to challenge the group’s nonprofit status and call the voter communications “false attack mailers — funded exclusively by undisclosed donors.” *The Boston Globe* reported in March 2016 that “the Office of Campaign and Political Finance is now taking a serious look” at a fundraising letter Mass Fiscal sent to generate money for March 2016 special elections in Fitchburg and Peabody that told potential donors it was waging “an all-out blitz” for the races.

Resisting new taxes and pushing to shrink state revenues. The Massachusetts Fiscal Alliance calls for reducing the state income tax to 5 percent and cutting the sales tax to 5 percent, and it opposes any increase in the state gas tax. It supports eliminating the inheritance and inventory taxes and says it will oppose efforts to adopt the proposed “millionaires’ tax,” which would raise money for public education and transportation.

Opposing a higher minimum wage and paid sick leave. Mass Fiscal has opposed a paid sick leave requirement and has fought efforts to raise the minimum wage, while urging “reform” of the state unemployment system.

Who’s involved? Paul Craney has been executive director since Mass Fiscal opened its doors in 2012. Before that, he was executive director of the District of Columbia Republican Committee for four years, following a short stint as a regional director for the Massachusetts Republican Party in 2006. Chairman Rick Green is a Pepperell resident who owns an online auto parts business said to rank among the largest in the industry. In January 2013, he mounted a spirited campaign for election as chairman of the Massachusetts Republican Party, losing by two votes. Jim Rappaport, finance chairman, is a longtime conservative activist, real estate developer and former Republican state party chairman who has supported a host of conservative causes in Massachusetts since the 1980s. He ran unsuccessfully for lieutenant governor in 2002, appealing to GOP hard-liners who regarded Mitt Romney’s preferred running mate as too moderate.

Mass Fiscal’s Board of Directors formerly included Tom Shields and Tom Breuer, both of whom have long records as leaders and benefactors of the social conservative movement. Both served on the Coalition for Marriage and Family, which fought to repeal same-sex marriage rights, and have been directors of the Massachusetts Family Institute.

The Beacon Hill Institute at Suffolk University

The Beacon Hill Institute is a think tank that uses conservative economic theory to produce reports and analyses promoting the principles of less government and greater reliance on free markets. Founded in 1991, the BHI has relied on financial support from proponents of smaller government to support its work critical of public schools, government spending and environmental regulations.

In recent years, BHI's work has appeared in legislative testimony, as well as in research used by right-leaning think tanks and advocacy groups to argue for lowering taxes, curtailing laws that the institute says unfairly help organized labor, and abandoning renewable energy programs. BHI supports charter schools and favors reducing funding for district public schools.

In spite of its past criticism of state tax, labor and education policies, BHI has placed Massachusetts first eight times in the last nine years on its annual "State Competitiveness Index," which ranks all states on factors such as government and fiscal policy, security, infrastructure, technology, business incubation and environmental policy.

For years, the Beacon Hill Institute operated with a stature similar to that of the Pioneer Institute. The two groups ensured that Massachusetts maintained a high profile among the national state-based think tanks organized through the State Policy Network. Though still sought after in some quarters for its economic perspectives, BHI appears to be in transition. The think tank announced that it would split from its landlord and benefactor of recent years, Suffolk University's Department of Economics, with funding guaranteed only to complete its work through the end of 2016.

BHI Executive Director David Tuerck said he terminated the arrangement because of strict fundraising rules put in place by Suffolk University that hampered the think tank's ability to generate research grants. University officials countered that its centers must cover their costs and that the institute has continually operated in the red. Other accounts suggest that there are ideological differences between the think tank and Suffolk University's current president, Margaret McKenna.

Because the institute is not a free-standing nonprofit, the decision to cut ties raised immediate questions about its future financial prospects. In the spring of 2016, there were some public indications that the BHI might be hampered in its ability to produce and promote its work; some policy sections of its website and its news releases had not been updated for at least a year.

Though BHI's funding is funneled through Suffolk University, grants highlight its reliance on right-leaning donors who favor the group's small-government agenda. The Searle Freedom Trust gave BHI nearly \$163,000 between 2010 and 2013. The Lynde and Harry Bradley Foundation gave BHI \$40,000 in 2010 and 2011, and the Roe Foundation, established by the late State Policy Network founder Thomas Roe, gave BHI \$50,000 from 2007 through 2010. Funding at high levels from those sources — and more — is imperative for the institute to continue impactful work.

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Marshaling arguments to reduce personal and corporate taxes. Tuerck is aligned with opponents of the proposed Massachusetts “millionaires’ tax,” which is supported by educators and others to raise much-needed funding for public education and transportation. Tuerck and BHI say the tax would not generate the income supporters estimate, would mean the loss of 9,500 private-sector jobs and would wipe out \$1 billion annually in personal disposable income as wealthy Massachusetts residents flee the state. BHI’s opposition provides some cover for tax opponents such as state Education Secretary James Peyser — himself a veteran of think tanks from his seven years leading the Pioneer Institute — who are resisting the proposal, which is being spearheaded by the Raise Up Massachusetts coalition.

The Beacon Hill Institute is home to a proprietary governmental taxation and spending economic model it calls “STAMP” — for State Tax Analysis Modeling Program. Over the years, STAMP has been invoked repeatedly by the BHI to warn that major job losses will occur if proposed revenue increases become law or to argue that tax cuts will lead to job growth.

Urging reduced education spending and more charter schools. Beacon Hill Institute positions favor less spending on public education but more resources for charter schools. In a 2011 report titled “Why Massachusetts Should Spend Less on Education,” Tuerck and his co-authors argued that the Commonwealth had seen no tangible improvement from its school spending during the 2000s and opined that, in light of the tough fiscal times, the “state cannot afford *not* to make a substantial cut in what amounts to a bloated education budget.” Had Massachusetts state and local governments spent only the minimum amounts required under the 1993 Education Reform Act, they would have saved more than \$1.3 billion in fiscal 2010, according to this report, while suffering only a vanishingly small .01 percent reduction in MCAS test scores.

Another 2011 BHI report saw a “compelling case for doubling the number of charter schools as quickly as possible.” It claimed that charters “outperform non-charter public schools on the eighth- and 10th-grade MCAS exams by statistically significant margins,” a result owing first and foremost to their freedom “from bureaucratic restrictions.”

Right-backed research challenging emissions rules. In 2015, BHI produced a series of short reports distributed by sister think tanks in up to 16 states attacking power plant rules proposed by the Obama administration to reduce carbon dioxide emissions. *The Guardian* reported that the research was funded by the Employment Policies Institute, one of a number of groups created by longtime corporate operative and lobbyist Richard Berman, who manages a string of groups used for right-wing advocacy with names such as Teachers Union Exposed and the Center for Union Facts. Berman’s groups have relied on funding from companies and right-funded donors including DonorsTrust, foundations of the late Richard Mellon Scaife, the Lynde and Harry Bradley Foundation and the Searle Freedom Trust, among others. These groups, in turn, report most of their expenses paid to Berman’s lobbying firm.

The BHI emissions studies, tailored to each of the participating states and including a national study, concluded that the Obama rules aimed at cleaning up power plants would hurt local economies, resulting in rolling blackouts and higher electricity prices. Other BHI studies warn that electricity prices will skyrocket in states that mandate targets for renewable energy.

The studies fit neatly with the small-government agenda of donors and allies who support the string of think tanks organized through the State Policy Network — including the Beacon Hill Institute. The American Legislative Exchange Council uses the research and BHI language as the basis for model legislation aimed at preventing states from requiring renewable energy options. In a *Washington Post* interview, Tuerck acknowledged that this research has been paid for in part by the Koch brothers, though other anonymous donors had contributed as well, he said. The Charles Koch Foundation contributed nearly \$1 million to Suffolk University for educational programming between 2007 and 2013, though the gifts were not specified for any one program.

Promoting “reforms” of public construction projects. The Beacon Hill Institute labels rules governing public construction projects “a costly welfare system for union workers” and champions so-called reforms to curtail wage and workplace protections. When the Obama administration issued an executive order requiring project labor agreements on large federal construction projects, for example, the BHI produced a report arguing that the federal Office of Management and Budget was unable to provide evidence of a single project having suffered labor strife or a cost overrun due to the absence of PLAs under the policies of the George W. Bush administration. It asserted that PLAs would inflate taxpayer costs by up to \$2.6 billion in fiscal 2008 alone. A 2008 BHI report targeted federal and state prevailing wage laws such as those that exist in Massachusetts, which the BHI asserts dramatically overstate the true rate of pay obtainable in a free market and thus raise project costs by an average of 9.9 percent.

Criticizing health care reform. The Beacon Hill Institute has been a tireless foe of health care reform in Massachusetts and in Washington, D.C. BHI studies estimating that Massachusetts’ 2006 health care reform law cost the state jobs and raised total health insurance costs by billions of dollars were helpful ammunition for foes of federal health care reform. As the national health care debate neared its peak in early 2010, the BHI was retained by Americans for Tax Reform, the Washington, D.C., lobbying group famous for asking elected officials to sign its no-new-taxes pledge. In an op-ed published on the website of the *National Review*, Tuerck and co-author Grover Norquist of ATR reported that BHI research showed the health care reform legislation Democrats were “force-feeding our nation” would cost as many as 700,000 jobs by 2019.

Who’s involved? David G. Tuerck, Ph.D., has been the institute’s executive director since its inception, when he joined with Massachusetts Republican Party powerhouse Ray Shamie and others to create what he said aimed to be a “kind of cross between Heritage [Foundation] and Stanford’s Hoover Institution.” Tuerck, who is also the former chair of the Economics Department at Suffolk University, is frequently cited as an academic expert by media representatives and conservative lobbying groups. He contributes research to other right-leaning think tanks and is identified as an “expert” resource for sister policy groups including the Heartland Institute in Illinois and for anti-tax groups including the National Center for Policy Analysis. Tuerck has done research under contract for Americans for Fair Taxation, a group promoting the so-called “FairTax” proposal, which would replace the federal income tax with a national sales tax.

A split from Suffolk University may further affect BHI’s resources in expertise. Two other BHI staffers, Senior Economist Jonathan Haughton and Resident Scholar Charles Rounds, teach at Suffolk University.

The Massachusetts Anti-Tax Movement

An effort to enact a “millionaires’ tax” to raise money for public education and transportation has led to an upsurge in rhetoric from the Massachusetts anti-tax movement.

Raise Up Massachusetts filed a petition in 2015 with more than 157,000 signatures to establish a 4 percent additional state tax on annual income in excess of \$1 million. The coalition behind the ongoing campaign includes the MTA and fellow unions, community organizations and many other advocates for quality public services and social justice. The plan — a constitutional amendment targeted for the 2018 ballot — promises to help meet dramatic funding needs for schools: The state’s Foundation Budget Review Commission concluded in October 2015 that Massachusetts underfunds the cost of educating students by at least \$1 billion per year. The Raise Up Amendment would also provide critically needed funds for public higher education, as well as for infrastructure and transportation systems.

Anti-tax leaders pounced on the plan when it was announced. “You have a small group of people getting picked on because they’re rich,” declared Barbara Anderson, head of Citizens for Limited Taxation. Anderson died in April 2016, leaving the anti-tax movement without one of its prominent leaders, but Chip Faulkner, CLT’s associate director, said his group remains prepared to fight the proposal.

Opposition to the millionaires’ tax has picked up allies involved in the Massachusetts charter school campaign. Right-leaning think tanks opposed to government spending — such as the Pioneer Institute and the Beacon Hill Institute — can be counted on to provide fodder for the battle. The Massachusetts Taxpayers Foundation and the Massachusetts Fiscal Alliance — both of which are opposed to the millionaires’ tax — are also part of the Great Schools Massachusetts coalition assembled for the campaign to lift the state’s charter cap.

Education Secretary James Peyser, former executive director of the anti-tax Pioneer Institute, showed his stripes with his opposition to the tax as a proposed revenue generator for schools. Instead of speaking to the need for more resources for schools, Peyser — who is working with Governor Charlie Baker to raise the charter school cap — said the proposal would “weaken our economy” and “damage our ability as a Commonwealth to support the schools and the other services that we desperately need.”

Peyser is echoing the line, refuted by numerous studies, that millionaires will flee the state if they have to pay more in taxes. In fact, studies have found that some states with higher taxes have attracted new millionaires. Baker has so far declined to take a stand on the tax plan.

Peyser is already tied to out-of-state donors through his work with Families for Excellent Schools and the NewSchools Venture Fund — groups capable of providing substantial financial help in any legislative debate or ballot campaign.

Sister think tanks to the Pioneer Institute and the Beacon Hill Institute — such as the Illinois Policy Institute, a member of the State Policy Network — have “research” at the ready on how higher tax rates on the wealthy have affected their respective states, offering more potential ammunition for opponents. Moreover, national advocacy groups funded by billionaire right-leaning donors intent

on reining in the size of government may well make a stand in Massachusetts to resist higher taxes on the wealthy. Americans for Prosperity, founded and funded by brothers David and Charles Koch, aired cable TV and online ads in 2014 as part of a coordinated effort to kill a proposed millionaires' tax proposal in Illinois. In 2011, Americans for Prosperity ran ads with a similar purpose in New Jersey.

Anti-tax forces have squared off before with the MTA and coalitions that support stronger public services, using doom-and-gloom arguments against shoring up education and transportation. The current millionaires' tax campaign is expected to unite anti-tax groups with some business groups. Opponents of the proposal include figures on both sides of the 2014 ballot question that repealed a 2013 law tying the gas tax to inflation to raise new transportation funding. Anti-tax groups worked to undo the gas tax plan, while some business groups wanted to keep the formula to ensure a steadier revenue stream for infrastructure needs. Voters approved the 2014 ballot question, scrapping the gas tax revenue plan.

History of the state's anti-tax movement. The Massachusetts anti-tax movement traces its modern roots back to 1980's Proposition 2½ campaign, and it arguably reached its highest public profile amid the demise of the "Massachusetts Miracle" and the sweeping Republican gains in the 1990 election. Yet more than two decades later, it remains significant.

The state's ability to adequately fund education and other basic government services has been profoundly transformed and constrained by the movement's past successes and its continuing ideological influence. In 2000 and the years since, anti-tax activists have mounted four ballot campaigns to dramatically reduce — or devastate — state resources. Tax cuts enacted since the late 1990s have eliminated billions of dollars in revenue, according to the Massachusetts Budget and Policy Center.

In 2000, the anti-tax activists' campaign for Ballot Question 4 was successful on Election Day. The measure called for cutting the state income tax to 5 percent from its then-current level of 5.95 percent. The reduction meant a revenue loss of \$1.2 billion a year valued in 2000 dollars. A year later, state finances had collapsed amid the dot-com bust and the aftermath of 9/11, leading the Legislature to make massive spending cuts and halt the tax rate reduction at 5.3 percent, where it remained until falling slightly to 5.25 percent in 2012. As of January 1, 2016, the rate stood at 5.1 percent.

In 2002 and 2008, anti-tax activists associated with the Libertarian Party got initiative petitions on the general election ballot asking voters to eliminate the state income tax, the Commonwealth's largest single source of revenue. The 2002 measure came within 10 points of passing. Six years later, the activists brought the same proposal back to the ballot, but this time the MTA and other supporters of essential government services were ready for them and voters turned the measure down by a large margin.

Anti-tax activists turned to the ballot again in 2010. Amid the worst fiscal crisis in more than a decade, they sought to slash the state's sales tax by more than half. The initiative failed in the election, but it demonstrated how costly it is to mount an effective campaign that ensures voters know the facts and what is at stake.

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Citizens for Limited Taxation. As mentioned earlier, 2016 saw the death of Barbara Anderson, founder of Citizens for Limited Taxation, who for years was the face of the anti-tax movement in Massachusetts. CLT still provides support for tax-cutting Republicans on Beacon Hill, though the group has declined in size in recent years from its heyday in 1980, when Anderson championed legislation that prevented cities and towns from raising taxes more than 2.5 percent a year without voter approval. News accounts of Anderson's death credited her with helping reshape the funding of local government.

The continuing efforts to cut spending and taxes in the state reflect a long-standing frustration among anti-government advocates — including those who oppose resources for public schools. They also reveal a strong animosity toward unions. “First we have to take out the teachers’ unions before anything else can happen,” Anderson told *The Boston Globe* as a 1998 CLT ballot measure collapsed after an MTA-supported review found numerous invalid signatures.

**KEY NATIONAL
DONORS, FUNDS
AND ORGANIZATIONS**

Charles and David Koch

Brothers Charles and David Koch, controlling fortunes estimated at about \$40 billion each derived from their family-controlled company Koch Industries, are responsible for establishing, funding or providing leadership to a sprawling national network of think tanks, advocacy groups, academic programs, nonprofit legal advocacy groups and political committees aimed at curbing the size and scope of government. The Koch brothers, says *Politico*, “have quietly assembled, piece by piece, a privatized political and policy advocacy operation like no other in American history that today includes hundreds of donors and employs 1,200 full-time, year-round staffers in 107 offices nationwide.”

The Kochs’ influence is breathtaking in its reach and for years has been cloaked in secrecy, with the brothers giving through personal contributions and their respective foundations and political committees, as well as through the donor-advised funds DonorsTrust and Donors Capital Fund. The Donors funds, in turn, steer contributions to the network of small-government groups.

After decades of plowing hundreds of millions of dollars into groups promoting the anti-government, anti-union and anti-public-education agenda through legislatures, courts and public opinion, the family stepped up its political activity, unleashing what author Jane Mayer called in her 2016 book *Dark Money* “a private political machine that rivaled, and threatened to subsume, the Republican Party.”

Charles and David Koch have given to cultural and health-related philanthropies and to groups supporting criminal justice reform. But they have attracted the most attention for financing and leading groups and causes in line with their philosophy of limited government.

The Kochs started Citizens for a Sound Economy, which evolved into Americans for Prosperity — now the family’s flagship nonprofit. AFP has made weakening public-sector unions a priority. Charles Koch provided seed money to start the libertarian Cato Institute think tank and funded the startup of the Institute for Justice, a litigation group that defended school vouchers up to the U.S. Supreme Court and that continues to oppose labor and defend education privatization. David Koch has been instrumental in the Reason Foundation, providing funding and serving on the board.

Koch money supports the Foundation for Research on Economics and the Environment, which runs seminars for judges and conservative legal groups such as the Federalist Society. Another group benefiting from the Kochs’ largesse is Americans for Tax Reform, whose president, Grover Norquist, provided a rallying cry with his desire to reduce government to the size at which the right wing could “drown it in the bathtub.”

In education, the Kochs are pressing their agenda by confronting labor and hoping to diminish its influence. Financial support from the Kochs, along with the Lynde and Harry Bradley Foundation, has been critical in underwriting the work of the union-busting Center for Individual Rights, which argued the *Friedrichs v. California Teachers Association* case on agency fees before the U.S. Supreme

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Court. The Kochs also fund groups that filed supporting amicus briefs in the suit — including the Cato Institute, State Policy Network think tanks and the Liberty Justice Center, a partner organization of the Charles Koch Institute.

Because of their various funding vehicles, there is no way to fully understand how much the Kochs give to all of their causes. Gifts to advocacy groups and think tanks flow through at least three of their own private foundations: the David H. Koch Charitable Foundation, the Charles Koch Foundation and Charles Koch's Knowledge and Progress Fund. A fourth giving vehicle was the Koch-funded Claude R. Lambe Charitable Foundation, which supported right-wing groups for years before being shuttered in 2013.

In addition to money, the brothers and Koch Industries employees have provided critical leadership to the groups they support. There is steady funding for the American Legislative Exchange Council and, for as long as can be recalled, there has been a Koch executive on ALEC's private enterprise board. Charles Koch is hands-on with George Mason University's Mercatus Center, an extensive source of right-wing research, and serves on its board. David Koch has served on the boards of the cultural institutions he funds, plus the Aspen Institute, the Cato Institute, the Reason Foundation and the Americans for Prosperity Foundation. The Kochs' political strategist, Richard Fink, manages the Kochs' influence on the string of advocacy, policy and political groups that the family funds.

Not only did the Kochs start and fund advocacy groups such as FreedomWorks and Americans for Prosperity that sway state and federal elections, but they are also major players in outright contributions to political campaigns, supporting anti-labor governors and legislatures in right-to-work states including Wisconsin, Ohio, Indiana, Michigan and West Virginia. Like-minded donors join the Koch brothers at regular strategy sessions and contribute at least \$100,000 each year to join the Kochs' Freedom Partners Action Fund political operation. Marshaling donors and strategizing with elected officials and donors, the Kochs have bolstered candidate recruitment, political intelligence and grassroots turnout to elect Republicans and libertarian candidates in state and federal elections.

Together the Kochs raised and gave about \$400 million in 2012 to elect unsuccessful Republican presidential candidate Mitt Romney. Charles and David Koch and groups they work with were pledging a nearly \$900 million effort in the 2016 presidential contest to elect a Republican, though disillusionment with the GOP field has appeared to keep the brothers largely on the sidelines through the spring of 2016.

In 2016, the Kochs disbanded an opposition research unit that functioned inside their political operation as a way to keep tabs on liberal groups. Gathering what Koch staffers called "competitive intelligence," the unit researched what *Politico* described as the voter-mobilization, canvassing, phone-banking and voter-registration efforts of Democratic campaigns, labor unions and environmental groups, among others.

The Walton Family Foundation

The Waltons — considered by *Forbes* magazine to be the richest family in America, with an estimated \$140 billion derived from the Walmart fortune — have poured hundreds of millions of dollars into support for privatization, vouchers and charter schools. The Walton Family Foundation spends substantially on advocacy, policy, research and grassroots groups promoting alternatives to public education and challenging union influence. It has also contributed to public schools and some nonprofits, along with environmental causes. The foundation, once run by the children of Walmart founder Sam Walton, is being increasingly influenced by Walton's grandchildren. Carrie Walton Penner, the foundation's lead family member on education issues, agrees with the emphasis on charter schools as the family is accelerating its giving.

The Waltons said in 2016 that they plan to spend \$1 billion on education initiatives over the next five years, equal to the amount they have spent in that area over the last two decades. After extensive direct support for charter and private schools — and complementary funding for vouchers, scholarships and tuition tax credits — the Waltons will concentrate on creating what the *Chronicle of Philanthropy* calls “a constituency of supporters in local school districts.” Having spent \$385 million on charters, the Walton foundation plans to step back from cities where charters have been a tougher sell, such as Phoenix and Albany, and will target expansion in more welcoming cities, including New Orleans, and in communities where its money is already invested.

It's difficult to predict what the Waltons' increased spending will mean for Massachusetts, but the state is likely to see more Walton money as the foundation doubles down on programs it believes are working. The Walton foundation is one of the largest contributors to Families for Excellent Schools, a critical player in the Massachusetts charter campaign, giving at least \$5.7 million from 2012 through 2014. It funds state charter school associations in more than a dozen states, including directing \$1.6 million to the Massachusetts Charter Public School Association from 2011 through 2014. Building Excellent Schools collected \$31.4 million from 2004 through 2014. Excel Academy has collected at least \$730,000 from the Waltons, and MATCH schools have received at least \$550,000.

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The Waltons steered \$67.7 million to the national KIPP Foundation through 2014 and at least \$31 million to the charter financing group NewSchools Venture Fund from 2003 through 2014. Think tanks focused on education also get Walton help: The Pioneer Institute collected \$493,950 from 2010 through 2013.

The Waltons bolster their support for charters and vouchers by funding anti-educator and anti-labor groups, and they have recently launched a 501(c)(4) group called the Walton Education Coalition, headed by former Democrats for Education Reform director Joe Williams. The coalition will spend an unknown amount building support for — and presumably removing obstacles to — initiatives that have the effect of undermining public education. Williams' involvement further ties the Waltons to education advocacy groups started by former CNN anchor Campbell Brown. Williams is on the board of the Partnership for Educational Justice, which Brown started and the Waltons fund, along with Brown's education news service, *The 74*.

Even without the \$1 billion commitment over the next five years, Walton support has been pivotal in growing the education privatization movement. With the Jaquelin Hume Foundation, the Waltons have provided more than half of the financial support for the anti-NEA Association of American Educators. The foundation has steered millions to Stand for Children, StudentsFirst and the “parent trigger” group Los Angeles Parents Union.

The family continues giving to nonprofits that would have had the full support of the late John Walton, who co-founded the Children’s Scholarship Fund, a private scholarship program that hoped to make a national case for vouchers, and provided seed money to launch both the Black Alliance for Educational Options and the Hispanic Council for Reform and Educational Options — two groups designed to suggest widespread minority support for vouchers and other private education paths. Dating back to the 1990s, John Walton was a key leader in launching the American Education Reform Council, the American Education Reform Foundation and Children First America; they were all collapsed into a national voucher group called the Alliance for School Choice, which still counts on Walton funding. He was an early backer of charter schools and helped establish groups including the Charter School Leadership Council and charter chains in California.

The Bill & Melinda Gates Foundation

The Bill & Melinda Gates Foundation is the largest private foundation in the world and the nation's most aggressive in attempting to shape education policy. With a nearly \$40 billion endowment, more than 1,300 employees and \$4.2 billion in total giving in 2015 alone, the foundation spreads money all over the world to address issues related to global health, nutrition and poverty, as well as education. Education, however, is a prime focus for Microsoft founder Bill Gates, the foundation's benefactor: He directed 80 percent of the fund's \$513 million in U.S. giving in 2014 to education.

Because of the sheer size of the foundation, its staff and its giving, Gates can cause a stir with any education issue he chooses, from charter school expansion and school governance models to teacher training and student standards and assessment. Gates says he supports teaching initiatives through evaluation, professional development and leadership opportunities; learning programs, including Common Core and assessment tools; and "innovation," using online products and courseware. The foundation also funds incentives like the Race to the Top program, on which it spent substantial funds. Although the foundation is often the lead donor on an initiative, it partners with foundations of all ideologies, from the Annenberg and Ford foundations to the Walton and Broad foundations.

A funder of public, charter and private schools, Gates has helped right-leaning groups such as the Center for Education Reform while also providing financial support at times to educators' unions.

Initially founded as the William H. Gates Foundation in 1994, the foundation grew significantly in 2006 when another billionaire, Warren Buffett, agreed to give Gates the bulk of his personal charitable contributions. Buffett has added about \$2 billion a year to the Gates assets in recent years, and the partnership guarantees unheard of potential for philanthropic influence. Both Bill Gates and Warren Buffett, the first and third wealthiest people in the world, are leaders of the Giving Pledge and have agreed to give the majority of their wealth to charitable causes. They are lobbying other billionaires to make the same commitment, a step that will amount to game-changing money for education advocacy.

Funding for sweeping charter school expansion. Gates has pushed national charter school expansion on several fronts, giving tens of millions of dollars directly to charter schools, financing charter support and charter investment groups, and offering incentive money to school districts willing to pursue charter schools. The foundation has almost singlehandedly guaranteed the survival of some charter chains, providing at least \$25 million to Green Dot Public Schools in California and nearly \$27 million to KIPP schools and programs nationally.

Bill Gates' personal and foundation involvement ensured that Washington would become the latest state to open charter schools — in spite of legal hurdles. Gates personally gave more than \$3 million for a successful 2012 charter ballot initiative in Washington. The Gates foundation spent at least \$13.5 million through 2015 funding the Washington State Charter Schools Association and spent more for new charter schools. The Washington Supreme Court ruled the charter law unconstitutional in 2015, and the Gates foundation provided help to keep schools operating in the aftermath. The Washington Legislature enacted a law in 2016 "fixing" the charter law, which public school supporters vowed to challenge.

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The Gates foundation was also a critical investor — along with the Walton, Broad and Fisher families — in underwriting the charter schools that dominate post-Katrina New Orleans.

Gates funded the launch of groups active in Massachusetts, including Teach Plus and Educators 4 Excellence, and it has funded research and advocacy organizations that support charter schools, advocate curtailing tenure and promote more student assessments. “We’ve learned that school-level investments aren’t enough to drive systemic changes,” Allan C. Golston, the president of the foundation’s United States program, told *The New York Times* in 2011. “The importance of advocacy has gotten clearer and clearer.” Boston-based Teach Plus has received at least \$17 million from Gates. The Gates grant providing startup money for Educators 4 Excellence, created through the Education Equality Project, specified that the funding was “to build an authentic, alternate teacher voice.” Once Gates gives, others follow, entrenching groups such as Teach Plus and Educators 4 Excellence, which the *Times* describes as giving voice to newer teachers over the “official views of the unions.”

The NewSchools Venture Fund, a venture philanthropy that finances charter startups and expansions, teacher preparation programs and nonprofit and for-profit education companies, has received at least \$82 million from Gates in the last 13 years. Some \$14 million has helped the National Association of Charter School Authorizers, and more than \$32 million went to the Charter School Growth Fund. New Profit of Boston, an investment fund modeled after NewSchools and run by some of the major donors to the Massachusetts charter school expansion campaign, has collected about \$15.1 million from Gates.

Gates gave the Boston Private Industry Council \$3.25 million to “advance collaboration between traditional schools” and charter schools. The local Empower Schools, Inc., received more than \$2.4 million to expand in Massachusetts.

Gates has heavily funded districts agreeing to “compacts” with charter schools. Districts get an initial signing bonus and can receive more money as they broaden relationships with charters. Gates gave the Boston Educational Development Foundation \$88,000 for the Boston Public Schools for the district’s “compact” for public and charter school collaborations.

Chief advocate of Common Core. No donor has been more influential in developing and promoting Common Core standards than Bill Gates. In 2008, Gene Wilhoit, executive director of the Council of Chief State School Officers, needed a money man and a personal champion for the standards, and he found both in Gates. In addition to largely financing the creation of Common Core, the Gates foundation spent more than \$200 million to build “political support across the country, persuading state governments to make systemic and costly changes,” *The Washington Post* reported in 2014. The council has received more than \$106 million from Gates since 2004, including \$15 million in early 2016.

“Bill Gates was de facto organizer, providing the money and structure for states to work together on common standards in a way that avoided the usual collision between states’ rights and national interests that had undercut every previous effort, dating from the Eisenhower administration,” the *Post* noted.

Promoting teacher accountability and training models. Gates has funded partnerships with the NEA and AFT for tools to help teachers implement the Common Core standards and for teacher training, although the AFT announced in 2014 that it would no longer accept Gates money. Gates

steered \$3.5 million to Teacher Union Reform Network projects initiated by philanthropist Eli Broad to “improve” student achievement through labor-management relations and union contracts.

Still more grants support teacher recruitment and assessment. Teach for America has received at least \$13.7 million since 2007 and the New Teacher Project received some \$39 million. The Boston Public Schools received a \$438,000 teacher grant from Gates in 2015.

The Massachusetts Department of Elementary and Secondary Education received \$3.9 million from Gates in October 2015 to create “teacher preparation transformation centers” that facilitate collaboration among colleges and universities, teacher preparation providers and K-12 school systems in developing teacher training models.

Supporting for-profit school opportunities. Though Bill and Melinda Gates have a clear philanthropic purpose, financing for groups such as the NewSchools Venture Fund and local charter investment funds puts Gates money behind entities that are also pursuing for-profit education opportunities. The foundation notes that it invests in “partners big and small, for- and not-for-profit, who are working to solve today’s toughest problems in K-12 education.”

In 2015, the Gates foundation joined the Walton Family Foundation to co-sponsor a symposium for hedge fund leaders in New York City called “Bonds & Blackboards: Investing in Charter Schools.” The all-day event sought to “convince investors there’s money to be made in charter schools,” *Business Insider* reported, with Wall Street firms delivering presentations on the benefits of charter school investments.

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While seeing there is clear profit potential in some education-related projects, Gates has expressed caution about pursuing “impact investing,” the increasingly popular movement to leverage philanthropic dollars for financial and societal benefits. “There are a few things like new educational technology or better medicines or bootstrapping new charter schools, where you get into something that has got a non-zero return if things go well,” Gates told the *Financial Times* in 2015. “You really have to be careful thinking you have your cake and eat it too.”

Varying levels of success. Not everything Gates touches turns to gold — or produces higher test scores. Between 2011 and 2012, Gates and the Carnegie Foundation each gave \$100 million to the Georgia-based Shared Learning Collaborative, also known as inBloom, to create a massive national education data infrastructure to guide research and policy decisions. The project drew on Bill Gates’ faith in metrics and his belief that analyzing massive amounts of data leads to answers. Fought on several fronts, the project was abandoned in 2014 amid concerns about student privacy.

The foundation’s infamous “small high schools” initiative cost even more. Gates spent some \$650 million before scrapping the effort, which sought to increase student achievement metrics and graduation rates by creating smaller school environments.

With billions already directed to education, Bill and Melinda Gates seem to be doubling down to make more of an impact. In a 2015 interview with *The New York Times*, the couple acknowledged that while they can see significant gains through the global poverty, health and nutrition programs they fund, educational improvements sought through their philanthropy have been more elusive. “There’s no dramatic change,” Bill Gates told the *Times*. “It’s not like under-5 mortality, where you see

this dramatic improvement.” But there’s no giving up, he says, and the foundation is expanding its focus to include broadening early childhood education. “We’re still very committed,” Gates said.

The foundation is co-chaired by Melinda Gates, Williams Gates Sr., and Bill Gates, who stepped down from the day-to-day operation of Microsoft in 2008 to run the foundation full time. Warren Buffett is a trustee. Staffers often go on from the foundation to lucrative or high-ranking jobs. In May 2009, Gates foundation executive Margot Rogers was appointed chief of staff to U.S. Secretary of Education Arne Duncan. Another Gates foundation leader, James Shelton, was appointed assistant deputy secretary of education under Duncan, later rising to deputy secretary of education in 2014. The foundation’s education director, Stacey Childress, left in 2014 to run the NewSchools Venture Fund. Tom Vander Ark, former executive director of the Gates Education Initiative, evolved into an expert on digital and online learning and now works with an education company and a venture capital firm targeting schools.

CHARTER FUNDS

NewSchools Venture Fund and New Profit

Two funds started by technology and hedge fund executives — one in California and one in Boston — are directing tens of millions of dollars into charter schools and school management operations, education groups and companies. The NewSchools Venture Fund and New Profit are venture philanthropy vehicles for donors who want to provide financial support along with strategic and management advice to the groups they are supporting.

Both funds have been instrumental in the growth of charter school chains in Massachusetts, providing money and school leadership, and both have financed groups advocating for more charters in the Commonwealth. The two funds are structured as nonprofit organizations, but both can capitalize on technology demands in schools and changing school structures to create more for-profit opportunities for investors.

NewSchools Venture Fund

Teach for America founder Kim Smith joined Silicon Valley investors John Doerr and Brook Byers in 1998 in starting the California-based New Schools Fund, which does business as NewSchools Venture Fund, to provide equity investments to for-profit and nonprofit education companies. Since that time, the fund has invested in charter schools, charter management companies, education companies and advocacy and instructional groups. NSVF has concentrated some of its charter and education dollars in special funds dedicated to schools in Boston, New Orleans and Washington, D.C., and in recent years has created for-profit funds to boost educational startups.

Financing Boston charter school growth. NSVF boasts a significant impact on Boston-area charter schools, having created the \$12 million Boston Charter School Replication Fund in 2011, the year after Massachusetts last lifted the charter cap. Within four years, the Boston fund “helped double the size of the most successful charter sector in the country,” NSVF claims, funding seven charter management groups and building an “education ecosystem” — supporting groups that encourage and accommodate charter growth by identifying teachers, buildings and advocacy opportunities.

The fund has pumped money into Match, Excel, Brooke Academy, City on a Hill, Unlocking Potential, Citizen Schools and KIPP Massachusetts while supporting the Massachusetts Charter Public School Association. “By 2020, with support from the Boston Fund, Boston will have about twice as many charter schools serving twice as many students as it did before the fund, and one out of four middle school students in Boston will attend charter schools,” NSVF asserted in 2015. Backers include The Boston Foundation, which pledged \$1 million to the effort to “underscore ... the need for significant change within Boston Public Schools.”

In all, NSVF says the Boston fund created more than 6,500 new seats in the Boston area and funded what it called “a permanent teacher pipeline” for local schools through its support for groups such as Teach for America. The fund’s East Coast point person and an NSVF managing director overseeing the Boston growth was James Peyser, the former Pioneer Institute executive director who joined

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NewSchools as an executive in 2003. Peyser was working at NSVF during part of his tenure as chair of the Massachusetts Board of Education from 1999 to 2006 — and when he was tapped in December 2014 as Massachusetts education secretary by Governor Charlie Baker.

NSVF says its experience with the Boston fund proved the value of creating “a policy environment that supports quality schools” and of generating “community engagement to ensure public demand for a supportive policy environment.” In addition to financing schools, the Boston fund worked with The Boston Foundation to pay for positive research on charter schools.

Before launching the Boston fund, NSVF helped finance the Achievement Network, formerly called Massachusetts Public School Performance, in 2009.

Nationally, NSVF pours millions of dollars into charter chains and some for-profit companies, and it has provided seed money to ventures such as Khan Academy’s system of online courses. NSVF teamed with other donors such as Eli Broad to pay for growing charter chains in California and others states. At its inception, its initial round of funding helped nonprofits including Teach for America and New Leaders for New Schools and financed for-profits including the charter management company Learn Now, which operated for two years, running schools in Minnesota, Pennsylvania and Washington, D.C., before it was acquired by Edison Schools in 2001. Learn Now’s footprint dissolved after a string of problems involving Edison that included rolling up a \$30 million loss in the Chester Upland District in Pennsylvania with three schools, including a former Learn Now school. After years of staggering losses, Edison largely moved away from school management and into online and educational products.

NSVF says it is trying to ensure that charter schools and education groups reflect the diversity of the students they reach by working to increase the number of African-American and Latino founders and CEOs, board members and school leaders in the next few years.

For-profit ventures. NSVF has long backed for-profit ventures, and it plans to accelerate the quest for financial returns — and lure more investors. Going deeper into for-profit opportunities, NewSchools CEO Stacey Childress told *EdSurge.com* in 2015, will “open up a new source of capital and mobilize new dollars for ed-tech entrepreneurs from investors who are currently sitting on the sidelines.” NSVF formed Reach Capital for for-profit investing and made its New Schools Seed Fund a for-profit incubator for education technology companies. Other investors have taken note: In 2013, the Rethink Education Fund announced that it would steer part of its profits to NSVF to invest.

Fund principals say the companies and nonprofits it supports usually succeed, and several have been acquired. In 2013, then-NSVF CEO Ted Mitchell defended the blending of nonprofit and for-profit motives. “We are attempting to direct philanthropic dollars at innovations that are going to do the most for poor kids and for the system as a whole,” he told *The New York Times*. “We believe for-profit entities have just as much capacity to do that as not-for-profits, and they ought to take a run at it.”

NSVF counts Acelero Learning, a for-profit Head Start operator in its portfolio, as one of its success stories. The Boston-based fund New Profit also funds Acelero.

NSVF and the Bill & Melinda Gates Foundation were early backers of the for-profit evaluation and development company Teachscape, used for educator assessments. The evaluation tool has encountered recurring problems in some states; sometimes the software has bugs or the district can’t use it properly. In 2016, the Kenosha Education Association in Wisconsin noted that the system,

purchased through the Wisconsin Department of Public Instruction, was fraught with “catastrophic glitches” related to failing to save teacher assessment information. In 2016, Frontline Technologies announced that it would buy Teachscape, and Wisconsin’s DPI expressed hope that the acquisition would improve service. “It is possible that new ownership will bring new resources (i.e., funding, staff, capacity, skills, etc.) which might ensure the tool is finally able to meet the expectations and needs of WI users,” the department wrote.

Money behind NSVF. The Gates foundation appears to be the largest donor to NSVF, giving at least \$82 million to the fund since its inception. The Walton Family Foundation provided \$31 million to NSVF over an 11-year period ending in 2014, and Eli Broad’s foundation gave more than \$14 million. Michael and Susan Dell have given NSVF more than \$5 million in recent years, and the foundation of the family of Amazon founder Jeff Bezos has given at least \$2.5 million. The Barr Foundation of Boston, established by Barbara and Amos Hofstetter, has given NSVF at least \$1 million since 2011. NSVF donors provide additional support to specific charter school companies backed by the fund.

Before Steve Jobs’ death in 2011, the Apple founder and his wife, NSVF board member Laurene Powell Jobs, gave “millions” to NSVF, said then-CEO Mitchell — and it’s likely that Laurene Jobs, founder of the nonprofit College Track and instigator of a \$50 million national contest to redesign schools, continues to give. Corporate donors include AT&T, Target and the Educational Testing Service. The Carnegie Corporation has contributed at least \$9.5 million since 2009.

Who’s involved? Leadership and funding for NewSchools is derived from a cross-section of charter advocates and longtime backers of the education privatization movement. The fund has grown over the years as some of the higher-profile supporters of vouchers and tuition tax credits have broadened their focus to expanding charter schools.

Co-founder Smith led NSVF until 2005, when she was succeeded by Mitchell, who had served as president of Occidental College and an NVSF board member. From 2008 to 2010, while running NSVF, Mitchell was chairing the California board of education, having been tapped by then-Governor Arnold Schwarzenegger. Mitchell was the CEO of NSVF until 2014, when he was confirmed as undersecretary of the U.S. Department of Education in the Obama administration. Mitchell was succeeded by Childress, deputy education director of the Gates foundation, who ran the foundation’s K12 Next Generation Learning program focusing on technology and school redesign. While at Gates, Childress worked directly on the failed inBloom data project, which Gates heavily supported.

In addition to Smith and Jobs, the current NSVF board includes co-founders Byers and Doerr, both principals at the venture firm Kleiner Perkins Caufield & Byers, an ed-tech investor. The board also includes Jonathan Sackler, part of what *Forbes* called the \$14 billion “OxyContin Clan” because his family owns the opioid maker Purdue Pharma. Sackler helped develop Achievement First schools in the Northeast and helped start the Connecticut Campaign for Achievement Now, or ConnCAN. He worked with charter advocates to launch 50CAN, the national advocacy group that promoted the controversial teacher evaluation system in Pennsylvania and helped scrap tenure for North Carolina teachers in favor of performance-based contracts. In 2016, 50CAN absorbed StudentsFirst, Michelle Rhee’s advocacy group.

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The board also includes Chris Gabrieli, a partner emeritus with Bessemer Venture Partners who sought the Democratic nomination for governor of Massachusetts in 2006 and was tapped by Governor Baker in 2015 to chair the Massachusetts Board of Higher Education. Gabrieli is a co-founder of Massachusetts 2020 and currently serves as chairman of the National Center on Time & Learning; he is also CEO of Empower Schools, which he co-founded. New York investor Rob Stavis, who works at Bessemer Venture Partners, also sits on the NSVF board.

NewSchools co-founder and board member Doerr and his wife, Ann Doerr, have committed to the Giving Pledge, promising to give away the majority of their wealth to philanthropy. The late Dave Goldberg, CEO of SurveyMonkey and husband of Facebook Chief Operating Officer Sheryl Sandberg, was on the board at the time of his death in 2015. Goldberg and Sandberg together signed the Giving Pledge.

NSVF managing partners include Deborah McGriff, a former executive at the for-profit Edison Schools who is married to former Milwaukee School Superintendent Howard Fuller, who helped impose the city's voucher program. McGriff worked with Fuller to start the Black Alliance for Educational Options, a nonprofit intended to encourage minority parents and communities to support vouchers, tuition tax credits and charters.

New Profit, Inc.

Today's venture philanthropists like to say they are "disrupting" education with their massive infusions of cash and hands-on management. Boston-based New Profit is aiming to do just that, using tax-deductible contributions to invest in education, economic support for charter schools and other privatization efforts, and early childhood development programs. "Entrepreneurs, philanthropists and others in the New Profit network don't play the game," says New Profit's most recent financial report. "They transform it."

The fund's future financing will be heavily weighted to promoting more charter schools, educational management tools and technology products for the classroom. Having a favorable policy landscape — including a lift in the Massachusetts charter cap — would only help. As it is, two of the early major donors to the state charter ballot campaign are recent members of the New Profit board, along with the spouse of another donor. Still more pro-charter campaign donors support New Profit financially.

New Profit operates in the model of the NewSchools Venture Fund, the California investment fund that has pumped money into charter schools, education nonprofits and private companies and has donors working directly with the groups they support. Though New Profit has primarily invested in nonprofit groups, it sees profit opportunities in its brand of philanthropy. "We believe there's social impact to be gained on both sides of the blurrier-than-ever line between the social and commercial sectors," New Profit says on its website. New Profit has corporate partners, including Deloitte and Bain Capital.

New Profit is poised to explode in size and reach, with new money to develop schools and educational products — as well as advocacy to fuel that growth. At a 2015 fundraiser headlined by singer John Legend, New Profit launched a \$30 million education initiative to support organizations that work with parents and students and that develop technology for schools. As part of its future growth, New Profit says its Reimagine School Systems Fund will finance "high-performing schools"

in low-income communities — “both charter schools and district schools.” The stated goal is to “create actionable demand for high-quality schools by supporting organizations and capacity-building efforts to develop a ‘pragmatic playbook’ on how to influence changes in district (and if applicable state) policies and politics that enable high-quality schools to grow.”

A new four-year partnership announced in 2015 with the Bill & Melinda Gates Foundation will further increase money available for New Profit investment. The Gates initiative will steer \$15 million to as many as four organizations advancing preparation of “college ready” students.

New Profit gives to Massachusetts nonprofits and out-of-state groups trying to make an impact on schools and policy. In 2012 and 2013, New Profit gave at least \$750,000 to Achievement Network, or ANet, and \$1 million to KIPP, and it reports funding Match schools. The 2014-2015 New Profit annual report identifies additional support for Innovate Public Schools, the New Teacher Center and New Classroom Innovation Partners.

In Massachusetts, New Profit is making a mark with advocacy groups pushing to raise the charter cap. Educators 4 Excellence received \$250,000 in 2013 and is listed in the New Profit Innovation Fund portfolio that is receiving New Profit’s future funding attention. In 2008, New Profit began funding Stand for Children and Wendy Kopp’s Teach for All. Kopp’s Teach for America also received early startup money from New Profit.

Nationally, New Profit is betting on advocacy to promote a bottom-line approach to delivering services. New Profit created America Forward, a Washington, D.C., group that advocates a “pay for performance” and “pay for success” approach to policy that rewards providers for meeting goals; the practice bases government payments for service providers “on the outcomes they achieve,” America Forward notes. Some 70 groups are part of the America Forward Coalition, many of them charter schools funded by New Profit. They include ANet, Match and KIPP, as well as education groups the fund supports such as New Leaders, College Summit and College Possible.

New Profit relies on financial support from donors from inside and outside of Massachusetts, including substantial funding from charter school proponents.

New Profit relies on financial support from donors from inside and outside of Massachusetts, including substantial funding from charter school proponents. Charter campaign donor Paul Edgerley’s Edgerley Foundation gave New Profit at least \$1.8 million from 2010 through 2014, according to the foundation’s tax records. The family foundation of charter campaign donor Martin Mannion, managing director of Summit Partners, has given New Profit more than \$808,000, according to available grant records. Charter campaign donors Charles Ledley and New Profit board member Brian Spector are among New Profit’s donors.

The Laura and John Arnold Foundation gave New Profit \$210,000 in 2013. The Boston Foundation contributed at least \$3.5 million from 2003 to 2013.

Other New Profit funders include the Carnegie Corporation and the George Soros-funded Open Society Foundations. Money from the John S. and James L. Knight Foundation supported New Profit’s investment in Kids Voting USA, which encourages young people to get involved in political debate.

Crossing that “blurrier than ever” line between nonprofit and for-profit investments promises returns for early supporters. New Profit is steering \$1 million to Enlearn, a Seattle nonprofit that runs a platform for personalizing digital educational materials. Enlearn struck a deal in 2015 with Voyager Sopris Learning, a for-profit company under the Cambrium Learning umbrella, to develop a software product for Voyager to sell to schools to help students with English and reading comprehension. Cambrium and Voyager Learning merged in 2009 in a \$158 million deal, and today Voyager is one of the nation’s largest educational publishing companies, with products used in public, charter, private and home-school settings.

Who’s involved? New Profit has deep ties to Bain Capital. Bain supported Vanessa Kirsch when she founded New Profit, and New Profit lists Bain as a longtime collaborator, providing money and leadership. In February 2016, Bain Capital Co-Chair Josh Bekenstein, a \$40,000 charter campaign donor, stepped down as chair of New Profit after eight years, drawing credit for shepherding New Profit’s growth. He was succeeded by longtime board member Jeff Walker, co-founder and former CEO of CCMP Capital, the successor to JPMorgan Partners. At the same time, two new board members were tapped: Kopp and Steve Barnes, managing director of Bain Capital Private Equity.

Boston Foundation President Paul Grogan is a board member, as is Deloitte Touche Global CEO Barry Salzberg. In addition to charter campaign donor Spector, campaign donor Jim Pallotta is also on the board, along with former Bain partner Mark Nunnally, executive director of the Massachusetts Office of Information Technology and a special advisor to Governor Charlie Baker; Nunnally is married to \$10,000 charter campaign donor Denise Dupré.

Strategic Grant Partners

Boston's Strategic Grant Partners, established in 2002, finances charter schools and advocacy groups at the heart of the charter campaign. Seth Klarman, Jim Pallotta, Phil Gross and Josh Bekenstein were among the wealthy individuals, local investors and hedge fund figures who recruited former Keds and Converse executive Joanna Jacobson to launch SGP as an incubator for nonprofits, many of them associated with education.

Jacobson, Paul Edgerley, Maurice and Lourdes Samuels and Bill Helman are donors to the fund, as are the Abrams Foundation, Inc., formerly the Amy and David Abrams Foundation; Robert and Michelle Atchinson; Michael and Barbara Eisenson; the Frieze Family Foundation; the Mannion Family Foundation; The Boston Foundation; Mark Nunnally and Denise Dupré; Michael and Jill Stansky; and Wade Rubenstein and Jill Block.

In addition to acting as an incubator to startup groups — and in the vein of venture philanthropy — SGP serves as a pro-bono consulting firm, providing ongoing support to the nonprofits it funds. Grants provide direct financial help for charter groups and charters, such as the UP Education Network, Brooke Charter Schools, Uncommon Knowledge and Achievement, and Bridge Boston Charter. Phoenix Charter Academy, whose CEO and founder, Beth Anderson, is chairing the charter ballot campaign in Massachusetts, collected \$1.5 million from the fund in 2013 and 2014.

The Achievement Network, which provides support to existing charter schools, received \$1 million from SGP in 2013 and 2014. SGP directly funds Teach for America and its alumni group, Leadership for Educational Equity.

But SGP's recent impact has largely been in encouraging the new wave of advocacy groups created to lift the Massachusetts charter cap and expand the number of charter schools — not surprising given that SGP's funding families are also bankrolling a potential charter ballot initiative. Jacobson, Klarman, Edgerley and Bekenstein have contributed \$40,000 each directly to the charter campaign, in addition to steering contributions to SGP to be doled out to advocacy groups working politically, in the Legislature and through the courts to lift the charter cap.

In its 2013 and 2014 fiscal years, SGP steered \$2.15 million to Families for Excellent Schools “to help support launch of Massachusetts site,” according to its tax returns. Educators 4 Excellence received \$2.5 million in the same two-year period for a Massachusetts group. Stand for Children collected at least \$300,000.

SGP has also donated to the Boston Public Schools, providing some \$51,000 for “strategic planning” in 2011. It funded the Teacher Compact and provided Race to the Top money for The Boston Foundation. A few non-education nonprofits, including Compass Working Capital and the Massachusetts Society for the Prevention of Cruelty to Children, have received SGP funding.

The Eli and Edythe Broad Foundation

The nearly \$2 billion Broad Foundation was started by Los Angeles businessman Eli Broad in 1999 to “reform” education, primarily through changes in management and governance. Eli Broad’s business background influences his philanthropy and his philosophy that public schools should operate more like businesses. Broad wants less union influence, more testing and more “innovations” such as charters. The Broad Foundation provides training for “reform-minded” school administrators and offers financial rewards to urban school districts that are claimed to have improved performance through initiatives such as merit pay for teachers.

The foundation also bankrolled a plan to massively expand charter schools in the Los Angeles Unified School District. The plan called for Great Public Schools Now, the nonprofit created to make the plan a reality, to raise close to half a billion dollars and enroll half of the students in the district over eight years. After a widespread public backlash when word of the plan leaked out, however, charter proponents were forced to rein in their plans.

Broad has supported the Children’s Scholarship Fund started by John Walton, as well as the voucher group Alliance for School Choice. He was among the earliest and most enthusiastic financial supporters of charter schools, steering tens of millions of dollars into charter expansion. He joined Gap founder Donald Fisher, a longtime education privatization advocate, in pouring millions into the KIPP schools; helped finance the growth of Achievement First schools in the Northeast; and has pumped at least \$13.8 million into the NewSchools Venture Fund since 2003, while providing more for New Orleans charter schools after Hurricane Katrina.

He has funded advocacy groups, providing seed money for Michelle Rhee’s StudentsFirst, a total of \$3.6 million through 2014; giving Stand for Children \$500,000 in 2013 and 2014; and giving at least \$430,000 to Families for Excellent Schools, which is now a key player in the Massachusetts charter campaign.

Politically, Broad is a Democrat. He was one of the first billionaires to sign the “Giving Pledge” proposed by fellow philanthropists Warren Buffett and Bill Gates, promising to donate the majority of his fortune to charity. He has echoed Buffett’s call for the government to raise taxes on the rich.

The Broads endowed and sustained the Broad Institute, the biomedical research center in Cambridge run jointly by Harvard University and the Massachusetts Institute of Technology, with more than \$700 million.

The Laura and John Arnold Foundation

Former Enron executive-turned-hedge-fund-manager John Arnold and his wife, Laura, an attorney, established their \$1.7 billion foundation in their name to pursue what is described as entrepreneurially based philanthropy capable of transformational change. “At the most basic level, the mission is to change the country,” said Laura Arnold. They added a 501(c)(4) nonprofit called the Action Now Initiative to fund their national campaign to trim pension plans and boost smaller nonprofits pursuing education advocacy.

The Arnolds, who retired with their wealth before age 40 to focus on their philanthropy, represent the new generation of donors in the education privatization movement: They fund many anti-union and pro-privatization causes financed by the Broads, Waltons, Humes and Kochs while also supporting issues such as criminal justice reform. They have been major contributors to Teach for America, voucher causes, charter schools, think tanks and education advocacy groups. They support research and advocacy to reduce taxpayer spending on pensions for public employees, including educators.

The Arnolds’ foundation was one of four private foundations — the others were the Broad, Walton and Robertson foundations — that helped fund Michelle Rhee’s contentious contract negotiations with the local teachers’ union while she worked as chancellor of schools in Washington, D.C. The Rhee initiatives eliminated seniority preferences and created performance bonuses that were opposed by educators, aided by a \$10 million commitment from the Arnolds to focus on merit pay in contracts.

Since then, the Arnolds have provided at least \$25 million to boost charter schools in Louisiana, \$22 million to Teach for America, at least \$7.5 million to StudentsFirst and at least \$5 million to Stand for Children. They have backed the National Alliance of Public Charter Schools with at least \$1 million and provided at least \$600,000 to the alliance’s Louisiana chapter. The Arnolds have made six-figure gifts to the Alliance for School Choice and the National Council on Teacher Quality, while at the same time funding nonprofits such as the ACLU and Planned Parenthood and providing \$10 million in emergency funding for Head Start.

They are active in organizations promoting the Massachusetts charter initiative. The Arnolds report spending between \$1 million and \$4.9 million on Families for Excellent Schools and have given the Boston charter funder New Profit at least \$210,000.

Like some of the other major donors detailed in this report, the Arnolds want to spend their fortune on the causes they support and they have signed the “Giving Pledge.” They say they will work full time at the foundation for many years to come and intend to “exhaust most or all” of their estimated \$3.5 billion in accumulated wealth on issue advocacy.

The *Chronicle of Philanthropy* notes that the Arnolds are “the youngest among the top givers — by more than two decades in most cases.” John Arnold says: “We have the benefit of being young, so we can look at very complicated problems ... We have years to see these through.”

DonorsTrust and Donors Capital Fund

Politically engaged wealthy conservatives and their families often use their own foundations to support groups that push anti-union and anti-public-education views. Virginia-based grant-makers DonorsTrust and Donors Capital Fund, collectively described by *Mother Jones* as an “ATM of the conservative movement” for hidden money, constitute a vehicle for giving that is less transparent. The funds have evolved as a steady source of support for right-leaning groups, substantially replacing resources once provided by the John M. Olin Foundation, which was closed in 2005.

Started in 1999, both the trust and the fund collect investments from individuals and foundations and act as investment managers, doling out grants to nonprofits. The Donors groups are reliable and abundant sources of funding for think tanks, advocacy groups and other organizations dedicated to advancing a small-government agenda. In 2013 and 2014, DonorsTrust and Donors Capital Fund reported a combined \$172 million in new revenue — and gave away a total of \$272 million during the same period.

For the most part, these funds are not vehicles for newly wealthy families or hedge fund donors. Rather, they attract established givers who are comfortable in supporting right-wing causes. Families and foundations with names such as Koch, Bradley, DeVos, Pope, Simon and Earhart contribute. The Searle Freedom Trust — funded from the estate of former Searle CEO Daniel Searle and a significant player in expanding New York charter schools — gave Donors funds more than \$7.6 million from 2004 through 2013. Searle Freedom Trust CEO Kimberly Dennis chairs the DonorsTrust board.

The Donors groups act as a “pass-through” for funding, says Marcus Owens, former director of the IRS Exempt Organizations Division. “It obscures the source of the money. It becomes a grant from DonorsTrust, not a grant from the Koch brothers.”

DonorsTrust and the Donors Capital Fund help support well-established groups such as the American Enterprise Institute, the Federalist Society, the Competitive Enterprise Institute, the Cato Institute, the Heritage Foundation, the Center for Education Reform, Americans for Tax Reform and the National Right to Work Legal Defense Foundation — all of which are key to driving the right’s agenda. DonorsTrust funders gave the Institute for Justice — a legal advocacy group that supports and defends voucher, charter and education tax credits — more than \$500,000 over a two-year period.

Small state-based think tanks and larger entities such as the Manhattan Institute, the Heartland Institute and the Reason Foundation rake in hundreds of thousands of dollars from both DonorsTrust and the Donors Capital Fund. In Massachusetts, the Pioneer Institute collected \$190,000 from Donors Capital from 2012 through 2014. Tax records show that Donors Capital Fund also provides dues money that allows smaller think tanks to participate in American Legislative Exchange Council meetings.

Founder and longtime President and CEO Whitney Ball, a former development director at the Cato Institute and a State Policy Network director, died in 2015. She was succeeded by Lawson Bader, president and CEO of the Competitive Enterprise Institute and former vice president of the Koch-founded Mercatus Center at George Mason University.

The Lynde and Harry Bradley Foundation

The Lynde and Harry Bradley Foundation, which had close to \$900 million in assets in 2014, is one of the longest-running — and at times extreme — contributors to right-wing causes. Instrumental in the expansion of vouchers nationally — including providing critical support to establish, defend and grow Milwaukee’s voucher program — Bradley at the same time helps fund aggressive efforts against teachers and unions. Among them were Wisconsin Governor Scott Walker’s right-to-work and anti-collective-bargaining campaigns.

The foundation has supported the Center for Union Facts, the Association of American Educators and the National Right to Work Committee Legal Defense and Education Foundation. It has joined Koch-backed groups and DonorsTrust in funding the Center for Individual Rights, the right-wing law group behind the *Friedrichs* agency fee case in California, with more than \$1 million.

In addition to providing extensive support for vouchers, Bradley has put substantial resources into charter groups, giving more than \$25 million alone to a single Colorado charter growth fund. The foundation gave the Beacon Hill Institute in Massachusetts \$40,000 in 2010 and 2011.

The foundation also funds some of the causes supported by newer faces in the education privatization movement. The foundation financed the research and work of Charles Murray, co-author of *The Bell Curve*, the controversial 1994 book that linked intellect to race. “It’s no coincidence,” wrote Barbara Miner of *Rethinking Schools*, “that the Bradley Foundation, which helped fund *The Bell Curve*’s research, is a key player in the push for vouchers to help pay for the education of the privileged.”

The Jaquelin Hume Foundation

The Jaquelin Hume Foundation, named for Reagan-era advisor Jaquelin “Jack” Hume and run by his son, Basic American Foods Chairman Emeritus Jerry Hume, has been spending down assets on the way to winding up its work. It has long been a source of financial help to voucher groups, anti-educator organizations and state-based think tanks.

The foundation has given at least \$210,000 to the Pioneer Institute since 2003. With the Walton Family Foundation and the Lynde and Harry Bradley Foundation, Hume has provided half of the funding for the Association of American Educators Foundation in recent years. Hume has also supported the Center for Union Facts, which sponsors harsh anti-labor initiatives. It gave \$400,000 to Jeb Bush’s Foundation for Excellence in Education in 2013 and 2014 and has given at least \$210,000 to the American Legislative Exchange Council since 2009.

The foundation finances groups that Jerry Hume has helped lead through boards: the Foundation for Teaching Economics, the Heritage Foundation, the Foundation for Individual Rights in Education, the Hoover Institution, the Foundation for Educational Choice and the Center for Education Reform. Hume is also a director of DonorsTrust, which the foundation also supports.

The foundation’s longtime executive director, now emeritus, Gisèle Huff, has joined Education Reimagined, a coalition initiated through the Convergence Center for Policy Resolution, which the Hume foundation supports. Coalition members include AFT and NEA representatives, along with representatives of private, public and parochial schools.

Americans for Prosperity

Known for influencing federal elections and for state and local candidate and issue campaigns that align with its goals, Americans for Prosperity is one of two nationally active groups evolving from Citizens for a Sound Economy, started by Charles and David Koch. The Kochs, principal owners of the massive oil and gas company Koch Industries and leaders of an American conservative dynasty, use Americans for Prosperity, FreedomWorks and other allied groups — including Americans for Responsible Leadership and Freedom Partners — to promote a policy agenda aimed at reducing the size of government, privatizing schools, diminishing labor and gutting regulatory protections.

Today the Kochs are closely associated with AFP. David Koch chairs the AFP Foundation, and the family has pumped millions of dollars into AFP activities to advance a small-government agenda: more private, religious, charter and online schools; reduced spending on public employee pensions and benefits; and less regulatory oversight on corporations and the environment.

AFP backs legislative and ballot efforts to weaken labor unions, impose right-to-work laws and end collective bargaining for public employees. Using ads, rallies, e-mail and phone calls, AFP works in states to pressure lawmakers and influence voters to support its agenda. “The air cover” from AFP, said then-Michigan House Speaker Jase Bolger, “helped lawmakers do what they wanted to do” in passing Michigan’s right-to-work law in late 2012.

Tea Party candidates count on the Kochs and their deep pockets to finance their campaigns. AFP runs 501(c)(3) and 501(c)(4) arms to mobilize voters and influence legislators, local and state officials and members of Congress. Presidential years are usually significant: In 2012, AFP spent at least \$33 million “for ads opposing President Barack Obama’s re-election,” the Center for Responsive Politics reports. The group has rapidly expanded its footprint and reports having up to 35 state chapters nationwide and 2.8 million activists. AFP can also use its national operation to work in states without chapters. Steady growth and more spending each cycle help AFP deploy its political money and other resources to build what *The Washington Post* called “a long-term effort to undercut the left’s long-standing dominance in grass-roots organizing.”

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Funding. *The Wall Street Journal* cited AFP and a sister group, Freedom Partners, as examples of how the Kochs direct substantial but largely undisclosed resources into political and issue campaigns. Americans for Prosperity spent \$115 million in the 2012 presidential year, \$44 million in the 2013 “off” year and a reported \$82 million in 2014. Freedom Partners, an affiliated group that operates as a 501(c)(6), spent \$22 million in 2013 and \$129 million in 2014. Donors to the two groups are not disclosed. The Kochs announced plans to spend nearly \$900 million in the 2016 presidential election year, but have held back so far.

The donor picture is clearer for the AFP Foundation, the 501(c)(3) “educational” arm, though knowing the identity of donors is far from reassuring. Like its political counterparts, the AFP Foundation reports higher spending in even-year election periods. The foundation relies on support from the Kochs and some of the nation’s largest ultraconservative contributors: Colorado’s Philip Anschutz, the Lynde and Harry Bradley Foundation, the Searle Freedom Trust, the J.P. Humphreys Foundation, the Sarah Scaife Foundation, the John William Pope Foundation and DonorsTrust.

Resisting new taxes, reducing spending and shrinking government's footprint. AFP has sponsored rallies and mobilized protests attempting to repeal the Affordable Care Act and continues to fight the act's Medicaid expansion provisions. It keeps up pressure on legislators to cut taxes and spending, reduce benefits and pensions for public-sector unions, and block increases in the minimum wage. In recent years, AFP has battled gas and sales taxes in Iowa, Colorado Springs and South Carolina. In Ohio, AFP jumped into another local battle when it fought a 2014 Columbus Zoo and Aquarium tax levy. It has mobilized against income tax increases in Louisiana and Pennsylvania and pushed public pension reductions in New Jersey and Illinois.

Repealing collective bargaining and passing right-to-work laws. AFP worked in Wisconsin to repeal collective bargaining for public employees and backed passage of right-to-work laws in Michigan and Indiana in 2012, and it has supported right-to-work campaigns in the Midwest and in Pennsylvania. In January 2016, AFP scored a victory in Tennessee when a "paycheck protection" bill it backed passed the Tennessee Senate. A similar AFP-backed "paycheck" bill passed the Missouri legislature but ultimately was vetoed by Democratic Governor Jay Nixon in March 2016.

AFP often pairs its message of fiscal responsibility with one calling for curbing union influence. Without unions in the way, AFP reasons, states can more efficiently cut government and employee costs. In a 2011 speech captured on video, Michigan AFP director Scott Hagerstrom said: "We fight these battles on taxes and regulations, but really what we would like to see is to take the unions out at the knees, so they don't have the resources to fight these battles."

Supporting vouchers and other non-public-school educational options. AFP activists and money are often factors in education fights. AFP blames federal education policy for what it calls failed education reforms in schools and says policies such as the Common Core standards represent "top-down failure." In the Denver suburb of Jefferson County, AFP defended three conservative school board members targeted for a November 2015 recall. The recall drew national attention — and some \$1 million in spending — but public school supporters tossed out the three "reformers." AFP ran ads hammering 2015 Kentucky Democratic gubernatorial candidate Jack Conway for not supporting charter schools. Conway lost to incumbent Governor Matt Bevin, in part because of AFP's negative ads and its strong support for Bevin, an AFP ally. Also in 2015, AFP put its heft behind a mini-voucher program for special needs children that cleared the Tennessee legislature.

School choice proponents landed a victory in January 2016 when Arizona Governor Doug Ducey, another AFP statehouse ally, appointed prominent Koch-backed activist Clint Bolick to the state Supreme Court. Bolick has long been the brains behind litigation protecting vouchers, tuition tax credits and charter schools. Meanwhile, Ducey's chief of staff is Kirk Adams, former president of Americans for Responsible Leadership, a Koch-supported sister group of AFP.

Ducey won office in 2014 on a wave of Koch-linked hidden money. He was a relatively unknown state treasurer until he chaired a campaign to defeat Proposition 204, a 2012 Arizona ballot measure that would have extended a voter-approved sales tax to support public education. Americans for Responsible Leadership contributed nearly half of the money spent to defeat the measure.

Fighting Common Core. AFP says its opposition to Common Core has helped raise its profile and expand its membership — even in states where the standards have not been adopted. AFP spent \$500,000 in Tennessee in 2014 for communications including radio ads and mailers to target Common Core and defeat pro-Common Core school board candidates. The next year AFP used its influence to attack the state’s Common Core standards.

Fighting transparency for nonprofits. AFP has taken the lead in fighting a court ruling forcing conservative groups to release donor information. In December 2014, AFP sued California Attorney General Kamala Harris claiming violations of its First Amendment rights because it was forced to reveal its donors. AFP funneled millions into two California ballot initiatives: one supporting a 2012 “paycheck protection” ballot initiative measure and a second opposing a tax hike backed by unions and Governor Jerry Brown. The courts sided with the state, saying that AFP had to disclose its donors, but AFP continued fighting the ruling into 2016.

Who’s involved? Nationally, AFP is run by Tim Phillips, a Republican political consultant and onetime partner of former Christian Coalition executive director Ralph Reed Jr. Foundation board members include Foundation Chair David Koch — the Koch brothers are said to “micromanage” AFP operations — and Cy Nobles, a former Koch Industries executive. Other board members include Debra Humphreys of Missouri, whose family contributes to the foundation, and Walter Williams, the right-leaning John M. Olin Professor of Economics at George Mason University. Williams also serves on the boards of several other conservative groups, such as the Hoover Institution, the Institute for Research on the Economics of Taxation, the Landmark Legal Foundation, the Alexis de Tocqueville Institute and the Reason Foundation.

For the AFP political arm, board members include Frayda Levin, who has served on the boards of the Foundation for Economic Education and the political committee Club for Growth. Former Reagan budget director James Miller, also an AFP director and a holdover from the Citizens for a Sound Economy board, holds positions at the right-leaning Hoover Institution and has previous ties to the Center for the Study of Public Choice and the John M. Olin Foundation.

Charles and David Koch started AFP with their longtime business associate Richard Fink, a former economist who traditionally has run much of the family’s political operation and who, until recently, maintained an AFP Foundation board seat. Fink no longer sits on the foundation’s board, but his son Chris Fink is chief operating officer of the foundation and sits on the board of the political arm.

FreedomWorks

FreedomWorks shares its provenance with Americans for Prosperity. Both groups grew out of Citizens for a Sound Economy, founded in 1984 by the Koch brothers and Koch Industries executive Richard Fink to promote smaller government and lower taxes. CSE was among a number of libertarian-minded causes backed by the Kochs in the 1980s and 1990s, including groups that were instrumental in passing California's legislative term-limits law in 1990.

CSE advocated in legislatures and through state ballot initiatives for school vouchers, privatizing Social Security accounts, repealing the estate tax and reducing regulations, including those focused on preserving the environment. It was hostile to unions and in 1998 funded a reported \$1 million independent expenditure campaign supporting California's Proposition 226, which would have made it harder for unions to collect members' dues. Proposition 226, a so-called paycheck protection measure, was promoted by a group of anti-government strategists led by Americans for Tax Reform President Grover Norquist. That California campaign signaled a major step in the multi-year national assault on labor.

Preventing the use of members' dues for political purposes "would crush labor unions as a political entity," Norquist said at the time. "If you privatize Social Security, if you voucherize education, if you sell the \$270 billion worth of airports and wastewater treatment plants, eliminate welfare, and so on, you can get the federal government, state government, and local government to basically half of its present level of costs."

Five years earlier, David Koch had backed an unsuccessful California voucher ballot initiative, ultimately stopped by the California Teachers Association. That ballot initiative was the first significant political volley in what became the national effort to privatize public schools.

The modern-day CSE, however, would not hold together. An internal conflict forced CSE and its affiliated foundation to split into two new groups in 2004. The CSE Foundation merged with the Independent Women's Forum to become the Americans for Prosperity Foundation. CSE merged with Empower America, an advocacy group whose founders included former U.S. Education Secretary Bill Bennett and former Housing and Urban Development Secretary Jack Kemp, and took the name FreedomWorks. FreedomWorks was originally co-chaired by Kemp, former White House Counsel C. Boyden Gray and former House Majority Leader Dick Armey, but Armey left during election season in 2012 after a dispute over the group's direction. His departure resulted in part from differences over supporting Tea Party congressional candidates versus mainstream Republican candidates.

Funding on the decline. FreedomWorks has in recent years announced big plans to influence political campaigns, but tax records suggest a diminishing organization. FreedomWorks and its foundation spent a combined \$23.5 million in 2012, \$20 million in 2013 and just \$13.9 million in 2014, the most recent records available serve to indicate. Likewise, the super PAC FreedomWorks for America spent \$22.6 million in the 2011-2012 cycle but just \$4.3 million in the 2013-2014 cycle and had spent less than \$1 million for 2015-2016 as of March.

Common Core opposition. FreedomWorks is an example of how right-leaning groups work hot-button issues to broaden their membership. FreedomWorks has tried capitalizing on concern over

the Common Core to engage new supporters, expand its grassroots activism and extend its influence on education privatization.

Politico reported that it obtained a draft action plan by FreedomWorks that “lays out the effort as a series of steppingstones: First, mobilize to strike down the Common Core. Then push to expand school choice by offering parents tax credits or vouchers to help pay tuition at private and religious schools. Next, rally the troops to abolish the U.S. Department of Education. Then it’s on to eliminating teacher tenure.”

Funding. FreedomWorks includes a 501(c)(4) arm and a foundation, plus political committees active in state and federal campaigns. Spending includes the super PAC FreedomWorks for America, which has backed Republican Ted Cruz in the 2016 presidential campaign, with major Cruz supporters funneling money into FreedomWorks committees.

FreedomWorks has been fiercely protective of its donor information. Records show that much of the revenue for FreedomWorks comes from a small pool of contributors. The FreedomWorks Foundation relies on major gifts from DonorsTrust, the Sarah Scaife Foundation, the Lynde and Harry Bradley Foundation, the DeVos family and Dunn’s Foundation for the Advancement of Right Thinking, among others.

Grassroots activism and the Tea Party. FreedomWorks operates as a national group with state chapters. Its role in the association of right-leaning groups is to provide the illusion of “grassroots” support for anti-government and anti-labor issues. Early on, working with Americans for Prosperity, FreedomWorks tapped into the Tea Party movement, providing funding and organizing support for protests against taxes, government spending and health care. FreedomWorks promoted revenue-starving ideas such as “Taxpayer Bill of Rights” legislation, estate tax repeals and a “flat” tax that would swap income taxes for higher sales taxes.

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In September 2015, FreedomWorks held a “Grassroots Summit” in Florida, marking the sixth anniversary of its 2009 “9.12 rally” in Washington, D.C., which was a Tea Party highlight. The 2015 event was much smaller than earlier events, drawing just 2,000 attendees, but included right-wing radio host Glenn Beck and several Tea Party speakers.

Collective bargaining and right-to-work push. FreedomWorks has seized on recent advances against labor to urge on governors and legislators. In recent years, FreedomWorks has been a sponsor, along with similar groups, of the annual National Employee Freedom Week, a “grassroots campaign” created to educate workers about union choice/membership, and has waded into right-to-work battles in Missouri, West Virginia and Wisconsin. It promotes “research” showing how newly enacted right-to-work laws can quickly revive state economies.

Vouchers and advocacy for privatized schools. FreedomWorks takes active positions on vouchers, staging rallies in key states to suggest citizen support for private school options. It organizes supporters to contact legislators and back state and federal voucher and scholarship bills. FreedomWorks is a partner in National School Choice Week. The group regularly produces op-eds, press releases and blog entries promoting school choice.

Who's involved? FreedomWorks President and CEO Adam Brandon joined the group in 2006. Initially serving as press secretary, he worked his way up to executive vice president before landing his current position in mid-2015.

Stephen Moore, senior economic contributor at FreedomWorks, regularly produces material critical of labor and public education. A longtime nemesis of labor and public schools, Moore is a former president of the Club for Growth and member of *The Wall Street Journal* editorial board. He is a distinguished visiting fellow at the Project for Economic Growth at the Heritage Foundation.

Beck has been an associate of FreedomWorks for years, leveraging his radio audience for income. In 2014, *Politico* reported that FreedomWorks had paid Beck “more than \$6 million in recent years to have Beck promote the group, its initiatives and events, giving it direct access to Beck’s vast ‘grassroots audience.’”

Also on the board of FreedomWorks and the FreedomWorks Foundation is publisher and former presidential candidate Ted Abram, executive director of the American Institute for Full Employment, known for advocating “converting welfare and unemployment benefits into wage subsidies for companies.” Abram was set up in the nonprofit by the late JELD-WEN founder Richard Wendt, who was hostile to labor in both his business and political giving.

The board’s chair is Robert T.E. Lansing of The Westminster Funds. Lansing, a Chicago real estate investor, is close to fellow board member Richard J. Stephenson. Other board members include Frank Sands of Sands Capital Management and Thomas Knudsen of Thomas Publishing Company.

FreedomWorks’ former president, Matt Kibbe, is a veteran Washington operative with experience as a congressional staffer, budget policy director for the U.S. Chamber of Commerce and policy staffer at the Republican National Committee. He left FreedomWorks in June 2015 to run a pro-Rand Paul super PAC called Concerned American Voters.

The Heritage Foundation

For decades the Heritage Foundation has been known for churning out free-market policy ideas and inspiring the nation's network of smaller state-based think tanks. Founded in 1973 and funded by leaders of the conservative movement, Heritage has been a training ground for Republican operatives and advisors as well as a clearinghouse for national and state policy ideas.

If states are the “laboratories of democracy,” then the foundation, a 501(c)(3), has acted as the scientist in charge. Developing and researching significant policy initiatives for the states and Congress, Heritage provides the tools to advocate for smaller government, less regulation and greater “choices” for schools, while delivering strategies to block unions that stand in the way. With the current explosion of information sharing in the digital age, Heritage’s *Townhall.com*, which debuted in 1996 and was later sold to Salem Communications, was a forward-thinking tool that operated as an online clearinghouse for news, ideas and advocacy.

But times have changed, and some activists favor political expediency in the debate over conservative ideas. Suffering from a reputation of sometimes being stodgy, Heritage made a leadership change in 2012, tapping then-South Carolina GOP Senator Jim DeMint, a Tea Party favorite, as its new president to replace the retiring Ed Feulner. With DeMint at the helm, Heritage hoped to better compete for attention and resources against scrappier advocacy groups able to manipulate loose campaign disclosure rules that protect the identity of donors to 501(c)(4) groups. DeMint added a similar political action arm, Heritage Action for America, to complement the Heritage policy operation.

First in the Senate and now at Heritage, DeMint has practiced insurgency politics: His Senate Conservatives Fund helped elect a young roster of Tea Party leaders, including Ted Cruz of Texas and Marco Rubio of Florida, who have been described as DeMint’s “political godchildren.” DeMint was the only “policy” figure who attended a meeting in March 2016 between Republican lawmakers and presidential candidate Donald Trump.

DeMint’s first few years have sent Heritage into the political fray, backing the government shutdown and tangling with Republican congressional leaders over Planned Parenthood funding and repealing the Affordable Care Act. Tea Party members were happy with the more combative tone; established Republicans were dismayed. Utah Republican Senator Orrin Hatch worried that Heritage could lose its “clout and its power around Washington, D.C.,” with the increasing political emphasis. Hatch stated, “There’s a real question in the minds of many Republicans now, and I’m not just speaking for myself, for a lot of people that [question is]: Is Heritage going to go so political that it really doesn’t amount to anything anymore?”

Yet the Heritage brand strikes fear in the hearts of politicians who don’t agree with its tactics. “They have score cards,” the Senate’s number-two Democrat, Dick Durbin, told *Rolling Stone* in 2015. “It scares the bejesus out of Republicans: ‘Vote yes, vote no — or get ready, we’re coming at you in the primary.’”

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On the policy side, Heritage continues to promote the work of state-based think tanks. The foundation provides research and other educational materials to members of Congress and state legislators and acts as a training ground for staffers who put Heritage policies to work. The charter school movement is crowded with Heritage alumni: Former Heritage staffer Jonathan Hage runs Charter Schools USA, a growing for-profit charter school management company, and is now on the board of the Center for Education Reform. Former Heritage education policy analyst Nina Rees advised President George W. Bush on education, helped develop the No Child Left Behind law and led the Office of Innovation and Improvement at the U.S. Department of Education, overseeing grants for groups that aided alternative teacher certification and promoted vouchers. Rees now runs the National Alliance for Public Charter Schools after a stint at Knowledge Universe, a private education company. Terry Scanlon, Heritage's former vice president for corporate relations, led the Capital Research Center for more than a decade until retiring in 2016.

Heritage was established by Paul Weyrich and Feulner, with substantial early financial help from Joseph Coors. Mammoth in size and budget compared to other national groups active in the conservative movement, Heritage spent \$82 million in 2014, while Heritage Action spent \$9.6 million on political activity. The names of donors to Heritage Action are shielded by law, but the Heritage Foundation relies on million-dollar-plus contributions from the Scaife, DeVos, Bradley, Coors, Searle, Koch and Van Andel foundations and DonorsTrust, among other leading names on the right.

Advocate for anti-union ideas. Heritage co-founder Weyrich, the late president of the right's Free Congress Foundation, noted in 1995 that Heritage had a "PTL" project. "Not Praise the Lord," he wrote, "but Privatize the Left." Today Heritage is acting as an echo chamber to push anti-union rules in the states that would make it easier to carry out that vision.

In 2013, Heritage made the case for Kansas legislation to limit what unions can negotiate through collective bargaining in public schools. It hosted Michigan's Dick DeVos at a forum to dissect right-to-work success in his state, and it has pumped out a library's worth of "research" promoting right-to-work laws in the states while continuing to press debates over pensions and other benefits for employees covered by collective bargaining agreements.

In 2015, Heritage Research Fellow James Sherk provided extensive testimony before the Nevada State Assembly opposing collective bargaining. Later that year, Heritage released a lengthy background report contending that union membership does not guarantee better living standards for workers. In October 2015, Heritage co-hosted a Summit on Workers' Empowerment with the Center for Worker Freedom and the Center for Union Facts.

Promoter of private, for-profit school options. Heritage's education policy promotes using taxpayers' money to pay for children in private, religious, charter, online or home-school settings, as well as public ones. Heritage regularly highlights advances for vouchers, tax credits, charter schools and privately funded scholarships and is critical of union attempts to repeal these policies. It is a source of promotional materials for smaller think tanks around the nation for legislation and policies favoring a greater private role for companies in education.

Heritage says it wants to reduce the “federal footprint” in education. While it has long supported vouchers and charter schools, the foundation also promotes “education savings accounts” and eliminating the Common Core standards. In February 2016, Heritage released a report touting the benefits of education savings accounts for the District of Columbia, urging Congress to expand the district’s pilot choice program. Heritage and Heritage Action contended that the compromise reached for the Every Student Succeeds Act, which increased funding for charter schools and opportunities for privately managed charter companies, didn’t go far enough.

Small-government agenda. Heritage offers a ranking of congressional members, with more conservative lawmakers adhering to Tea Party-style views receiving the highest ratings. But even some Republicans think the expectations are too high: “If you score Paul Ryan at a 66, none of us can live up to your standards,” one Republican member said, alluding to the U.S. House speaker from Wisconsin. Heritage argues for caps on spending, is critical of public employee pensions and takes on their defenders for using “illogical” or “misleading” calculations.

Who’s involved? Known for his Tea Party sympathies and his hard-right view of limited government, DeMint joined Heritage in planning a “new revival” under his leadership to help conservatives do a better job of communicating their message. “Numerous states are demonstrating that low taxes, right-to-work laws, school choice, energy development and other common-sense policies improve the lives of everyone,” DeMint said. Board members for Heritage include figures representing some of the more active contributors to right-leaning causes. One trustee is philanthropist Barb Van Andel-Gaby, daughter of the late Jay Van Andel, co-founder with Rich DeVos of Amway; the family foundation gives millions to Heritage. Right-leaning California philanthropist Jerry Hume, also a reliable donor, sits on the board. Former presidential candidate and publisher Steve Forbes is likewise a member, along with Hillsdale College President Larry Arnn. An emeritus board member is David Brown, also a board member of the Samuel Roberts Noble Foundation and the Oklahoma Council of Public Affairs — two groups instrumental in passage of Oklahoma’s 2001 right-to-work law.

The board’s newest member is Michael W. Gleba, chairman and CEO, treasurer and trustee of the Sarah Scaife Foundation, an early financial contributor to Heritage. Richard Mellon Scaife was a longtime board member until his death in 2014.

The State Policy Network

The Beacon Hill Institute and the Pioneer Institute in Massachusetts are longtime members of a national network of state-based think tanks that promote anti-government and anti-public-education ideas to voters and state legislatures. The network was established in 1992, when representatives of a dozen small policy groups in the states decided they could accomplish more together and created a clearinghouse for the local policy groups called the State Policy Network.

Today, the SPN is a national string of think tanks that work together and in their respective states to shape legislation and policy. The SPN provides the structure for think tanks to share their ideas, offers fundraising help to members and provides a link to well-established national policy and advocacy groups. It provides a critical tie to the American Legislative Exchange Council, which circulates think tank ideas and proposed legislation to help promote a uniform agenda in the states. SPN member groups can become instant “experts” on tax policy, education “reforms,” anti-labor measures and budget, tax and regulatory issues through these shared ideas. The network envisions its mission as helping build “a permanent freedom majority” that will “set the stage to revitalize the nation’s heart for freedom and limited government this year and beyond.”

Each state has an SPN member think tank of some size. They operate as 501(c)(3) nonprofits that do not have to disclose individual donors and that by law are limited in how they can influence the legislative and political processes. Despite these legal limits on advocacy, the think tanks are able to supplement other groups’ political or lobbying activity by providing “educational” tools on issues.

Increasingly more aggressive in how they pitch their proposals, SPN groups go beyond acting as incubators for ideas: Some support ballot initiatives, act as de facto staff for legislators and provide materials that end up in political campaigns. With support from national donors, more policy groups are sponsoring their own news bureaus, holding debates or buying advertising time to broadcast their messages. The SPN and its members circulate data and white papers that give legislators and other elected officials “research” to support their privatization, anti-tax and anti-government policies. Veteran think tanks such as the Pioneer Institute show newer policy groups the ropes in promoting these policies in the states.

The SPN likes to note that it was started by 12 state-focused think tanks and that now there are 65 member groups representing all 50 states. The Pioneer Institute’s founder, the late Lovett “Pete” Peters, was a fixture in the network and a leader in the national privatization movement, supporting conservative legislators and contributing to a 1998 California ballot initiative aimed at reducing union access to members’ dues money. He told an SPN gathering in 2003 that Pioneer had been instrumental in securing support for authorizing Massachusetts charter schools by enabling supporters to “get a camel’s head under the authorization tent” as a first step to promoting “school choice” in the state.

In recent years, the SPN has expanded to include some non-think tanks as members. Building Excellent Schools, a national charter school accelerator based in Boston that is affiliated with five Massachusetts charter schools, is listed as an “associate member” of the SPN. BES financial supporters include the Walton, Broad and Simon foundations, among others.

Funding. Designation as an SPN member gives each member group access to national donors interested in limited-government policies. In their respective states, think tanks project a local image, when in fact many count on receiving as much as one-third to one-half of their financial support from out-of-state contributors — the same individuals and foundations supporting causes antagonistic to labor and public education.

Funding for the network itself continues to grow and comes from the early foundations that supported the SPN's creation. SPN income rose from \$4.8 million in 2010 to \$8 million in 2014. A leading contributor to the network and the member state think tanks is the Roe Foundation, the funding vehicle for the late Thomas Roe, an early Heritage Foundation supporter who helped shape the SPN as a gathering place for "mini-Heritages." The Roe Foundation, based in South Carolina and led by several SPN current and former leaders, gave the SPN at least \$252,000 from 2012 through 2014 while also supporting member think tanks around the country. Roe gave the Beacon Hill Institute a total of \$20,000 in 2013 and 2014 and gave the Pioneer Institute \$60,000 from 2012 through 2014.

DonorsTrust, the donor-advised philanthropic fund bankrolled by right-leaning contributors who apparently do not want to be required to disclose their donations, gave the SPN nearly \$900,000 from 2012 through 2014. A major contributor to DonorsTrust, the Searle Freedom Trust, directly gave the SPN at least another \$1.5 million from 2011 to 2014. The Jaquelin Hume Foundation of California gave at least \$325,000 from 2010 through 2013 and has steered grants ranging from \$10,000 to \$75,000 to some two dozen SPN member groups.

The Thirteen Foundation, funded by Farris and JoAnn Wilks of Cisco, Texas, pumped \$1.5 million into the SPN in 2012, the same year the foundation was steering hundreds of thousands of dollars into home-schooling and religious right groups including Focus on the Family, the American Family Association and the Texas Right to Life Committee. Farris Wilks' wealth comes from the \$3.5 billion sale, by Farris and his brother Dan, of the family fracking equipment business in 2011. The brothers are making a big splash with their wealth in supporting socially conservative causes and have been top donors to former Republican presidential candidate Ted Cruz.

The Ruth and Lovett Peters Foundation, formerly based in Massachusetts and now in Ohio, gave the SPN \$32,500 from 2011 through 2013. Major names on the right, including the Claude Lambe Charitable Foundation, one of the funding vehicles for the Koch family; the Charles Koch Foundation; the Lynde and Harry Bradley Foundation; and the Adolph Coors Foundation have all supported the network financially.

Money flowing into the SPN is important because the umbrella organization sends grants back out to the policy groups. In 2014, some 30 member think tanks collected grants ranging from \$10,000 to more than \$89,000 for operating expenses, training costs, debate series and tax and education research.

Supporting the growth of state think tanks. The SPN's biggest value comes from its strategic advice to smaller think tanks and promotion of the work they do. It offers leadership training and recruitment and mentoring support for policy staff and leaders. The SPN cultivates donors, returning

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repeatedly to the right-leaning foundations and individuals who have long funded anti-government efforts, and it provides think tanks with advice on approaching foundations. It also helps market the work of state-based groups, encouraging member organizations to share ideas and best practices.

Promoting anti-worker legislation. SPN members have figured prominently in the march to enact right-to-work laws in Wisconsin, Michigan, Missouri and West Virginia and in attempts in other states. In 2015, SPN think tanks worked in at least nine states to promote so-called collective bargaining “transparency” legislation. In recent years, member think tanks have provided economic arguments to oppose minimum wage increases in states.

Advocating for vouchers, tuition tax credits and charters. The SPN is helping the Pioneer Institute solicit material from sister think tanks for a film project on so-called “know-nothing” laws that the SPN says prevent children in 38 states from attending private or parochial schools. And it highlights Pioneer’s introduction of the website *www.MassChartersNow.com* to support the 2016 charter expansion push. A relatively new think tank, the Beacon Center of Tennessee, pushed hard for voucher legislation in 2016 and blasted the Tennessee Education Association for blocking the bill’s passage. The Beacon Center received \$40,000 from the SPN in 2014, the latest year for which financials are available, to pay for communication training.

Reducing spending and eliminating standards. SPN think tanks cast themselves as state budget experts, guiding legislators in approaches to cutting spending. The Beacon Hill Institute, now seemingly diminished in influence, has rated regular mentions in SPN newsletters for its budget forecasts and advice to Massachusetts legislators. The SPN applauds the work of the Kansas Policy Institute, which helped eliminate the state’s K-12 financing formula in 2015 after years of working to cut education spending. Michigan’s Mackinac Center got an SPN shout-out for its “research” calculating how much the state spends on salaries and benefits for educators doing union business: The research prompted proposed Michigan legislation to ban the practice that resembles model legislation distributed by the American Legislative Exchange Council to right-leaning legislators in other states.

Who’s involved? Top staffers are think tank veterans. SPN President Tracie Sharp worked at both the Washington Policy Center in Washington and the Cascade Policy Institute in Oregon. Vice President of Strategy Lynn Harsh is a co-founder and former chief executive officer of Washington’s Freedom Foundation, formerly the Evergreen Freedom Foundation, one of the first SPN members.

Donors play a leadership role. Representatives from foundations that provide financial support — the Adolph Coors Foundation, the Roe Foundation, the JM Foundation and the GFC Foundation — sit on the SPN board, along with Bridgett Wagner of the Heritage Foundation and Ted Abram, director of the American Institute for Full Employment and a FreedomWorks Foundation board member.

The American Legislative Exchange Council

National and state-based think tanks are the source of many ideas on the right, but the American Legislative Exchange Council often provides the policy language that helps states execute these ideas. ALEC's tool of choice is model legislation: legislative language hammered out by state lawmakers who sit side by side with business executives, lobbyists, special interest groups and right-leaning activists. Together they draft legislation that is carried back to the states for consideration.

Legislators can take ALEC's model policies and insert their names into the boilerplate language, creating instant bills on issues ranging from voter identification requirements to caps on liability for drug makers. Policy priorities include hampering unions in both the public and private sectors, privatizing education, easing regulations on industries, opposing climate change protections, initiating anti-immigration laws, trimming the pay and benefits of government employees and imposing revenue-limiting caps that can shut off funding for budget priorities, including public education.

In education, ALEC's model language provides ready-made legislation to advance corporate-friendly education options that promote school vouchers, tuition tax credits and charter schools, diverting public taxpayers' money to private or less-regulated options. ALEC bills push for more high-stakes testing for students, perks for home-schoolers and broader access to "virtual" or online schools. The Center for Media and Democracy reports that at least 172 bills reflecting ALEC's private education language were introduced in 42 states in the 2015 state legislative sessions.

ALEC is a source of anti-labor legislation as well, supporting challenges to collective bargaining and backing right-to-work bills. Building on model anti-labor bills promoted in states such as Wisconsin, Michigan, Indiana and West Virginia, a new ALEC offshoot has been pursuing right-to-work measures in localities. Up to a dozen Kentucky counties aided by ALEC's American City County Exchange had adopted local right-to-work language as of last year, and municipal officials in a handful of other states debated similar language. Leaders see the local ALEC offshoot as helping on other fiscal and labor issues such as depressing the minimum wage.

ALEC holds two major meetings each year. It also holds gatherings for ALEC task forces, where legislation is drafted and strategy considered. Each task force has two chairs: a legislator and a private-sector member. In 2013, after pressure from progressive groups that called on ALEC to reveal more information about the organization's operations, ALEC posted its library of model legislation on its website, revealing the true depth of the group's work.

Funding. Further influencing ALEC's work is its stable of financial contributors: pharmaceutical, energy, manufacturing, retail and telecommunications companies and "big business" families. ALEC collects about \$7 million in revenues annually from member dues, meeting fees and contributions. Members of the Koch, Scaife, Coors and Searle families have helped fund ALEC activities — and they benefit from the policies that ALEC members promote. Right-leaning foundations including Koch, Bradley and DonorsTrust are substantial contributors.

In education, ALEC's model language provides ready-made legislation to advance corporate-friendly education options that promote school vouchers, tuition tax credits and charter schools, diverting public taxpayers' money to private or less-regulated options.

Starting in 2012, ALEC began losing corporate sponsors when it was revealed that it had drafted so-called “stand-your-ground” laws that allow the use of deadly force in situations where an individual feels threatened. Pressure from progressive groups citing ALEC’s role in voter identification measures and other controversial legislation has prompted a mass exodus of corporate donors. Companies including Coca-Cola, Pepsi, Kraft Foods, Johnson & Johnson and Walmart all said they were dropping their memberships. The Center for Media and Democracy, which tracks ALEC’s operations, reports that 108 companies and 19 nonprofits have ended their ALEC memberships since 2011.

The Bill & Melinda Gates Foundation said it had limited its support of ALEC to earlier grants of \$375,000 and would no longer provide funding for the group.

Waging war on unions. ALEC has been a key legislative force in state efforts to curb collective bargaining, enact right-to-work legislation, end dues-checkoff provisions, curtail family leave policies, and reduce workers’ rights and benefits. It has targeted pensions and protections such as project labor agreements and living-wage rules. Mandatory collective bargaining for public-sector workers would be banned under ALEC’s model Public Employee Freedom Act. Automatic collection of union dues would be banned by ALEC’s Public Employer Payroll Deduction Act, and the companion Voluntary Contribution Act would ban the “use of dues for political activity.”

ALEC was the inspiration behind anti-worker legislation that started sweeping into labor-hostile legislatures five years ago. It wrote the right-to-work legislation passed in Michigan and provided model language for Wisconsin Governor Scott Walker’s attack on collective bargaining, which spawned copycat bills in many other states. Indiana, Georgia, Missouri, Kansas, Pennsylvania and West Virginia are among the states that have picked up worker attacks drafted by ALEC.

ALEC says that the 4-4 decision in the *Friedrichs v. California Teachers Association* agency fee case proves that states should act on their own in curbing labor “without relying on the Supreme Court.”

Pushing private options for education. ALEC’s education measures seek to divert funding from public to private schools, weaken teacher certification, expand testing requirements and generally usher in for-profit online and education management companies. Model legislation includes “parent trigger” bills that make it easier to take over public schools and variations on voucher, private scholarship and tuition-tax-credit measures. ALEC’s most recent annual report card on education provides states with ratings for their progress on major “reforms” — with the highest ratings going to states that have promoted vouchers, tuition tax credits, charter schools and online education.

The report card says that Massachusetts has the “most effective public education system in the country,” yet ALEC faults the state for not offering enough “choice” options for students. ALEC gives Massachusetts a “C-” grade overall in the 2015 report card. Massachusetts charter policies get a “C,” but the state’s overall grade is dragged down by a “D” for imposing too many rules on home-schooling families and an “F” for not offering vouchers or tuition tax credits. ALEC has taken special notice of the 2016 charter campaign, calling the current charter cap “toxic” and touting a 2009 Boston Foundation-funded Harvard study that promotes charter schools.

Who's involved? ALEC is led by a board made up of sitting legislators that works alongside a private enterprise advisory council of mostly corporate executives. Most states have legislators who serve as ALEC chairs, but the current ALEC website does not list a Massachusetts chair position.

The pharmaceutical trade group PhRMA and the business group NFIB are represented on ALEC's Private Enterprise Advisory Council, along with representatives from companies including Koch Industries, State Farm, United Parcel Service and the online for-profit school company K12 Inc. Bob Williams, founder of the Evergreen Freedom Foundation think tank in Washington state, is on the private enterprise board and ALEC's Board of Scholars.

The co-chair of ALEC's Education Task Force, source of the anti-public-school legislation, is Jonathan Butcher of the Goldwater Institute, the Arizona sister think tank to the Pioneer Institute and a member of the State Policy Network string of allied policy groups.

StudentsFirst

Promoted from its ambitious start as a leading lobbying and advocacy group emphasizing testing, challenging educator influence and expediting school takeovers, StudentsFirst never lived up to its much-hyped potential, and in the spring of 2016 it was collapsed into 50CAN, a national charter advocacy group.

Michelle Rhee launched StudentsFirst in December 2010 after ending a stormy tenure as chancellor of the Washington, D.C., school system that was marked by layoffs, union clashes and test-cheating allegations. She touted her new advocacy group — saying it would be funded by \$1 billion she planned to raise — as an aggressive national education “reform” organization.

From the start, Rhee made it clear that she was amassing resources to speak over what she saw as an influential voice in education — educators’ unions. “It occurred to me that we were going to politicians and appealing to their sense of what is good and right, but they have the unions helping fund their campaigns,” Rhee said. “You’re going to go with the money people who get you into office. I started to get the feeling we were playing the wrong game.” She picked fights in states over right-to-work laws, so-called parent trigger options, collective bargaining rights and teacher tenure. In California, StudentsFirst funded *Bain v. California Teachers Association*, a lawsuit that challenged agency fees, much as *Friedrichs v. California Teachers Association* did.

Although Rhee enjoyed some initial success in attracting a mix of contributors — including old guard right-leaning donors with wealth built in retail and industry and newer donors with fortunes created through technology, venture funds and education companies — the group never raised anywhere near \$1 billion. Rhee’s vision faltered within four years: She announced that she was stepping down as CEO in August 2014, remaining as an advisor. During her tenure, she had raised \$45 million in total revenues for StudentsFirst organizations. The StudentsFirst staff today is about one-quarter of the size it was during its heyday.

Rhee indicated that her departure was caused by plans to spend more time with her family and support her husband, Sacramento Mayor Kevin Johnson. Johnson has been considered a rising political star and has supported measures similar to those backed by Rhee while regularly battling unions and founding the charter school chain St. HOPE Public Schools. Rhee has been an advisor to Johnson and chairs the board of the charter chain.

Rhee’s departure as CEO came as some red flags emerged for the StudentsFirst franchise. As *The Washington Post* reported, StudentsFirst faced “questions about its effectiveness.” Records show that by 2014, the group’s visibility was “shrinking,” and revenues immediately fell off from a high point in 2012. And Rhee has been a divisive figure: In 2012, Connecticut Governor Dannel Malloy backed out of a meeting with education advocates once he heard Rhee was planning to attend.

StudentsFirst was recently run by Jim Blew, a longtime advisor to the Walton Family Foundation who ran campaigns for the old-line voucher group Alliance for School Choice from 2000 to 2005, a time of major voucher assaults on the states. Blew helped announce the 2016 merger with 50CAN,

the 50-State Campaign for Achievement Now, a national group that grew out of ConnCAN, a Connecticut charter school advocacy group financed largely by hedge fund figures, Ray Smart and his family foundation, and pharmaceutical heir Jonathan Sackler.

ConnCAN made its name pushing expansion of Achievement First schools and evolved into 50CAN, targeting charter expansion nationwide as more states sought to replicate ConnCAN's charter advocacy. 50CAN and its seven state chapters — including those in the Northeastern states of New Jersey, New York and Rhode Island — provide research, advocacy and leadership support to promote tenure “reforms” and battle charter caps. The organization collected at least \$8.5 million from the Walton Family Foundation from 2012 to 2014; the Waltons accounted for half of 50CAN's revenues in 2012 and 2013, the latest years for which financial information is available. The Broad and Gates foundations are donors to the national group and some local arms.

Under the merger, Blew will step down from the national position, and the merged group will be run by current 50CAN CEO Marc Porter Magee. Rhee will continue to provide strategic advice. Each group will maintain local offices with its respective name, and Blew will run StudentsFirst California. Porter Magee played up the strengths of the merger, saying that StudentsFirst will help promote state lobbying on education issues while 50CAN continues to specialize in advocacy. *Politico* noted, however, that the deal “was not so much a merger as it was an acquisition” by a stronger 50CAN of the diminishing StudentsFirst.

The Foundation for Excellence in Education

Few nonprofits provide a clearer example of the for-profit potential found from influencing education policy than the Foundation for Excellence in Education. Former Florida Governor Jeb Bush founded the Tallahassee advocacy group in 2007 as a national platform to promote the policies he pushed in Florida: school rankings, voucher and tuition-credit programs, home-schooling support and teacher evaluations tied to student performance.

The foundation advocates for strategies it says will advance college readiness and steer more public money into charter, private, virtual and home schooling. It promotes the Bush-developed A-to-F school-rating system, greater reliance on standardized test scores to assess students and teachers, and school takeover measures such as the “parent trigger” option. Reports from its “Digital Learning Now” project assess how states rate in using technology in schools and from outside vendors.

It took years to win disclosure of the hard link between the foundation’s donors and the profit-friendly policies it promotes, but the 2016 presidential campaign intensified pressure on Bush to identify contributors. Bush stepped aside from the nonprofit in 2015 to focus on his ultimately failed presidential effort, but not before his candidacy cast a spotlight on the foundation — and on the donor money flowing to it from education companies that stand to benefit from the group’s proposed education “reforms.”

Until 2015, an affiliated group of state education leaders called Chiefs for Change also worked closely with the foundation; as Bush stepped down from the board, however, the chiefs spun themselves off and retained the name.

The foundation offers for-profit and nonprofit education companies access to state decision-makers and also writes company-friendly model legislation that can be introduced in states. These practices represent the increasingly common merger of interests between the education industry and decision-makers controlling public education money. The result: policy changes that blur the line between private and public funds in schools.

The watchdog group In the Public Interest released e-mails among foundation leaders, donors and sponsors that show Patricia Levesque, chief executive officer of the foundation, promoting a mobile-messaging company in which Bush was an early investor. In the Public Interest discovered that the foundation, through its use of model bills, was “writing and editing education laws and regulations in six states in ways that could benefit its private funders,” according to *The Associated Press*.

The Washington Post reported in 2015 that the foundation and Chiefs for Change “have pushed states to embrace digital learning in public schools, a costly transition that often requires new software and hardware.” The *Post* added, “Many of those digital products are made by donors to the foundation — and funders of Chiefs for Change — such as Microsoft, Intel, News Corp., Pearson PLC and K12 Inc.”

One state where the group’s influence has hit home is Maine, where news accounts trace “draft laws, the content of the administration’s digital education strategy and the text of a gubernatorial executive order on digital education” back to the foundation’s work.

“At the height of its influence in Maine in 2012 and early 2013, the foundation shaped large portions of [Governor Paul] LePage’s education agenda, including the successful introduction of virtual charter schools and the ‘A-F’ grading of public schools,” the *Portland Press Herald* reported in August 2015.

By late 2013, however, the partnership between Maine and the foundation “evaporated” as the foundation “became a political liability” to the administration, the newspaper reported. One contributing factor was the revelation in 2013 in Indiana that prominent Bush ally and Chiefs for Change co-founder Tony Bennett changed the ranking of a charter school belonging to one of his supporters. Another reason was the resignation of Maine Education Commissioner Stephen Bowen, a Chiefs for Change member and ally of Bennett.

In New Mexico, the foundation has had close ties to state officials, namely Education Secretary Hanna Skandera, who pushed her state to adopt the “Florida formula.” A Bush protégé and former co-chair of Chiefs for Change, Skandera drew criticism in 2013 when she overruled the state’s education commission and allowed Pearson, a foundation donor, to start a virtual charter school in New Mexico.

Likewise, when Skandera asked the foundation to send a staffer to New Mexico “to help advise us on our literacy initiative,” the foundation’s Mary Laura Bragg responded: “I’m at your beck and call,” *The Washington Post* reported.

Funding. The foundation disclosed its donors in the walkup to the presidential campaign, showing that it had collected \$46 million from its 2007 inception through 2014.

Noting that many of the donors were longtime Bush supporters, the *AP* observed, “Supporters in each of those stages of his career contributed to his educational foundation — which, in turn, sometimes supported causes benefiting its donors.”

Contributors included several “companies and nonprofits that appointed Bush to their boards of directors or advisory boards backed,” the *AP* found. Donors also included education companies that clearly stand to benefit from more digital learning, implementation of the Common Core and greater spending by schools — including charters — on outside consultants and providers.

As reported by *The Washington Post*, these firms include “Houghton Mifflin Harcourt, a large testing company, and the Educational Testing Service, which administers advanced-placement and English proficiency tests and has \$43 million in contracts to develop tests connected to Common Core.” The *Post* added: “Another donor, McGraw-Hill Education, sells math and reading programs and classroom materials aligned to the Common Core standards, among other products.”

Since its inception, the foundation’s top donors have included the Walton Family Foundation, providing at least \$7.8 million since 2009, and the Bill & Melinda Gates Foundation, providing at least \$6.7 million since 2010, foundation records show.

It took years to win disclosure of the hard link between the foundation’s donors and the profit-friendly policies it promotes, but the 2016 presidential campaign intensified pressure on Bush to identify contributors.

Several foundations identified through foundation records represent donors who have contributed to both anti-labor and anti-public-education causes. Among them are:

- The Kovner Foundation, which is funded by Bruce Kovner, an early supporter of private scholarship programs providing vouchers.
- The Bill and Susan Oberndorf Foundation, which is led by Californian Bill Oberndorf, a founding member of the Alliance for School Choice, now called the American Federation for Children Growth Fund, a national voucher group that advances American Legislative Exchange Council model legislation and is chaired by Betsy DeVos.
- The Ahmanson Foundation, which is funded by Californian Howard Ahmanson, an early promoter of “paycheck protection” and a voucher booster.

Other contributors, including the Dick and Betsy DeVos Foundation and the Lynde and Harry Bradley Foundation, are tied to the national voucher movement and anti-labor causes.

It’s clear, as well, that the foundation and its “Digital Learning Now” initiative count on corporate sponsors, including new and established education companies — some of which would benefit from policies broadening publicly funded private products in schools. E-mails unearthed in reporting on the foundation’s work show that donors at its 2012 national summit had special sessions during which they could meet top state education leaders. These meetings contribute to what In the Public Interest called an “ALEC-like role in state policymaking.”

“Accountability” and “choice.” The foundation advocates for policies that Bush pushed as governor of Florida — emphasizing testing and diverting public funding to private school options. States considering foundation-inspired policies tend to weigh A-to-F rating systems for schools, new “scholarship” or voucher programs, online courses from outside vendors, school takeover models and expanding charter schools. Foundation board member Condoleezza Rice, a former U.S. secretary of state, appeared in Louisiana in 2013 to promote school “choice” options and merit pay.

Push for “digital education.” An annual report card rates states on their digital progress. It has applauded states for “course choice,” a voucher-like program that allows students to take publicly funded online courses from state-approved providers. The initiative endorses using technology to accelerate school “reforms.”

Chiefs for Change. Chiefs for Change, launched in 2010, remains a group of state superintendents and commissioners. All but one of the first education leaders came from Republican-led states, and most held right-leaning views on education “reforms.” Eight states and Washington, D.C., are represented on the roster today, with members supporting teacher evaluations tied to student performance, charters and online learning. Most support vouchers and tuition tax credits.

In 2015, as noted above, Chiefs for Change officially separated from the foundation — perhaps to create some distance from Bush and his political campaign. The new offshoot indicated it would no longer receive funding from the foundation, a significant move given that the foundation had been the sole source of funding for Chiefs for Change, now led by Louisiana Superintendent John White.

While under the foundation's umbrella, the group appeared to have its own close relationships with donors. In 2013, Bush ally and Chiefs for Change co-founder Tony Bennett drew national attention as Florida's education commissioner. It was revealed that when he ran Indiana's schools, he had changed a school rating for a key donor's charter school from a C to an A. Bennett had intervened when the Indianapolis charter school appeared destined for a low grade. The school was a project of prominent Republican donor Christel DeHaan, and "Bennett's education team frantically overhauled his signature 'A-F' school grading system to improve the school's marks," the *AP* reported.

Bennett sent an internal e-mail that said: "They need to understand that anything less than an A for Christel House compromises all of our accountability work." The donor in question gave generously to Republican candidates and had given Bennett \$130,000 for his Indiana superintendent campaigns.

As a spinoff from the foundation, Chiefs for Change is teaming up with the Council of Chief State School Officers to support states transitioning to the Every Student Succeeds Act.

Who's involved? Jeb Bush chaired the foundation before launching his presidential bid. He named Condoleezza Rice as his replacement in early 2015, leading a board that includes a mix of financially and politically influential figures. They include DeVos, who, with her husband, Dick DeVos, has funded voucher advocacy nationally and supported the passage of Michigan's right-to-work law; and former New York City Schools Chancellor Joel Klein, now part owner of Amplify, the onetime education unit of News Corp. Foundation donor Bill Oberndorf and F. Philip Handy, who chaired the Florida Board of Education for six years during Bush's tenure as governor, are also on the board.

Foundation CEO Levesque is a veteran of Bush's Florida policy campaigns. She was deputy chief of staff for Bush while he was governor and helped start the foundation after he left office. Levesque and StudentsFirst founder Michelle Rhee were among education advisors to Rick Scott during his transition to Florida's governorship in 2010.

The "Digital Learning Now" initiative is led by John Bailey, a former Gates Foundation staffer and special assistant to President George W. Bush, coordinating education and labor policy.

The Association of American Educators

The Association of American Educators, a California-based group that hopes to build membership by pitching itself as an alternative non-union voice for teachers, has tried for years to lure members away from the NEA and the AFT. At one time envisioning a national network of state chapters, AAE today has a physical presence in just a handful of states. AAE operates as a membership organization with a supporting foundation whose \$1 million-plus budget is almost entirely subsidized by donors hostile to both unions and public schools. Recently the group has promoted “partnerships” with state charter school associations to draw new members.

AAE does not disclose its membership numbers, and there is no significant increase in revenues to suggest that recruitment tactics have been successful, at least in public education. Based on its newsletter and annual awarding of small scholarship grants for educators, members include educators in charter, private and parochial schools and some public schools, along with home-schooling parents and supporters. The 2016 AAE member survey says that 38 percent of AAE members “are currently benefiting from school choice policies.”

The association has been careful to try to rebut suggestions that it is anti-union or anti-public education. But its positions, member surveys and financial backing — and support for anti-labor campaigns such as National Employee Freedom Week, which it co-leads — indicate otherwise.

Assaults on unions and worker protections. After years of limited success in attempting to create a network of state chapter groups, the AAE recently has tried using legislative labor disputes to recruit members. AAE offers itself as an alternative to the NEA and AFT in states debating collective bargaining for public employees as well as right-to-work laws and other policies that make it harder for unions to organize. Even as some AAE members teaching in public schools benefit from union-led collective bargaining efforts, AAE leaders are critical of the outcomes, dismissing bargaining as “one-size-fits-all” pay and benefits.

The AAE favors curbs on union dues collection — which it and like-minded groups deceptively term “paycheck protection” — and opposes agency fees for basic employee protections. AAE uses its website to collect anti-union blog posts and articles, studies and legislative initiatives that are critical of unions. With the anti-labor Nevada Policy Research Institute, a member of the State Policy Network, AAE sponsors National Employee Freedom Week to educate members on how to leave unions. Denouncing the NEA and the AFT is central to the AAE’s recruitment efforts.

AAE supports legal attacks on educator rights — attacks that are usually paid for by AAE’s donors. An April 2016 AAE blog post highlights a Minnesota lawsuit brought by the Partnership for Educational Justice targeting educator tenure. The partnership, founded by former CNN anchor Campbell Brown and a sponsor of tenure challenges in New York, receives funding from the Walton Family Foundation, the AAE Foundation’s largest donor. “AAE members are split on eliminating tenure all together, however, opinions are shifting as public opinion moves in the direction of elimination,” states AAE in its policy positions, noting that most of its members do not consider tenure to be a measure of teacher competence.

AAE rallied members around the *Friedrichs v. California Teachers Association* agency fee lawsuit and bemoaned the suit’s 4-4 decision by the Supreme Court. “We’ve been so proud to stand with Rebecca

Friedrichs and the AAE member teacher plaintiffs fighting tirelessly for teacher freedom of choice,” an AAE news release stated on March 29, the day the *Friedrichs* decision was announced. Though “disappointed” in the high court decision, AAE said it remained “deeply committed to the principles behind this important case.”

AAE uses its publications to highlight anti-labor groups such as Union Watch; it applauds the American Federation for Children, whose board includes national voucher advocate Betsy DeVos, the chair, and the Partnership for Educational Justice’s Brown.

The AAE partners with the anti-union National Right to Work Committee “to let teachers know that they have options.” The partnership appears to serve two purposes: scouting new members for AAE and identifying teachers who can assist the NRTWC’s legal efforts to weaken laws protecting workers’ rights. The NRTWC is one of the leading litigators on the right, using lawsuits and investigations to challenge union laws, worker protections, dues collection and collective bargaining.

Advocacy for charters, online schools, vouchers and other private options. In 2011, AAE founder Gary Beckner said that the association was publicly acknowledging its support for private education options. “Although some educators, including many of our members, might see school choice as foreboding for the public school outlook, school choice encompasses empowerment for the parent to choose an environment that employs teachers in all arenas,” Beckner wrote in an op-ed.

The AAE favors curbs on union dues collection — which it and like-minded groups deceptively term “paycheck protection” — and opposes agency fees for basic employee protections.

The AAE’s 2016 member survey shows members favoring privatization options and weaker teacher certification requirements. Among its members, AAE reported, 79 percent support public charter schools and 71 percent support Nevada’s Education Savings Accounts, described by the *Las Vegas Sun* as “a voucher-style ESA program” that “is easily the most sweeping school choice program of its kind in the country.” Sixty-eight percent of AAE members surveyed agreed that to attract new educators and educators with science, technology, engineering and math experience, “we need to explore alternative certifications, allowing degreed professionals easier paths to the classroom,” the AAE said.

AAE’s latest attempt to attract members is targeted at charter schools. The AAE has announced that it is “partnering” with groups including the Missouri Charter Public School Association and the New Jersey Charter Schools Association to offer charter teachers AAE memberships for “just \$16.90 a month” — the same membership “deal” offered to any prospective member.

Membership and funding. The AAE rarely discusses its membership figures, but it is evident that this group has been slow to grow since its founding in 1996 — in spite of the millions poured into it by critics of public schools. The number of its chapters has seesawed in recent years, but today AAE has offices in four states, serving “members locally” in Arkansas, Colorado, Kansas and Washington, with the Washington chapter reaching members in Idaho and Oregon. AAE cites a “partner organization” in Louisiana, the Associated Professional Educators of Louisiana, and has what it calls “corners” on its website for members in a few more states.

In addition to membership revenues, the AAE operates a foundation that relies on financial support from donors who support school privatization — promoting charters, tuition tax credits and vouchers — and who fund anti-labor efforts. The AAE shares some of this funding with its state affiliates, uses some to recruit new members and provides mini-grants and scholarships to teachers in charter, private and public schools. Three donors have made a significant impact on the AAE

Foundation, whose revenues have run between \$1 million and \$1.5 million annually. The Walton Family Foundation appears to be the largest foundation donor, having given the foundation about \$2.5 million from 2010 through 2014. The Jaquelin Hume Foundation and the Lynde and Harry Bradley Foundation gave the AAE Foundation another \$1.2 million between them in the same period.

Other foundations with similar philosophies — seeking weakened public schools and educators’ unions — have contributed smaller amounts. DonorsTrust; the Coors family’s Castle Rock Foundation; the right-leaning Daniels Fund of Colorado; the foundation run by *Waiting for Superman* backer Phil Anschutz; and the pro-voucher William E. Simon Foundation, JM Foundation and Randolph Foundation have all contributed to the AAE Foundation.

Who’s involved? After being founded by Beckner, an insurance executive, the AAE did not start growing significantly until national conservative benefactors took an interest in it in the late 1990s and helped finance new state chapters. From the start, the group was backed by educators and policy leaders skeptical of public schools and took positions against unions. A former advisory board member of the AAE was William Kirk Kilpatrick, who signed the Separation of School and State Alliance proclamation, which calls for an end to public education. When researchers highlighted the tie between the AAE and Kilpatrick, the association produced a document seeking to rebut the research claims, saying Kilpatrick, who specialized in character education, “did so as an individual and not as a representative of the AAE.”

Today’s AAE board includes former state or national Teachers of the Year, including some who have gone on to advocate for privatized school options, such as Louisiana leader Polly Broussard. There is overlap with the AAE Foundation board, which includes Heritage Foundation Vice President Becky Norton Dunlop and Alan Dye, a Washington, D.C., attorney specializing in nonprofits. Dye has served as a registered agent for a number of high-profile advocacy and nonprofit groups, including Citizens for a Sound Economy, the Center for Education Reform, the Center for Union Facts and related groups founded by corporate-backed lobbyist Rick Berman.

CONCLUSION

Conclusion

In 2013, the MTA task force report *Threat from the Right* described the forces arrayed against unions and public education as “sophisticated and intricate.” It continued: “In return, we must be organized, mobilized and capable of using all means available to represent the interests of our students and our profession.” As the foregoing pages of *Threat to Public Education Now Centers on Massachusetts* have shown, developments over the last three years are no cause for complacency among educators, students and others who live in Massachusetts communities. The landscape has changed somewhat, but the forces involved in the assault on the public good have changed with it — and the dangers remain profound.

Efforts to divert public resources for potential private gain are on the rise in our state, with a current ballot campaign that would allow charter schools to expand exponentially — leaving district public schools to struggle with ever-diminishing resources. Privatization efforts and other calculated attacks are also moving into public higher education and other spheres. Governor Charlie Baker is continuing to work closely with many of the groups discussed in this report on cutting state government to the bone and weakening organized labor. The governor and his allies do not hesitate to use the Legislature, the ballot, the courts and the media to achieve their aims. The next *Friedrichs*-like case is already in the pipeline, and the onslaught will not let up anytime soon.

With all that said, it is important to realize that understanding a threat is a key step toward neutralizing it. The goal of this report is to offer a picture of the overlapping and often complex alliances that are present in the assault on public education, unions and social justice. But they are far from the only forces at play — or the only ones that wield formidable power. The MTA itself, with more than 110,000 members, is recognized as an important player in Massachusetts. The NEA, with approximately 3 million members, has an important role nationwide. Our allies also possess significant influence.

The MTA will continue working with others in the Massachusetts Education Justice Alliance and on the Save Our Public Schools ballot committee to decisively defeat the charter offensive. In the process, we will help organize a coalition that is capable of lasting beyond any single battle — one that can go on to ensure that all students have access to the public education they deserve. We will keep up the fight for the Raise Up Massachusetts “millionaires’ tax” amendment to ensure that education and transportation are not starved for funds year after year, and we will remain the recognized voice of education in communities across Massachusetts. None of the battles that lie ahead will be easy to win, but all of them are winnable. One key factor in any victory is clarifying the source of the attack, and that is what *Threat to Public Education Now Centers on Massachusetts* is intended to achieve.

SOURCE NOTES

Source Notes

Great Schools Massachusetts

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