

THE NETWORK FOR PUBLIC EDUCATION ACTION

We are many. There is power in our numbers. Together we will save our schools.



AN NPE ACTION INVESTIGATIVE REPORT

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"We will have charter schools in Washington state. BOOYA. Thanks Bill and Melinda (Gates) and Mike and Jackie (Bezos) and Anne and Michael (Dinning/Wolf) and Paul (Allen)."

So tweeted Washington billionaire, Nick Hanauer in November 2012 after a charter referendum passed—a referendum that voters had previously rejected three times. Hanauer, who admits he wants to "remake America," was not thanking the citizens of the state with his tweet, but rather his fellow billionaires who had poured money into a campaign intended to sway public opinion so that the citizens of Washington would accept the charter schools that they had rejected before.

The BOOYA cheer is not limited to Washington State. It can be heard across the country, in races big and small, as some of America's wealthiest individuals collaborate to hijack the democratic process by pouring millions of dollars into state and local races, often in places where they do not live. They do not believe in public schools. Their agenda is to advance the privatization of public schools by whatever means necessary: by spending heavily on state referenda, on state school board elections, or on local school board elections. They want their allies to control state and local school boards so that more public schools will be closed and replaced by privately managed charter schools or even vouchers for religious schools. For some, the goal is to destabilize publicly elected school boards, pushing in newcomers aligned with their point of view. There was most certainly a BOOYA cheer after the Denver 2015 school board election, and again after Los Angeles's board election in 2017.

For others, the goal is to eventually replace community schools with charter schools controlled by appointed boards. As billionaire Netlix founder, Reed Hastings, stated when commenting on public schools:

"... the fundamental problem is that they [schools] don't get to control their boards and the importance of the charter school movement is to evolve America from a system where governance is constantly changing and you can't do long term planning to a system of large non-profits."

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To achieve these goals, billionaires and their family members flood campaigns with contributions well beyond the borders of their state and even their geographical area. Due to Citizens United and state election sites that are often difficult to navigate, the public does not know who is behind the ads paid for by groups with grassroots sounding names like Newark First or Raising Colorado. And that, of course, is what billionaires prefer.

So why do they do it?

Many of the big charter chains have boards that include billionaires—allowing those who would never dream of sending their own children to a charter or neighborhood public school, to direct the education of thousands of disadvantaged children. For some billionaires, charter directorship has become a source of pride and prestige. Other billionaires despise teacher unions (and all unions) and blame them for the struggles of poor students. They prefer charter schools, because more than 90% of them have no unions. They want to diminish the influence of unions, even in right-to-work states where unions have no more than a thimble's full of influence left.

Others have true disdain for democracy and believe if ordinary people govern their schools, corruption is inevitable.

Still others believe that only the marketplace and consumerism can produce quality. If the marketplace and competition made them and their business successful, then surely they will work for schools, too.

All are united by the belief that education cures poverty and that their enormous wealth has little to do with the economic injustice and generational poverty that plagues our cities and rural communities. They seem to believe that if teachers worked harder for less pay, without seniority or job security or unions, then the problem of poverty would be solved. This, of course, is absurd. Education is important, but it cannot by itself cure structural inequality. The billionaires' refusal to confront the importance of poverty and its negative effects on school performance suggests that their focus on school choice is meant to distract us from policy changes that would really help children, such as increasing the equity and adequacy of school funding, reducing class sizes, providing medical care and nutrition for students, and other specific efforts to meet the needs of children and families.

This report provides some insight into how the very wealthy insert themselves into local elections through direct contributions, Independent Expenditure Committees and even non-profit organizations. We focus on nine elections to provide insight into how in races large and small, some very wealthy Americans are trying to control the education of our nation's children while undermining the anchor of our local communities—the neighborhood public school.

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We close with a discussion of why it is important that readers follow the money in their state and local races whenever public education is on the ballot. Only by pulling the curtain back, can we expose why the rapid defunding of public education and growing support for alternatives like charters and vouchers are happening at such a rapid pace.

A special thank you to Darcie Cimarusti, who did a masterful job of explaining why these stories mattered. She identified the pattern in the rug. Her meticulous research was critical to the writing of this report.

Thank you also to Mercedes Schneider and Diane Venezia whose initial research into these nine races gave this report direction. Thank you to Donna Roof, for her careful editing and Michelle Gamache for her graphic design. Thank you to Diane Ravitch, the President of NPE Action, and to the entire NPE Action Board for their support of this report. And to all of our donors, a special thank you. We could not do our work without your help.

Index of Billionaires

Below is an index of billionaires and their families who contributed either more than one million dollars to candidates or political committees involved in this report, and/or who contributed in at least 3 of the 9 case studies.

REED HASTINGS

Reed Hastings is the founder of Netflix. He is on the Board of Directors of the <u>KIPP Foundation</u> and the <u>California Charter Schools Association</u>. Hastings <u>doesn't believe that elected school boards</u> should govern community public schools. He prefers a school governance model of appointed boards, such as those that govern charter schools. He has given <u>millions to the blended learning charter chain, Rocketship Education</u>. Hastings, Gates, and Facebook CEO Mark Zuckerberg are behind the push for "<u>personalized learning</u>."

California resident Reed Hastings appears in the Washington, Los Angeles, CA and Louisiana case studies.

▶ His contributions to candidates and committees in this report total \$9,630,500.00.

THE WALTON FAMILY

Alice Walton is the only daughter of Sam and Helen Walton, and heiress to the Walmart fortune. As a Walton Family Foundation board member, Alice is a vocal advocate for charter schools. The Walton Family Foundation spends close to \$200 million per year on their pro-charter, anti-union agenda.

Texas resident Alice Walton appears in the Washington, Los Angeles, CA, Louisiana and Denver, CO case studies.

► Her contributions to candidates and committees in this report total \$3,100,000.00.

Jim Walton is the youngest son of Sam and Helen Walton. He is the Chairman and CEO of Arvest Bank Group, Inc. He and his sister Alice are the main drivers behind the Walton Family Foundation's investments in charter schools.

Arkansas resident Jim Walton appears in the Los Angeles, CA, Denver, CO and Louisiana case studies.

▶ His contributions to candidates and committees in this report total \$1,728,000.00.

Carrie Walton Penner is the granddaughter of Sam Walton, and the daughter of Walmart fortune heir S. Robson Walton, the eldest son of Sam and Helen Walton. She is the Chair of the Walton Family Foundation, which pledged to <u>spend 1 billion</u> <u>dollars to boost charter schools</u>. She is also on the <u>board of the Charter School Growth Fund</u>, a national nonprofit that had almost <u>200 million dollars in assets in 2016</u>. The Walton Family Foundation has given <u>over 60,000,000 million dollars to the KIPP Foundation</u>, and Carrie Walton is a <u>KIPP Foundation Board Member</u>.

California resident Carrie Penner Walton appears in the Los Angeles, CA, Louisiana and Rhode Island case studies.

► Her contributions to candidates and committees in this report total \$1,627,000.00.

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Greg Penner is the husband of Carrie Walton Penner and Chairman of Walmart. He is on the National Board of Directors of Teach for America and is the former co-chair of the Charter School Growth Fund.

California resident Greg Penner appears in the Perth Amboy, NJ and Louisiana case studies.

▶ His contributions to candidates and committees in this report total \$13,000.00.

Steuart Walton is the son of Jim Walton. He <u>sits on the board of Leadership for Educational Equity</u>, a <u>Teach for America spinoff</u>. Arkansas resident Steuart Walton appears in the Denver, CO case study.

- ▶ His contributions to candidates and committees in this report total \$5,000.00.
- ► The total Walton family contributions to candidates and committees in this report total \$6,473,000.00.

THE FISHER FAMILY

Doris Fisher and her late husband, Donald, are the co-founders of The GAP clothing company. She is the <u>Founding Board Member Emeritus of the KIPP Foundation</u>. She has donated <u>more than \$70 million dollars</u> to grow the KIPP Network.

California resident Doris Fisher appears in the Los Angeles, CA, Newark, NJ, Washington and Louisiana case studies.

► Her contributions to candidates and committees in this report total \$5,276,000.00.

John Fisher is the youngest son of Doris and Donald Fisher. He manages the family's investments as president of Pisces Inc., and is the Chairman of the KIPP Foundation.

California resident John Fisher appears in the Newark, NJ case study.

- ▶ His contributions to candidates and committees in this report total \$26,000.00.
- ▶ The Fisher family contributions in this report total \$5,302,000.00.

THE BLOOMBERG FAMILY

Michael Bloomberg is the co-founder and majority stakeholder of Bloomberg LP, a financial information and media company. He served three terms as mayor of New York City, where he turned the city's schools into a "national laboratory for reform." Both through Bloomberg Philanthropies and as an individual, Bloomberg spends millions supporting "pro-reform candidates regardless of their political party."

New York resident Michael Bloomberg appears in the Newark, NJ, Los Angeles, CA, Louisiana, Rhode Island, Minneapolis, MN and Denver, CO case studies.

► His contributions to candidates and committees in this report total \$4,355,600.00.

Emma Bloomberg is the daughter of Michael Bloomberg. She is a <u>former Stand for Children board member</u>, and is on the board of the <u>KIPP Foundation</u>, <u>Bloomberg Philanthropies</u> and <u>Leadership for Educational Equity</u>, a <u>Teach for America spinoff</u>.

New York resident Emma Bloomberg appears in the Rhode Island case study.

Her contributions to candidates and committees in this report totaled \$5,600.00.

► The Bloomberg family contributions to candidates and committees in this report total \$4,361,200.00.

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THE GATES FAMILY/MICROSOFT

Bill Gates is the founder of Microsoft and co-chair of the <u>Bill & Melinda Gates Foundation</u>. Gates is one of the richest people in the world, with a net worth of over 90 billion dollars at the time of this writing. The Foundation has spent billions on initiatives such as small high schools, charter schools, teacher-evaluation models, and the development and implementation of the Common Core. Bill and Melinda are strong supporters of charter schools. The Gates Foundation has <u>pledged another 1.7 billion dollars</u> over the next five years for Gates's K-12 education reform efforts.

▶ His contributions to candidates and committees in this report total \$3,129,000.00

Melinda Gates is the wife of Bill Gates, a former Microsoft employee, and the co-chair of the Bill & Melinda Gates Foundation.

► Her contributions to candidates and committees in this report total \$75,000.00.

Microsoft Corporation is a multinational technology company <u>founded by Bill Gates and Paul Allen in 1975</u>. Based in Redmond, Washington, in 2017 the company had a net revenue of over 21 billion dollars.

► Microsoft's contributions to candidates and committees in this report total \$100,000.00.

Washington residents Bill and Melinda Gates and Microsoft appear in the Washington case study.

► The Gates family/Microsoft contributions to candidates and committees in this report total \$3,304,000.00.

ELI BROAD

Eli Broad is the founder of two Fortune 500 companies, and the <u>founder of the Eli and Edythe Broad Foundation</u>, which supports education reform. The Broad Foundation awards <u>The Broad Prize for Public Charter Schools</u>, and funds <u>The Broad Center</u> which trains education reform leaders through The Broad Academy and The Broad Residency in Urban Education.

California resident Eli Broad appears in the Los Angeles, CA, Rhode Island, Washington and Louisiana case studies.

► Eli Broad's contributions to candidates and committees in this report total \$3,119,916.03.

PAUL ALLEN/VULCAN INC.

Paul Allen is the co-founder of Microsoft. The Paul G. Allen Family Foundation has supported the "creation of innovative charter schools." Allen's <u>Vulcan Inc.</u> is described as the "engine behind philanthropist and Microsoft co-founder Paul G. Allen's network of organizations and initiatives."

Washington resident Paul Allen' Vulcan Inc. appears in the Washington case study.

► Vulcan Inc.'s contributions to candidates and committees in this report total \$1,602,000.00.

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WILLIAM BLOOMFIELD

William Bloomfield is a businessman and national political mega donor. A self proclaimed "education advocate" he is a major supporter of StudentsFirst, and California education reform groups: Students Matter, Educators for Excellence, Parent Revolution and Great Public Schools Los Angeles (GPS:LA.).

California resident William Bloomfield appears in the Los Angeles, CA case study.

▶ His contributions to candidates and committees in this report total \$2,275,000.00.

THE GRIGSBY FAMILY/CAJUN INDUSTRIES

Lane Grigsby is the founder and chair of the multi-million dollar construction company, Cajun Industries, Inc.. He is the Chairman Emeritus of Louisiana Association of Business and Industry's (LABI) and a New Schools for Baton Rouge board member. Grigsby chairs the Empower Louisiana PAC that supports and opposes candidates for BESE, and funnels out-of- state money from the Waltons, Eli Broad and others into Louisiana elections.

► His contributions to candidates and committees in this report total \$1,647,500.00.

Barbara (Barbi) Grigsby is Lane's wife.

► Her contributions in this report total \$330,000.00.

Todd Grigsby is their son, who is CEO of Cajun Industries.

► His contributions to candidates and committees in this report total \$82,500.00.

Cajun Industries is the multi-million dollar construction company owned by Lane Grigsby.

► Cajun Industries' contributions to candidates and committees in this report total \$122,500.00.

Louisiana residents, the Grigsbys appear in the Louisiana case study.

► The Grigsby family/business contributions to candidates and committees in this report total \$2,182,500.00.

THE ARNOLD FAMILY/ACTION NOW INITIATIVE

John Arnold is a former Enron trader and the founder of Centaurus Advisors, a Houston-based hedge fund. He is the co-founder of The John and Laura Arnold Foundation, which focuses on K-12 education and pension reform. The foundation has spent over 200 million dollars on education reform since 2011, and tens of millions more on pension reform.

▶ His contributions to candidates and committees in this report total \$1,228,500.00.

Laura Arnold is the wife of John Arnold. She is a former Teach for America board member, and the co-founder of the John and Laura Arnold Foundation.

► Her contributions to candidates and committees in this report total \$34,000.00.

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Texas residents John and Laura Arnold appear in the Los Angeles, CA, Louisiana and Rhode Island case studies. Action Now Initiative is "a section 501 (c)(4) entity that advocates for specific public policies" founded by John and Laura Arnold. Action Now Initiative appears in the Louisiana case study.

- ► Action Now Initiative's contributions to candidates and committees in this report total \$767,500.00.
- ► Arnold Family/Action Now Initiative contributions to candidates and committees in this report total \$2,030,000.00.

THE BEZOS FAMILY

Jackie and Mike Bezos are the parents of Amazon founder, Jeff Bezos. They are the co-founders and President and Vice-President of the Bezos Family Foundation which is funded by their shares of Amazon stock. Jeff Bezos, whose current net worth is estimated at 112 billion dollars, sits on the board. One of the foundation's focus areas is "excellence in K-12 education." The foundation is a large contributor to the KIPP charter network.

Washington residents Jackie and Mike Bezos appear in the Washington case study.

- ▶ Jackie and Mike Bezos each contributed \$550,000.00 to candidates and committees included in this report.
- ▶ The Bezos family's contributions to candidates and committees in this report total \$1,100,000.00.

NICK HANAUER

Nick Hanauer is the <u>founding president of the League of Education Voters</u>, a 501 (c)(4), which has played a large role in the <u>push</u> for charter schools in Washington State.

Washington resident Nick Hanauer appears in the Washington case study.

▶ His contributions to candidates and committees in this report total \$1,050,000.00.

STACY SCHUSTERMAN

Stacy Schusterman is heiress to the Samson Oil fortune. Her father, Charles Schusterman (deceased), founded Samson Oil, and her mother, Lynn Schusterman, sold the company for 7.1 billion dollars. Stacy Schusterman is on the board of the Charter Growth Fund and is co-chair of her family's foundation, the Charles and Lynn Schusterman Family Foundation.

Oklahoma resident Stacy Schusterman appears in the Los Angeles, CA, Louisiana, Rhode Island and Denver, CO case studies.

► Her contributions to candidates and committees in this report total \$531,600.00.

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ARTHUR ROCK

Arthur Rock is a Silicon Valley venture capitalist whose early investments in large technology companies like Apple and Intel made him a billionaire. Rock has also invested in Rocketship Education. He and his wife, Toni Rembe Rock, are major donors (between 25,000,000 and 59,999,999) to the KIPP Foundation. He is on the National Board of Directors of Teach for America (TFA) and the board of Leadership for Educational Equity, a TFA spinoff.

California resident Arthur Rock appears in the Los Angeles, CA, Perth Amboy, NJ, Louisiana, Minneapolis, MN and Denver, CO case studies.

► His contributions to candidates and committees in this report total \$329,500.00.

LAURENE POWELL JOBS/EMERSON COLLECTIVE

Laurene Powell Jobs is the widow of Apple co-founder Steve Jobs. She is the founder and president of the Emerson Collective, which focuses on "rethinking" public education. Jobs committed 50 million dollars for the XQ Super Schools Project, which included an hour long live television special broadcasted on all four national networks.

California resident Laurene Powell Jobs appears in the Newark, NJ, Los Angeles, CA and Rhode Island case studies.

▶ Laurene Powell Jobs' contributions to candidates and committees in this report total \$288,000.00.

Emerson Collective appears in the Los Angeles, CA report.

- ► Emerson Collective's contributions to candidates and committees in this report total \$150,000.00.
- ▶ Laurene Powell Jobs' contributions, combined with Emerson Collective's contributions to candidates and committees in this report, total \$438,000.00.

THE CURRY FAMILY

Ravenel Boykin Curry IV is a partner at Eagle Capital Management which was founded by his parents, Elizabeth and Ravenel Boykin Curry III. He is the Co-founder of Democrats for Education Reform (DFER) and former board member for Betsy DeVos's Alliance for School Choice. He is a founding Board Member and the Chair of the Board of Trustees of Public Prep Academies charter schools.

► His contributions to candidates and committees in this report total \$210,800.00

Ravenel Boykin Curry III and Elizabeth Curry were the co-founders of Eagle Capital Management and the Ravenel and Elizabeth Curry Foundation. The Foundation has supported several education reform organizations such as Betsy DeVos's Alliance for School Choice, Center for Education Reform, Education Reform Now and E3 as well at Public Prep charter schools.

- ▶ Ravenel Boykin Curry III contributed \$52,000.00 to candidates and committees in this report.
- ► Elizabeth Curry contributed \$76,000.00 to candidates and committees in this report.

New York residents, the Currys appear in the Newark, NJ, Louisiana and New York case studies.

▶ The Curry family's contributions to candidates and committees in this report total \$338,800.00.

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JONATHAN SACKLER

Jonathan Sackler is one of twenty heirs to the Purdue Pharmaceuticals fortune, which at the time of this writing is <u>13 billion dollars</u>. Purdue Pharma has been accused of <u>over zealously marketing the opioid OxyContin</u>. The drug is believed to have sparked the opioid crisis, and nets the Sackler family 1.6 billion dollars annually. Sackler is the founder of the national charter school advocacy group 50CAN where he <u>continues to serve on the Board of Directors</u>. He was also a <u>founding board member</u> of the Connecticut-based charter school network, Achievement First.

Connecticut resident Jonathan Sackler appears in the Rhode Island, Minneapolis, MN, and the New York case studies.

► His contributions to candidates and committees in this report total \$93,000.00.

KATHERINE BRADLEY

Katherine Bradley is the <u>founding chairperson of CityBridge Education</u>, a "Washington, D.C.-based nonprofit investing in the creation of the city's future portfolio of public schools." CityBridge is an <u>investor in Rocketship Education</u>, which has three Washington, D.C. locations. Katherine's husband, David Bradley, is the <u>chairman of Atlantic Media Group</u>. He recently sold the Atlantic Magazine to <u>Laurene Powell Jobs</u>. Katherine sits on the <u>board of the KIPP Foundation</u> and is the board chair of the <u>Washington</u>, D.C. regional board of Teach For America.

Easton, Maryland resident Katherine Bradley appears in the Los Angeles, CA, Louisiana, New York and Denver, CO case studies.

► Her contributions to candidates and committees in this report total \$45,000.00.

Newark, New Jersey: New York Billionaires Flood a New Jersey Mayoral Election with Cash

n 2014, two candidates ran for mayor of Newark, New Jersey seeking to fill a special election vacancy created when the prior mayor, Cory Booker, took the place of deceased New Jersey Senator, Frank Lautenberg. The candidates were Ras Baraka and Shavar Jeffries. Baraka was the six-year principal of Newark's Central High School and a South Ward Councilman. Jeffries was the founding Board President of Newark's Team Academy Charter School – part of the KIPP Network of charters and a former Assistant Attorney General. Early in the race it became clear that the future of public education in Newark would be a pivotal issue in the campaign.

At the time, the Newark School District was under the leadership of the often volatile school superintendent, Cami Anderson, who had been appointed by Cory Booker and Governor Chris Christie. In December of 2013, Anderson unveiled One Newark, her universal enrollment plan.

The plan, which would force the closure of several public schools and the expansion of school choice in the city, was immediately controversial, and Anderson and her One Newark plan would become key issues in the election.

Ras Baraka was vocal in his opposition to both Anderson and the One Newark plan and rallied the Newark community to fight against the proposed public school closings. Jeffries, in contrast, was a supporter of corporate reform and charter schools. During the campaign Jeffries came out strongly-infavor of school choice, and while he was critical of the development and roll-out of Anderson's One Newark plan, he supported expanding Newark's charter school sector.

Democrats for Education Reform (DFER) Executive Director, Joe Williams, took note of Jeffries "reform cred" and made a plea for donations for Jeffries on the DFER website. He also warned that Baraka was being supported by the Newark Teacher's Union and was set to "undo progress made during Cory Booker's tenure." <u>DFER Board member Whitney Tilson</u> made a similar plea, calling Jeffries "a courageous reformer."

Williams' and Tilson's pleas not only helped to raise enormous donations outside the Garden State but also resulted in the creation of an Independent Expenditure Committee (IEC) that was funded almost exclusively by a DFER associated non-profit known as Education Reform Now (ERN). ERN would be the biggest spender in the Newark mayoral election of 2014.

Education Reform Now (ERN), which is based in New York City, describes itself on its website as "progressives leading a non-partisan 501(c)(3) organization that cultivates and supports leaders who champion America's public schoolchildren." Education Reform Now (ERN) is the "sister organization" to Democrats for Education Reform (DFER).

Most consider the organization, however, to be more neoliberal than progressive due to its strong allegiance to the corporate reform movement and charter schools. Both ERN and DFER support school choice, school funding portability, mayoral control of urban school districts, and "clearlyarticulated national standards and expectations for core subject areas."

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According to its 2014 990 tax form, ERN is a 501(c)(3) nonprofit with a related 501(c)(4) lobbying nonprofit, ERN Advocacy (ERNA). Both share the same address: 928 Broadway, New York, New York. As non-profit organizations, neither ERN nor ERN Advocacy are required to disclose their donors. Listed at the same 928 Broadway address was Newark First, an independent expenditure committee (IEC) that would spend millions on the election. According to its 20-day post-election filing, Newark First raised a total

of \$4.237 million dollars, with \$3.581 million dollars (85 percent) coming from out-of-state contributors (Table 1).

Out-of-state donors to Newark First included New York billionaire and former mayor Michael Bloomberg, and investment executives <u>Lee Ainslee</u>, <u>Carl Kuehner</u>, and <u>John Mack</u>. In 2013, Mack was also appointed as an advisor to New York Governor Andrew Cuomo.

Table 1: Out-of-State Contributors to the Independent Expenditure Committee, Newark First, in 2014

CONTRIBUTOR	DATE	AMOUNT
Lee Ainslee III	04/01/2014	\$26,000.00
Michael Bloomberg	05/09/2014	\$400,000.00
Education Reform Now (ERN)	04/11/2014 04/28/2014 04/30/2014 05/01/2014 05/06/2014 05/07/2014 05/09/2014	\$850,000.00 \$300,000.00 \$750,000.00 \$200,000.00 \$400,000.00 \$300,000.00 \$250,000.00
Carl Kuehner	03/28/2014	\$50,000.00
John Mack	04/03/2014	\$126,000.00

Source: New Jersey Campaign Financing and Lobbying Disclosure

Table 2: In-State Contributors to the Independent Expenditure Committee, Newark First, in 2014

CONTRIBUTOR	DATE	AMOUNT
Samuel Cole	05/08/2014	\$25,000.00

Source: New Jersey Campaign Financing and Lobbying Disclosure

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Especially disturbing in the table above are the repeated large donations made by Education Reform Now (ERN)—donations that totaled over \$3 million dollars. ERN is a 501(c)(3) organization, which is forbidden by law from making political donations. Education Reform Now has, however, a related 501(c)(4) organization, Education Reform Now Advocacy (ERNA), which can participate, on a limited basis, in partisan politics. On its 2014 990, ERNA lists its \$3,050,000 million dollar donation to Newark First, along with an additional donation of \$300,000 to Newark First Action Fund.

Beginning in April of 2014 shortly before the special election, Newark First began running ads that slammed Jeffries' opponent, Baraka. Baraka returned fire by claiming that Education Reform Now (ERN) was using its organization to hide the identity of donors to Newark First by funneling the money because it (ERNA) was not under obligation to divulge its donors, a charge that ERNA indignantly disavowed.

Baraka, of course, was right. In 2014, ERNA received nearly \$7 millions dollars in contributions. ERNA funneled over \$5.7 million dollars of its total \$7.4 million dollar expenditures to political races via Independent Expenditure Committees and PACs without having to disclose the names of contributors. In 2014, those political contributions well exceeded the 50% limit for political spending for a non-profit 501 (c) (4), which the organization acknowledged on its required 990 return, with a promise to better monitor spending in the future.

Jeffries also enjoyed the support of Jeffries Team for Newark, a joint candidates' committee that collected contributions for Jeffries and the slate of candidates on his ticket. The committee brought in total receipts of almost \$2.5 million dollars as per its 20-day post-election filing. Again, over \$1.5 million dollars in contributions of \$5,000 or more came from out-of-state donors (Table 3), with only \$200,000 in contributions of \$2,600 or more coming from in-state donors – and none of those donors lived in the city of Newark.

Table 3: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Karen Ackman (Pershing Square Capital)	03/21/2014	\$26,000.00
William Ackman (Pershing Square Capital)	03/21/2014	\$26,000.00
Elizabeth Ainslee (wife of Lee Ainslee)	05/05/2014	\$26,000.00
Philip Anschutz	04/29/2014	\$5,000.00
Anthony Asnes	03/21/2014	\$26,000.00
Daniel Benton (Andor Capital)	03/21/2014	\$5,000.00

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Table 3 continued: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Michael Bloomberg	02/19/2014	\$15,000.00
Geoffrey Boisi	05/05/2014	\$5,000.00
Francisco Borges	04/21/2014	\$26,000.00
Andrew Boaszhardt (Great Oaks Management Company)	04/11/2014	\$20,000.00
Campbell Brown	03/12/2014	\$7,800.00
Patricia Callan Crafts	03/18/2014	\$26,000.00
Peter Chernin	04/29/2014	\$10,000.00
Adam Cioth (Rolling Hills Capital)	03/13/2013	\$26,000.00
Ravenel Curry III (Eagle Capital Management)	12/27/2013 05/06/2014	\$26,000.00 \$26,000.00
Elizabeth Curry (Wife of Ravenel)	05/06/2014	\$26,000.00
Mark Dalton	05/09/2014	\$10,000.00
DFER	03/31/2014	\$14,000.00
Millard Drexler	05/07/2014	\$5,000.00
Doris Fisher	04/10/2014 04/25/2014	\$20,000.00 \$6,000.00
John Fisher	04/25/2014	\$26,000.00
John Fitzgibbons	04/28/2014	\$10,000.00
Kiernan Goodwin (Panning Capital Management)	04/15/2013 03/26/2014	\$2,600.00 \$23,400.00
Catherine Goodwin Rocco (Panning Capital Management)	03/26/2014	\$26,000.00
Amy Griffin	03/15/2014	\$5,000.00
John Griffin	04/26/2014	\$26,000.00

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Table 3 continued: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Kenneth Hirsch	03/18/2014	\$5,000.00
Lorna Brett Howard	04/10/2014	\$26,000.00
Ryan Israel (Pershing Square Capital)	03/18/2014	\$26,000.00
Marta Jaramillo	04/24/2014	\$26,000.00
Laurene Powell Jobs (Steve Jobs' widow and Emerson Collective founder)	03/18/2014 05/07/2014	\$5,000.00 \$20,000.00
Paul Jones II	04/29/2014	\$26,000.00
Sonia Jones	04/29/2014	\$26,000.00
Lewis Katz (Gabriel Investments)	04/10/2014	\$26,000.00
Stephanie Katzovich	04/21/2014	\$11,000.00
Willem Kooyker	04/29/2014	\$26,000.00
Harlen Korenvaes	04/25/2014	\$5,000.00
Joseph Kusnan (JCK Partners)	02/23/2013	\$10,000.00
Sheila Labrecque	04/26/2014	\$26,000.00
Kenneth Langone	05/06/2014	\$26,000.00
Mark Lerner (CP Management)	12/09/2013	\$13,000.00
Traci Lerner	12/10/2013	\$13,000.00
Dan Lufkin (Allen & Company, Inc.)	04/08/2014	\$10,000.00
Christy Mack (Wife of John Mack)	10/21/2013	\$26,000.00
Jenna Mack (Daughter of John Mack)	05/07/2014	\$5,000.00

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Table 3 continued: Out-of-State Contributors of \$5,000 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
John Mack (Morgan Stanley/Cuomo advisor)	11/20/2012 05/07/2014	\$26,000.00 \$26,000.00
Stephen Mack (Son of John Mack)	05/07/2014	\$5,000.00
Puradyn Filter Technologies	05/05/2014	\$5,000.00
Perry Rahbar (Former JP Morgan)	01/16/2014	\$5,000.00
John Regan, Jr.	05/06/2014	\$26,000.00
Frank Richardson (F.E. Richardson & Co.)	04/11/2014	\$26,000.00
Julian Robertson (Tiger Management)	04/10/2014	\$26,000.00
E. Burke Ross, Jr.	04/18/2014	\$25,000.00
Susan Ross	04/29/2014	\$25,000.00
Rothstein Kass Family Office Grp.	05/12/2014	\$10,000.00
Herbert Siegel	05/06/2014	\$26,000.00
Whitney Tilson (T2 Partners)	03/11/2014	\$5,520.00
Andrew Tisch	04/18/2014	\$5,000.00
Henrik Vanderlip	04/24/2014	\$20,000.00
Joseph Vittoria	04/30/2014	\$5,000.00
Jeffrey Walker (Former JP Morgan)	04/10/2014	\$22,600.00
Frank E. Walsh, Jr., Trust	04/26/2014	\$25,500.00
Mary D. Walsh, Trust	04/26/2014	\$25,500.00
Elaine Wynn	05/07/2014	\$5,000.00

<u>Source:</u> New Jersey Campaign Financing and Lobbying Disclosure

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Table 4: In-State Contributors of \$2,600 or More to the Jeffries Team for Newark (2014 Election Filings)

CONTRIBUTOR	DATE	AMOUNT
Raymond Chambers (Wesray Capital Corporation)	12/13/2013 03/31/2014	\$15,000.00 \$19,000.00
Patricia Chambers (wife of Raymond)	12/13/2013	\$15,000.00
Christine Chambers Gilfillan (daughter of Raymond/MCJ Foundation)	04/10/2014	\$26,000.00
Jennifer Chambers-Myers	04/22/2014	\$26,000.00
Sam Cole (State Street Corporation)	11/15/2012 03/28/2013 02/03/2014	\$10,000.00 \$20,000.00 \$26,000.00
John Cozzi	12/31/2012	\$2,600.00
Wendy Cozzi	12/31/2012	\$2,600.00
Thomas Dunn (New Holland Capital)	11/26/2012	\$12,500.00
Susan Dunn (Wife of Thomas)	11/26/2012	\$12,500.00
Neil Gagnon (Gagnon Securities)	01/30/2014	\$26,000.00
Lois Gagnon (Gagnon Securities)	01/30/2014	\$26,000.00
Thom Jackson (Edison Learning CEO)	04/02/2014	\$2,600.00
Lewis Katz (Gabriel Investments)	04/10/2014	\$26,000.00
Stewart Massey (Massey, Quick & Co., LLC)	03/19/2014	\$2,600.00
Leslie Quick III (Massey, Quick & Co., LLC)	03/22/2014	\$10,020.00
Arthur Samberg (Hawkes Financial, LLC)	03/08/2014	\$26,000.00
Josh Weston (Former CEO of ADP)	02/11/2014	\$16,100.00

Source: New Jersey Campaign Financing and Lobbying Disclosure

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Combing through the list of in- and out-of-state contributors is a veritable Who's Who of education reform and Wall Street billionaires. The Mack family added to the \$126,000 contribution it made to Newark First with direct donations to Jeffries' campaign. Another \$26,000 apiece came from John Mack and his wife Christy, and \$5,000 each from two of their three children, Jenna and Stephen.

Contributions from former Newark Mayor Cory Booker supporter and hedge fund manager Bill Ackman, his wife, and others from his Pershing Square Capital Management, totaled over \$100,000.

Doris Fisher, the California founder of The Gap and the Chambers family of New Jersey also made generous contributions. Both Fischer and the MCJ Amelior Foundation, run by Raymond Chambers' daughter Christine, were both early donors to the Newark Charter School Fund.

Additional donors hailed from San Francisco and Palo Alto, California; Baltimore, Maryland; Rye, New York; and New York City. There were donations from those who live in Montclair and Morristown New Jersey, but not a single one of the big money donors lives or works in Newark.

Jeffries' opponent and critic of charter school expansion, Ras Baraka, filed campaign finance reports including 382 contribution entries totaling \$1,266,048 dollars, mostly of \$500 (42 contributions) or \$1,000 (111 contributions). Nearly all came from individuals, businesses, and organizations in New Jersey. Contributions of \$5,000 or more comprised only \$53,254, or 4% of Baraka's total as noted on his 2014 campaign filings.

Despite the fact that Baraka's financial support was about 20% of the money that supported Jeffries' candidacy, on May 13, 2014, Baraka won the election for mayor of Newark. The dark money that flowed through ERNA was not enough.

In September 2015, Jeffries became CEO of ERN's "sister organization," DFER. On its web site, DFER lauds its president, Jeffries, for pulling almost 46 percent of the vote in the 2014 Newark mayor's race "despite being a first-time municipal candidate" without informing readers as to DFER-related ERN's multi-million role in supporting Jeffries' campaign. ■

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Table 5: Top 5 Out-of-State Contributions to Newark First and Jeffries Team for Newark

TOP FIVE OUT-OF-STATE CONTRIBUTORS	AMOUNT
Education Reform Now (ERN)	\$3,050,000.00
Michael Bloomberg	\$415,000.00
John Mack and Family	\$214,000.00
Ravenel and Elizabeth Curry	\$78,000.00
Ackman, Ainslee, Fisher, Goodwin, and Jones Families (each contributed)	\$52,000.00

Table 6: Top 5 In-State Contributions to Newark First and Jeffries Team for Newark

TOP FIVE IN-STATE CONTRIBUTORS	AMOUNT
Chambers Family	\$101,000.00
Sam Cole	\$81,000.00
Gagnon Family	\$52,000.00
Lewis Katz	\$26,000.00
Arthur Samberg	\$26,000.00

Washington State: Charter Advocates Refuse to Take "No" for an Answer

n November 2012, Washington State voters passed the Charter School Ballot Initiative 1240, which provided for the establishment of up to 40 charter schools within five years. It passed by a very slim margin, 50.69% in favor to 49.31% opposed. This was Washington State's fourth charter school ballot initiative with the first three attempts having failed in 1996 (64.43% opposed to 35.57% in favor), 2000 (51.83% opposed to 48.17% in favor), and 2004 (58.3% opposed to 41.7% in favor).

In addition to ballot initiatives, pro-charter legislation had also been proposed and failed. In January of 2012, Senator Rodney Tom, a former Republican turned Democrat, sponsored Senate Bill 6202. The bill called for the creation of 50 charter schools in Washington State, with no more than 10 opening in any given year. The bill faced opposition from Senator Rosemary McAuliffe, the chairwoman of the Senate education committee, and she ultimately refused to post the bill for a vote.

Senator Tom, with support coming mainly from Senate Republicans, made an effort to revive the bill during that year's budget negotiations. The bill once again faced clear opposition, this time from Governor Chris Gregoire, who

stated, "I have told them I will veto it. I will veto it. Get over it. Stop wasting time. Let's get to work. Let's get a budget." By July of 2012, a coalition of education reform and business organizations began working with legislators (including Senator Tom) to get charters back on the ballot. On July 6th, over 350,000 signatures were submitted to Secretary of State Kim Wyman.

The effort to collect signatures and get the charter initiative on the ballot was a well-coordinated, well-financed effort that spent close to \$2.5 million dollars. The largest preballot contribution came from Microsoft co-founder, Paul Allen followed by Washington's own Bill Gates. Other notable contributions came from fellow Washington billionaire and education reformer, Nick Hanauer, and Jackie and Mike Bezos, parents of Amazon founder Jeff Bezos. Out of state money came from Netflix founder Reed Hastings of California, and Education Reform Now, the 501(c)(4) of Democrats for Education Reform (DFER), based in New York. Tables 1 and 2 show the <u>notable pre ballot cash</u> and in-kind contributions to the "Yes on 1240: Washington Coalition for Public Charter Schools" committee, as well as contributions from the education reform organizations involved in the effort.

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Table 1: In-State Pre Ballot Contributions to Yes on 1240: Washington Coalition for Public Charter Schools

CONTRIBUTOR	DATE	AMOUNT
Jackie Bezos	06/13/2012 06/22/2012	\$125,000.00 \$100,000.00
Mike Bezos	06/13/2012 6/22/2012	\$125,000.00 \$100,000.00
Bill Gates	05/22/2012 06/07/2012 06/19/2012	\$53,000.00 \$200,000.00 \$800,000.00
Nick Hanauer	06/05/2012 06/28/2012	\$25,000.00 \$175,000.00
Vulcan Inc - (Paul Allen)	06/14/2012	\$100,000.00
Katherine Binder - Chairwoman of EMFCO Holdings	06/05/2012 06/29/2012	\$100,000.00 \$100,000.00
League Of Education Voters	06/01/2012 06/30/2012	\$1,817.00 \$3,279.93
Hadi Partovi – CEO of Code.org	06/29/2012	\$25,000.00
Ali Partovi - Hadi's twin brother	06/29/2012	\$25,000.00
Benjamin Slivka – Former Microsoft employee	06/21/2012	\$100,000.00
Stand For Children Inc.	06/01/2012 06/30/2012	\$952.65 \$1,053.57
Tom Vander Ark – Education entrepreneur	07/02/2012	\$1,000.00
Karen Vander Ark – Wife of Tom Vander Ark	07/02/2012	\$1,000.00

Source: Washington State Public Disclosure Commission

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Table 2: Out-of-State Pre Ballot Contributions to Yes on 1240: Washington Coalition for Public Charter Schools

CONTRIBUTOR	DATE	AMOUNT
Democrats For Education Reform	06/01/2012 06/30/2012	\$1,595.36 \$1,862.40
Education Reform Now Advocacy	07/02/2012	\$50,000.00
Reed Hastings	06/27/2012	\$100,000.00

Source: Washington State Public Disclosure Commission

Once Initiative 1240 was on the ballot, the money really started to pour in. Although much of the money came from the same individuals and organizations that worked to get Initiative 1240 on the ballot, there were some notable newcomers as well. Out of state money came from education reform super-donor Eli Broad and Doris Fisher, both from

California; Houston, Texas based Walton heiress Alice Walton; and New York power couple, Anne Dinning and Michael Wolf.

Tables 3 and 4 show the largest of the contributions made between when Initiative 1240 was placed on the ballot (July 7, 2012) and the election (November 6, 2012).

Table 3: In-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between July 7, 2012 and November 6, 2012

CONTRIBUTOR	DATE	AMOUNT
Richard Alvord – Board member of the pro-charter Washington Policy Center	09/14/2012	\$5,000.00
Connie Ballmer – Wife of former Microsoft CEO Steve Ballmer	08/13/2012 10/10/2012	\$100,000.00 \$400,000.00
Rich Barton – Expedia founder	10/19/2012	\$25,000.00
Sarah Barton – Wife of Rich Barton	10/19/2012	\$25,000.00
Jackie Bezos	07/11/2012 08/28/2012	\$25,000.00 \$250,000.00
Mike Bezos	07/11/2012 08/28/2012	\$25,000.00 \$250,000.00

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Table 3 continued: In-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between July 7, 2012 and November 6, 2012

CONTRIBUTOR	DATE	AMOUNT
Katherine Binder	11/01/2012	\$50,000.00
Jeff Brotman – Co-founder and chairman of Costco	10/26/2012	\$10,000.00
Csg Channels – Washington based sales and marketing firm	10/09/2012	\$60,000.00
Lloyd Frink – Zillow co-founder and vice-chairman	10/24/2012	\$10,000.00
Bill Gates	10/04/2012 10/09/2012	\$2,000,000.00 \$1,000.00
Nick Hanauer	07/11/2012 09/14/2012	\$250,000.00 \$550,000.00
Peter Horvitz - Chairman, President and Chief Executive Officer of Horvitz Newspapers	10/22/2012	\$10,000.00
Kemper Holdings LLC	10/11/2012 10/22/2012	\$10,000.00 \$100,000.00
League Of Education Voters	07/31/2012 08/31/2012 10/15/2012 10/29/2012 11/30/2012	\$3,837.46 \$2,345.60 \$3,147.21 \$1,169.69 \$1,927.57
Bruce McCaw – Member of the McCaw family that owned McCaw Cellular Communication, a company that was bought by AT&T	07/14/2012	\$50,000.00
Jolene McCaw – Wife of Bruce McCaw	07/14/2012	\$50,000.00
Microsoft	09/19/2012 10/17/2012	\$50,000.00 \$50,000.00

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Table 3 continued: In-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between July 7, 2012 and November 6, 2012

CONTRIBUTOR	DATE	AMOUNT
Gabe Newell – Former Microsoft programmer	07/30/2012	\$100,000.00
Partnership For Learning	08/31/2012 11/30/2012	\$2,826.04 \$3,095.32
Michael Slade – Seattle venture capitalist	10/01/2012	\$5,000.00
Benjamin Slivka	11/01/2012	\$24,000.00
Stand For Children Inc.	07/31/2012 11/30/2012	\$578.55 \$952.65
Stand For Children WAPAC	08/31/2012 10/15/2012 10/29/2012	\$996.25 \$2,512.63 \$1,428.98
John Stanton – Seattle Mariners owner	10/16/2012	\$10,000.00
Kevin Turner - Ex Microsoft COO	10/02/2012	\$5,000.00
Vulcan Inc.	10/24/2012	\$1,500,000.00

Source: Washington State Public Disclosure Commission

Table 4: Out-of-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between July 7, 2012 and November 6, 2012.

CONTRIBUTOR	DATE	AMOUNT
Eli Broad	10/10/2012	\$200,000.00
Democrats For Education Reform	07/31/2012 08/31/2012 10/15/2012 10/29/2012 11/30/2012	\$1,460.00 \$1,222.20 \$1,626.00 \$520.00 \$813.00

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Table 4 continued: Out-of-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between July 7, 2012 and November 6, 2012

CONTRIBUTOR	DATE	AMOUNT
Ann Dinning – New York based hedge fund manager	10/02/2012	\$250,000.00
Michael Wolf – Husband of Ann Dinning	10/02/2012	\$250,000.00
Doris Fisher	10/11/2012	\$100,000.00
Robert Karr – New York based hedge fund manager	09/21/2012	\$10,000.00
Alice Walton	07/11/2012 10/05/2012	\$600,000.00 \$1,100,000.00

Source: Washington State Public Disclosure Commission

After the initiative was passed on November 6, 2012, money continued to flow from Gates and some of the most ardent supporters of the initiative such as Jackie and Mike Bezos and Nick Hanauer. Out of state contributions came from New York based DFER affiliated Education Reform Now. Two Washington State based groups - the League of Education Voters, a charter supporting, pro-charter lobbying group, and Partnership for Learning, the education foundation of the Washington Roundtable, a corporate public policy group – made significant contributions as well. Additionally, Chris Korsmo, CEO of the League of Education Voters, and Steve Mullin, president of the Washington Roundtable, hold seats on the board of the Washington State Charter Schools Association.

It is worth noting the role that the League of Education Voters, a 501 (c)(4), which filed its first 990 in 2004, has played in the push for charter schools. Its founding President was Nick Hanauer. The organization began with a huge infusion of cash—more than \$3 million dollars. It is affiliated with the League of Education Voters Foundation (LEV Foundation) a 501 (c)(3), on whose board Hanauer also served for many years. The LEV Foundation has been kept afloat by millions in donations from the Gates Foundation, some of which is passed to the 501 (c)(4) for lobbying. The Gates Foundation also provided the seed money to start the Washington Charter Schools Association by giving a grant to the LEV Foundation which passed it on to the Washington State Charter Schools Association.

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Table 5: In-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between November 7, 2012 and March 6, 2013

CONTRIBUTOR	DATE	AMOUNT
Jackie Bezos	01/22/2013	\$50,000.00
Mike Bezos	01/22/2013	\$50,000.00
Bill Gates	01/17/2013	\$75,000.00
Melinda Gates	01/17/2013	\$75,000.00
Nick Hanauer	02/07/2013	\$50,000.00
League of Education Voters	03/07/2013	\$50,000.00
Partnership For Learning	03/06/2013	\$25,000.00

Source: Washington State Public Disclosure Commission

Table 6: Out-of-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between November 7, 2012 and March 6, 2013

CONTRIBUTOR	DATE	AMOUNT
Education Reform Now Advocacy	03/28/2013	\$100,000.00

Source: Washington State Public Disclosure Commission

Table 7: Top 5 Out-of-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between May 22, 2012 and March 6, 2013

TOP FIVE OUT-OF-STATE CONTRIBUTORS	AMOUNT
Alice Walton	\$1,700,000.00
Ann Dinning/Michael Wolff	\$500,000.00

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Table 7 continued: Top 5 Out-of-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between May 22, 2012 and March 6, 2013.

TOP FIVE OUT-OF-STATE CONTRIBUTORS	AMOUNT
Eli Broad	\$200,000.00
DFER/Education Reform Now	\$159,098.96
Reed Hastings	\$100,000.00

Source: Washington State Public Disclosure Commission

Table 8: Top 5 In-State Contributions to Yes on 1240: Washington Coalition for Public Charter Schools between May 22, 2012 and March 6, 2013.

TOP FIVE IN-STATE CONTRIBUTORS	AMOUNT
Bill and Melinda Gates/Microsoft	\$3,304,000.00
Paul Allen/Vulcan Inc.	\$1,600,000.00
Jackie and Mike Bezos	\$1,100,000.00
Nick Hanauer	\$1,050,000.00
Connie Ballmer	\$500,000.00

Source: Washington State Public Disclosure Commission

Researchers Wayne Au and Joseph J. Ferrare, professors at the University of Washington and the University of Kentucky, respectively, looked at the cash and in-kind contributions of over \$50,000 to the Yes on 1240 Initiative and concluded that, "compared to the average voter in Washington, an elite group of wealthy individuals, either directly through individual donations or indirectly through their affiliated philanthropic organizations, wielded disproportionate influence over the outcome of the charter school initiative in the state, thereby raising serious concerns about the

democratic underpinnings of an education policy that impacts all of the children in Washington State."

As if to confirm that the vote was controlled by only a handful of elite billionaires, on November 10, 2012 <u>Nick Hanauer</u> <u>tweeted the following:</u>

"We will have charter schools in Washington state. BOOYA.
Thanks Bill and Melinda (Gates) and Mike and Jackie (Bezos) and Anne and Michael (Dinning/Wolf) and Paul (Allen)."

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In an interview with The Atlantic, Hanauer was asked what drives him in his political work. He responded, "If I'm really being honest, part of it is a moral sensibility about wanting to remake America and part of it is I just love to win."

Hanauer and his fellow big money donors may have "won" the vote on Initiative 1240, but their victory was challenged, and ultimately overturned. In September 2015, the Washington State Supreme Court found Washington's charter school law to be in violation of the state constitution because its funding provisions attempted to tap into and shift a portion of money allocated for common schools to charter schools. The ruling did not declare the concept of charter schools unconstitutional, but since funding is an integral part of opening the schools, the whole Act effectively was voided.

The Washington Supreme Court's decision did not sit well with some of the politicians and billionaires that had finally gotten the green light for charters in Washington State. They decided that the judges up for re-election had to be defeated. Former Senator Rodney Tom, who had led the charge in the Washington Senate prior to Initiative 1240, teamed up with Ken Fisher, another Washington billionaire, to form a new political action committee - Judicial Integrity Washington.

Fisher contributed \$350,000 to the PAC, and Kemper Holdings (which also contributed to Yes on 1240) contributed \$50,000. Microsoft board member and Washington billionaire, John Stanton, contributed another \$50,000.

In November of 2016 Chief Justice Barbara Madsen and two of her fellow Justices, Justice Mary Yu and Justice Charlie Wiggins, faced reelection. In an interview, former Senator Tom said, "There's a lot of different groups out there that are kind of upset with the current court. That's what we're trying to change." Senator Tom did not hide that they wanted to get the Justices off the bench because of the Court's recent decisions, especially the charter school decision.

Commenting on a what was clearly an issues-driven challenge funded by billionaires, long-time, respected Chief Justice Madsen clearly stated, "It puts the courts at risk when anybody with money determines who can be on the Supreme Court."

Table 9 shows the contributions to Justice Madsen's opponent, Greg Zemple, and the other two candidates running to unseat Justice Yu and Justice Wiggins.

Table 9: Contributions to the opponents of incumbents Chief Justice Barbara Madsen, Justice Mary Yu and Justice Charlie Wiggins

DIRECT CONTRIBUTIONS TO GREG ZEMPLE (Madsen's opponent)	DATE	AMOUNT
Stand For Children Washington PAC	07/22/2016	\$2,000.00
Kenneth Fisher	07/01/2016	\$1,000.00
Kenneth Fisher	07/01/2016	\$1,000.00

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Table 9 continued: Contributions to the opponents of incumbents Chief Justice Barbara Madsen, Justice Mary Yu and Justice Charlie Wiggins

DIRECT CONTRIBUTIONS TO GREG ZEMPLE (Madsen's opponent)	DATE	AMOUNT
Sherrilyn Fisher	07/01/2016	\$1,000.00
Sherrilyn Fisher	07/01/2016	\$1,000.00
Steve Triplett	09/16/2016	\$1,000.00
Elizabeth Triplett	09/16/2016	\$1,000.00

Source: Washington State Public Disclosure Commission

INDEPENDENT EXPENDITURE COMMITTEE EXPENDITURES FOR GREG ZEMPLE	DATE	AMOUNT
Judicial Integrity WA PAC	08/02/2016	\$100,000.00
Stand For Children WA PAC	07/21/2016	\$30,000.00
Stand For Children WA PAC	07/20/2016	\$28,571.43
Stand For Children WA PAC	07/20/2016	\$28,571.43
Stand For Children WA PAC	07/25/2016	\$28,571.43
Stand For Children WA PAC	08/01/2016	\$14,285.71

Source: Washington State Public Disclosure Commission

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DIRECT CONTRIBUTIONS TO DAVID DEWOLF (Yu's opponent)	DATE	AMOUNT
Fisher Creek Campus LLC	07/01/2016	\$2,000.00
Kenneth Fisher	07/01/2016	\$1,000.00
Kenneth Fisher	07/01/2016	\$1,000.00
Sherrilyn Fisher	07/01/2016	\$1,000.00
Sherrilyn Fisher	07/01/2016	\$1,000.00
Steve Triplett	09/16/2016	\$1,000.00
Elizabeth Triplett	09/16/2016	\$1,000.00

Source: Washington State Public Disclosure Commission

DIRECT CONTRIBUTIONS TO DAVE LARSON (Wiggins' opponent)	DATE	AMOUNT
Fisher Creek Campus, LLC	06/27/2016	\$2,000.00
Vulcan, Inc.	06/27/2016	\$2,000.00
Kenneth Fisher	06/27/2016	\$1,000.00
Kenneth Fisher	06/27/2016	\$1,000.00
Sherrilyn Fisher	06/27/2016	\$1,000.00
Sherrilyn Fisher	06/27/2016	\$1,000.00
Steve Triplett	09/16/2016	\$1,000.00

Source: Washington State Public Disclosure Commission

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All of the Independent Expenditure Committee money for Chief Justice Madsen's opponent came from the Judicial Integrity Washington PAC and Stand for Children Washington PAC. Stand for Children's money came almost entirely from the major contributors to Yes on 1240, including Connie Ballmer, Reed Hastings, and Vulcan Inc..

The Washington State Charter Schools Association formed its own PAC, WA Charter PAC, which contributed \$150,000 to Stand for Children's PAC. Stand for Children's PAC was also funded by some of the same elite Washington State donors. Connie Ballmer and her husband Steve donated \$125,000 each, and Katherine Binder contributed another \$100,000 to the PAC. Out of state donors John Arnold (Texas) and Walmart heir Jim Walton (Arkansas) each pitched in \$25,000.

In Washington State, big money is not only being spent on ballot initiatives and to unseat judges. Since Yes on 1240

was approved, the Gates Foundation has contributed \$13.5 dollars and the Walton Foundation has contributed over \$800,000 to the Washington Charter Schools Association. That organization in turn gave \$8 million dollars to both Green Dot Public Schools, and Summit Public Schools Charter Management Organizations to expand into Washington State.

And despite the uncertainty of the future of charters in the state, the United States Department of Education has invested heavily in the charter sector. \$6.97 million dollars of taxpayer money was recently awarded to Washington charter schools. Maggie Meyers of the Gates and Walton funded Washington Charter Schools Association said, "I think it is a great show of confidence from the federal government showing that Washington charter schools are here to stay."

Los Angeles, California: Charter Advocates Buy Majority Board Control

The Los Angeles Unified School District (LAUSD), the largest school district in California and second in size only to New York City, enrolls more than 640,000 students K-12. The LAUSD website lists 279 charter schools which, according to the California Charter School Association (CCSA), enroll twenty-four percent of all LAUSD students.

No organization better exemplifies the aggressive push to charterize the state of California than the CCSA, which is intimately involved in school board elections and the promotion of charter schools throughout the state.

The rapid expansion of charter schools in Los Angeles did not occur by chance. The CCSA and its deep-pocketed backers have not only encouraged the establishment of charter schools, they have also been actively involved in the political process by spending huge sums to get charter school advocates elected to the LAUSD Board and the state legislature.

Since the first level of possible charter approval in California is the school district, having a "charter-friendly" school board promotes charter school expansion. In addition, if the district authorizes a charter, the district becomes the governing board that decides whether the charter will be renewed. This explains why billionaire charter school advocates were willing to spend an unprecedented \$2.5 million dollars to elect their favored candidates during the 2015 LAUSD Board election. Promoting charter friendly boards is not limited to Los Angeles. There is an unrelenting effort on the part of CCSA to increase the presence of charter schools in the state. The CCSA theme for its 2016 California Charter School Conference

was March to One Million by 2022. And that "parade" was well funded indeed. In 2014, CCSA reported its income to be \$22,120,466. Although it is a membership organization, only \$1.6 million dollars came from charter school dues. That year, CCSA received nearly \$17 million dollars in gifts, grants and contributions. CCSA also has another name, the California Charter School Consortium, and under that name it received a \$5.8 million dollar grant from the multi-billion dollar Silicon Valley Community Foundation in 2014.

CCSA does not disclose its funders on its website nor on its 990 form, but it does list its Board of Directors. The present Board of Directors includes: Joe Williams, DFER's first executive director, and director of the Walton Education Coalition; Gregory McGinty, the Executive Director of Policy for the Broad Foundation; Neerav Kingsland, the CEO of the Hastings Fund; and Christopher Nelson, the Managing Director of the Doris & Donald Fisher Fund. Prior Board members include Reed Hastings and Carrie Walton Penner, heir to the Walmart fortune.

The real power, however, sits in CCSA's related organization, CCSA Advocates, a not-for-profit 501(c)(4) whose mission is to increase the political clout of charter schools on local school boards, on county boards, and in Sacramento. Charters can be authorized at all three levels. If they are turned down by the local board, they can be authorized by the county board. If rejected by the county board, they can be authorized by the state board. Under Governor Jerry Brown, who opened two charters on his own as mayor of Oakland, the state board rubber-stamps charters that have been rejected at lower levels.

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The CCSA.org website links to two related organizations— CCSA Families and CCSA Advocates. CCSA Advocates is the lobbying arm of CCSA governed by IRC 501(c)(4), which allows it to engage in some political activities, including limited candidate endorsement. <u>It cannot, however, directly</u> or indirectly participate or intervene in political campaigns on behalf of or in opposition to any candidate for public office. According to its website, the first \$200 given to CCSA Advocates will be distributed to CCSA Advocates Community PAC, and the remainder to the CCSA Advocates Charter Schools PAC. The CSSA Advocates also has a sponsored Independent Expenditure Committee (CCSA Advocates IEC) which can receive unlimited amounts of contributions from donors, spending as much as it wants on a campaign. Its only substantive legal restriction is that it cannot directly coordinate with or donate to the candidate it is supporting.

The CCSA Advocates IEC also sponsors recipient committees, which work to get specific candidates elected. In 2015, one of the CCSA Advocates IEC recipient committees was called the Parent Teacher Alliance (PTA) in Support of Rodriguez, Galatzan, Vladovic and McKenna for School Board 2015. Its primary purpose was focused exclusively on having those charter school advocates/candidates elected to the LAUSD. In the LAUSD District 5 race to elect Ref Rodriguez, independent expenditures outpaced direct campaign contributions by a ten to one margin. However, takeover efforts went well beyond District 5.

Keeping the LAUSD charter friendly is not an easy task. The LAUSD Board is composed of seven members representing its seven districts. Four of the seven had elections in May of 2015. For each seat, CCSA Advocates had a pro-charter candidate that it supported: George McKenna (District 1); Tamar Galatzan (District 3); Ref Rodriguez (District 5), and Richard Vladovic (District 7).

In addition to managing multiple candidates, California has set a modest limit on the amount of money that an individual or organization can donate directly to a candidate. The maximum contribution in 2015 for school board members was \$1,100, with a \$2,200 cap, in case a run-off election was needed. That restriction meant that if the CCSA Advocates were serious about getting pro-charter candidates elected, its IEC would need to flood the election with independent expenditure money. While independent expenditures are monetarily unlimited and completely independent of a candidate's campaign, the Los Angeles City Ethics Commission still requires the IEC to disclose its spending. The Ethics website lists the specific dollar amounts raised and spent for each candidate, including the amount spent by independent expenditure committees both in support of and in opposition to each of the candidates. This mandatory public disclosure shows that the bulk of independent expenditure money to support the pro-charter candidates and oppose the pro-public school candidates originated from the CCSA Advocates IEC.

The PTA CCSA Advocates IEC heavily invested in one particular race, the board seat in LAUSD District 5, in which CCSA Advocates-backed candidate Ref Rodriguez ultimately beat incumbent Bennet Kayser, a well-known anti-charter board member as well as a middle-school teacher who had the support and backing of the LAUSD teachers union. Rodriguez is the co-founder of PUC charter schools in the Los Angeles area. He resigned that position in 2009 to help launch Partners for Developing Futures, "a social investment fund dedicated to investing in leaders of color to start and grow high performing charter schools." According to the Ethics disclosure website, pro-charter IECs (mainly the PTA CCSA

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Advocates IEC) spent \$1,670,765.64 to support Rodriguez and \$600,723.46 to oppose Kayser. The pro-public school groups, mainly the LAUSD teacher's union, spent \$1,013,481.52 to support Bennet and \$189,013.16 to oppose Rodriguez, which means the <u>pro-charter IECs spent</u>, in total, about twice as much.

Many of the significant contributors to CCSA Advocates and CCSA Advocates IEC are familiar donors to the pro-charter movement across the country, and will be mentioned throughout this report¹. Listed contributions to CCSA Advocates IEC date back to June 2011 because any contribution predating 2015 could have been carried forward for the 2015 LAUSD election.

Contributions to the IEC continued after the 2015 election and gained momentum leading up to the 2017 LAUSD election. It has been reported that the 2017 LAUSD race was "the most expensive school board election in the nation's history." The LA Times put the final spending total at over \$14 million dollars.

The main contest in the 2017 election was for the District 4 seat. The race was a face-off between incumbent School Board President Steve Zimmer, supported by the unions, and his challenger Nick Melvoin, supported by CCSA Advocates IEC.

As in 2015, the PTA CCSA Advocates IEC was the biggest spender, with familiar names contributing millions to the CCSA Advocates IEC, much of which was then funneled to support or oppose candidates through PTA. Reed Hastings was the biggest individual contributor to CCSA Advocates

IEC, with almost \$5 million in contributions since the 2015 election. Numerous other high profile education reformers made contributions of \$1 million or more to CCSA Advocates IEC, including Eli Broad, Michael Bloomberg, Alice Walton, and John and Laura Arnold, among others.

In addition to over \$2 million dollars in independent expenditures from CCSA's Parent Teacher Alliance, Melvoin's campaign was the beneficiary of independent expenditures from groups like Speak UP - Supporting Nick Melvoin for School Board 2017 (over \$111,000 in total) and Students for Education Reform (SFER) Action Network (over \$60,000 in total), which is based in New York. In addition to his massive contributions to CCSA Advocates IEC, Eli Broad also spent over \$75,000 mailing two personal endorsements of Melvoin (you can read the endorsements here and here). Bill Bloomfield spent over \$50,000 to distribute California Senator Barbara Boxer's endorsement (read that letter here), and former Los Angeles Mayor Riordan spent over \$40,000 to send out his own emails and mailers on behalf of Melvoin.

In total, almost \$2.5 million dollars in independent expenditures went to support Melvoin and just shy of \$3.5 million dollars to oppose Zimmer, for a total of close to \$6 million dollars. Conversely, less than half of that amount was spent to elect Zimmer, with less than \$2 million dollars to support his campaign and just a little over \$500,000 to oppose Melvoin.

In the end, the charter money was too much to overcome, and Zimmer lost his re-election bid. He said that the amount of money spent by the charter lobby was an indication of

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¹ In California, IECs are required to file expenditures related to elections; however, the IECs are able to hide individual donor identities behind other political action committee names. In order to find out the individuals behind the money to the LAUSD IECs, sometimes several layers of campaign filings must be searched on the California Secretary of State website.

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"the incredible greed and hunger and desire for power that's going on here."

The other 2017 race featured two newcomers vying for the District 6 seat vacated by Monica Ratliff. The union supported Imelda Padilla, and the charter lobby supported Kelly Gonez. Less was spent on the District 6 race, with less than \$1 million dollars separating the two candidates in terms of independent expenditures. Over \$3.3 million dollars in independent expenditures went to elect Gonez, and under \$2.5 million dollars was spent on Padilla's unsuccessful campaign.

As a result of the 2017 election, the LAUSD has a pro-charter

majority of members for the first time. The district, which is the largest in the state, is already home to 279 charter schools. With the new pro-charter majority, it seems all but certain that the "Broad Plan" to more than double the number of charters in the city seems a fait accompli.

For the sake of bringing the CCSA Advocates IEC money into public purview, several tables are included below. The first two include notable in and out of state donor contributions from the first contribution on record (June 2011) through the date of the 2015 LAUSD election (May 19, 2015). The second two tables continue where the first leaves off, and end at the most recent publically available contributions.

Table 1: Notable In-State Contributors to CCSA Advocates IEC pre-election 06/01/11-05/19/15

CONTRIBUTOR	DATE	AMOUNT
Eli Broad	06/02/2014 09/02/2014 04/03/2015	\$150,000.00 \$155,000.00 \$50,000.00
Emerson Collective (Laurene Powell Jobs)	04/02/2015 04/09/2015	\$50,000.00 \$100,000.00
Doris Fisher	02/19/2014 03/16/2015 04/23/2014 04/02/2015	\$250,000.00 \$250,000.00 \$300,000.00 \$500,000.00
Barbara Grimm	05/14/2015 05/15/2015	\$250,000.00 \$250,000.00
Reed Hastings	06/30/2011 11/05/2012 09/25/2014	\$493,500.00 \$691,000.00 \$1,500,000.00
Carrie Walton Penner	02/20/2013 03/13/2014 05/13/2014 04/16/2015	\$100,000.00 \$120,000.00 \$250,000.00 \$150,000.00

Source: California Secretary of State website

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Table 2: Notable Out-of-State Contributors to CCSA Advocates IEC pre-election 06/01/11-05/19/15

CONTRIBUTOR	DATE	AMOUNT
Michael Bloomberg	06/04/2012 10/20/2014 02/20/2015 04/24/2015	\$75,000.00 \$250,000.00 \$200,000.00 \$150,000.00
Jim Walton	10/28/2014 04/14/2015	\$250,000.00 \$225,000.00

Source: California Secretary of State website

Table 3: Notable In-State Contributors to CCSA Advocates IEC post-election 05/27/2015 to 05/16/2017

CONTRIBUTOR	DATE	AMOUNT
David Royce	05/12/2017	\$100,000.00
Doris Fisher	09/01/2015 03/31/2016 05/09/2016 07/11/2016 10/05/2016 11/02/2016 01/13/2017 04/19/2017	\$100,000.00 \$1,000,000.00 \$1,000,000.00 \$500,000.00 \$700,000.00 \$50,000.00 \$300,000.00 \$100,000.00
Arthur Rock	04/19/2017 01/13/2017	\$100,000.00 \$100,000.00
Frank E. Baxter (co-chairman of the board of Alliance College-Ready Public Schools)	04/18/2017	\$25,000.00
Anthony N. Pritzker	04/06/2017	\$100,000.00
Reed Hastings	07/24/2015 09/13/2016 09/14/2016 10/19/2016 02/17/2017 05/09/2017	\$1,000,000.00 \$1,500,000.00 \$1,236,000.00 \$100,000.00 \$1,000,000.00

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Table 3 continued: Notable In-State Contributors to CCSA Advocates IEC post-election 05/27/2015 to 05/16/2017

CONTRIBUTOR	DATE	AMOUNT
Richard J. Riordan	12/05/2016	\$1,000,000.00
Carrie Walton Penner	08/20/2015 12/23/2015	\$250,000.00 \$750,000.00
Bill Bloomfield	01/25/2017 04/24/2017 04/28/2017 05/08/2017 05/11/2017 05/15/2017 05/23/2017	\$200,000.00 \$100,000.00 \$250,000.00 \$500,000.00 \$500,000.00 \$500,000.00 \$225,000.00
Eli Broad	03/31/2016 11/03/2016 04/19/2017 05/05/2017 05/11/2017 05/15/2017	\$1,000,000.00 \$50,000.00 \$300,000.00 \$400,000.00 \$500,000.00 \$34,916.03
Katherine B. Bradley	05/10/2017	\$5,000.00
Education Matters PAC	04/21/2016 11/14/2016	\$350,000.00 \$100,000.00
EdVoice Independent Expenditure Committee	10/31/2016	\$145,000.00
Laurene Powell Jobs	10/03/2016	\$250,000.00
John H. Scully	09/23/2016	\$350,000.00

Source: California Secretary of State website

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Table 4: Notable Out-of-State Contributors to CCSA Advocates IEC post-election 05/27/2015 to 05/16/2017

CONTRIBUTOR	DATE	AMOUNT
John/Laura Arnold	03/28/2016	\$1,000,000.00
Michael Bloomberg	07/15/2016 10/19/2016 02/22/2017	\$500,000.00 \$200,000.00 \$500,000.00
Stacy Schusterman	05/27/2015 03/24/2017	\$75,000.00 \$75,000.00
Alice Walton	08/12/2015 05/25/2016 08/15/2016 10/19/2016	\$250,000.00 \$200,000.00 \$204,000.00 \$200,000.00
Jim Walton	02/15/2017	\$500,000.00
StudentsFirst PAC (Out of State PAC)	05/03/2017	\$100,000.00
Janet S. Crown (daughter of Chicago Stand for Children supporter, Lester Crown)	04/20/2017	\$50,000.00

Source: California Secretary of State website

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Table 5: Top 5 Out-of-State Contributors to CCSA Advocates IEC.

TOP FIVE OUT-OF-STATE CONTRIBUTORS	AMOUNT
Michael Bloomberg	\$1,875,000.00
John and Laura Arnold	\$1,000,000.00
Jim Walton	\$975,000.00
Alice Walton	\$854,000.00
Stacy Schusterman	\$150,000.00

Table 6: Top 5 In-State Contributors to CCSA Advocates IEC.

TOP FIVE IN-STATE CONTRIBUTORS	AMOUNT
Reed Hastings	\$8,520,500.00
Doris Fisher	\$5,050,000.00
Bill Bloomfield	\$2,275,000.00
Eli Broad	\$2,639,916.03
Carrie Walton Penner	\$1,620,000.00

Note: Not all CA contributors have been included in tables above.

Perth Amboy, New Jersey: Big Money Floods a Small School Board Race

erth Amboy, New Jersey is "a 4.5 square mile municipality located along the shores of the beautiful Raritan Bay in Middlesex County." The district operates five elementary schools, one middle school, and one high school. Its nine-member board of education is elected atlarge, with three seats open for election every three years. If an unexpired seat is vacated, that seat is filled in the next election.

What follows is the odd story of how a small school board race in a relatively unknown town became a magnet for out of state donors, whose names will not be unfamiliar to those who have been reading this report.

Perth Amboy school board candidate Jeanette Gonzalez's husband, Kenneth Gonzalez, served four terms on the Perth Amboy board of education. According to Gonzalez, Perth Amboy school board elections usually cost candidates several thousand dollars. She noted that her husband often raised between \$5,000 and \$8,000 for his campaigns.

In 2012, Jeanette Gonzalez and three other candidates formed a joint committee and raised a total of \$8,605 among the three candidates. They were shocked to learn that a new committee, Better Schools Now for Perth Amboy, had.reported.that.it.had.already.raised.over.944,000 in support of four candidates for the school board.

New Jersey campaign finance law allows individuals to contribute a <u>maximum of \$2,600 to a candidate's committee</u>. From September 28, 2012, to November 05, 2012 (the day before the Perth Amboy school board election), there were eight contributors to the joint committee, "Ortiz, Ortega, Iglesia & [Damaris] Gonzalez Better Schools Now for Perth Amboy".

Four of the eight contributors were from California, and one was from Colorado. New Jersey blogger Mark Weber detailed the intricate story behind the unusual out-of-state interest in a small-town school board race. Weber reported that in 2011, Perth Amboy's new superintendent, Janine Caffrey, began advocating against teacher job protections. Caffrey became a lightning rod in the state – in November of 2011 she penned an op-ed titled, "Tenure laws keep bad apples in the classroom." Caffrey testified in Trenton – alongside then Newark Mayor Cory Booker – in support of a bill before the Senate Education Committee that would have effectively ended tenure protections in the state.

Less than a year into her tenure in Perth Amboy, the Board of Education filed 11 accusations against Caffrey, and shortly voted to put her on administrative leave. Corporate-reformminded state superintendent Chris Cerf refused to allow it—twice. Before Cerf intervened, B4K, headed by New Jersey billionaires David Tepper and Alan Fournier, an affiliate of Michelle Rhee's StudentsFirst, waged a media campaign on Caffery's behalf.

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And then, in the fall of 2012, money began to come in to fund a slate of candidates for the board of education sympathetic to Caffrey. Tepper and Fornier, who are not from Perth Amboy, rallied out-of-state corporate reform donors. Four donors were from California – all regular contributors to candidates that support education reform; Greg Penner, the husband of Carrie Walton Penner; David Goldberg, the former CEO of SurveyMonkey and husband of Facebook Executive Sheryl Sandberg; and venture capitalist Arthur Rock. All give generously to support education reform initiatives in the state of California, and across the nation. These three were joined in their donations by Lydia Callaghan, the wife of hedge-funder Adam Weiss, who has ties to Whitney Tilson of DFER, and Success Academy board member and hedge fund billionaire Dan Loeb.

The Colorado donor was Kent Thiry who supports corporatereform-friendly candidates in his own state, including Denver school board candidates as noted in our Denver report. Despite the coordinated national effort to influence a small, local board of education race, only one of the four candidates was elected to the 2012 Perth Amboy school board (William Ortiz). Thus, the 2012 out-of-state money blitz into the Perth Amboy school board elections was not successful.

Without a board majority, the remainder of Caffrey's time in Perth Amboy continued to be contentious. Less than one year after the 2012 election the board voted for the fourth and final time to put Caffrey on paid administrative leave. Less than 1 year after that vote, the board and Caffrey reached a settlement agreement that paid Caffrey six figures to leave the district for good. This not only ended Caffrey's tenure reform crusade, but the corporate reform interest in Perth Amboy as well. Subsequent elections have returned to previous levels of funding, with no outside interference.

Table 1: In-State Contributions to Ortiz, Ortega, Iglesia & [Damaris] Gonzalez Better Schools Now for Perth Amboy

DIRECT CONTRIBUTIONS TO ORTIZ, ORTEGA, IGLESIA & GONZALEZ	DATE	AMOUNT
Alan Fournier	09/28/2012 09/28/2012 09/28/2012 09/28/2012	\$2,600.00 \$2,600.00 \$2,600.00 \$2,600.00
Jennifer Fournier	09/28/2012 09/28/2012 09/28/2012 09/28/2012	\$2,600.00 \$2,600.00 \$2,600.00 \$2,600.00

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Table 1 continued: In-State Contributions to Ortiz, Ortega, Iglesia & [Damaris] Gonzalez Better Schools Now for Perth Amboy

DIRECT CONTRIBUTIONS TO ORTIZ, ORTEGA, IGLESIA & GONZALEZ	DATE	AMOUNT
David Tepper	11/05/2012 11/05/2012 11/05/2012 11/05/2012	\$1,250.00 \$1,250.00 \$1,250.00 \$1,250.00
Lydia Callaghan	10/05/2012 10/05/2012 10/05/2012 10/05/2012	\$2,000.00 \$2,000.00 \$2,000.00 \$2,000.00
Dave Goldberg	10/09/2012 10/09/2012 10/09/2012 10/09/2012	\$2,000.00 \$2,000.00 \$2,000.00 \$2,000.00
Greg Penner	10/04/2012 10/04/2012 10/04/2012 10/04/2012	\$2,000.00 \$2,000.00 \$2,000.00 \$2,000.00
Arthur Rock	10/03/2012 10/03/2012 10/03/2012 10/03/2012	\$2,000.00 \$2,000.00 \$2,000.00 \$2,000.00
Kent Thiry	10/08/2012 10/08/2012 10/08/2012 10/08/2012	\$2,600.00 \$2,600.00 \$2,600.00 \$2,600.00

Source: New Jersey Election Law Enforcement Commission

Louisiana: Jeb Bush Calls and Billionaire Dollars Follow

ohn White spent two years as a teacher with Teach for America. He later became an executive director of TFA in both Chicago and New Jersey and a deputy superintendent in New York City under "reform" chancellor, Joel Klein.

Louisiana Governor Bobby Jindal decided he wanted White as his state superintendent. White stood for all that Jindal supported: charter school and voucher expansion, grading teachers and schools using student standardized test scores, and promoting the Common Core State Standards (CCSS) along with their associated Partnership for Assessment of Readiness for College and Careers (PARCC) tests. Former state superintendent Paul Pastorek was stepping down, and Jindal wanted White to take his place.

The only problem was that Jindal did not believe that Louisiana's then current state board, the Board of Elementary and Secondary Education (BESE), would deliver enough votes in support of White.

In Louisiana, the state superintendent is determined by a supermajority of BESE members-at least eight out of the total eleven must vote a candidate into office for the four vears that the BESE members are themselves in office. After every election, the new board gets to keep the present superintendent in place or choose another.

<u>Jindal communicated the problem of a lack of votes for</u> White to Jeb Bush, who used his nonprofit, Foundation for

Excellence in Education (FEE), to put his superintendents' association, Chiefs for Change (C4C), on call to help get the votes. In October of 2011, Donald Cohen of the watchdog group, In the Public Interest (IPI), submitted a Freedom of Information Act request for email correspondence from C4C to state superintendents. Among those emails was one by then-FEE director, Patricia Lavesque, to C4C superintendents, informing them that there was a BESE election coming up in Louisiana. Lavesque's email stated that the election outcome would influence who was chosen as next state superintendent; that Jindal wanted White as next superintendent; and that Bush "is lending his support/ endorsement" for Jindal's preference for White. Levesque also attached an Advocate article featuring candidates running for seven BESE seats.

Word among the deep-pocketed, corporate education reformers quickly spread. As a result, the 2011 BESE election garnered an unprecedented influx of out-of-state money for certain candidates, prompting an October 2012 article in The Nation on the 2011 BESE race, entitled, "Why Do Some of America's Wealthiest Individuals Have Fingers in Louisiana's Education System?"

From New York to California, the money poured into the race. Michael Bloomberg, contributed \$100,000 to the Alliance for Better Classrooms (ABC) PAC, all of which went to "advertising and consulting" for unspecified BESE candidates expected to support charters, vouchers, and teacher evaluations using

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student test scores. He also contributed \$100,000 to the Future PAC, \$67,000 of which paid for advertising for the BESE campaign of New Orleans TFA executive, Kira Orange-Jones's. Bloomberg gave another \$90,000 to the Keep New Orleans Moving Forward PAC to buy television ads for Orange-Jones. Additionally, he directly gave Orange-Jones \$10,000 in the form of two \$5,000 contributions (see here and here). Kira Orange-Jones won her seat, which strategically covered part of the New Orleans area.

Bloomberg also contributed \$5,000 each to two unsuccessful BESE candidates, Russell Armstrong and Glenny Lee Buguet, and an additional \$5,000 each to two other successful BESE candidates, Jay Guillot and Holly Boffy.

Bloomberg was not the lone out-of-state billionaire contributor to the 2011 BESE election. Californian Eli Broad contributed \$10,000 to the ABC PAC (for "consulting and advertising" and "research") and \$5,000 to Orange-Jones. Former Enron trader and Texas billionaire, John Arnold, and his wife, Laura, contributed notable cash as well. Laura Arnold's support included \$10,000 to the ABC PAC, \$5,000 to Orange-Jones, and \$5,000 to Chas Roemer, whose sister is the CEO of the Lousiana Association of Public Charter Schools. John Arnold added another \$5,000 to Orange-Jones and \$5,000 to Chas Roemer.

Finally, Walmart heirs, siblings Alice and Jim Walton, contributed a combined \$125,000 (\$75,000 from Alice Walton and \$50,000 from Jim Walton) to the Louisiana Federation for Children PAC), which supported 35 candidates in various Louisiana races, including 5 BESE candidates (James Garvey, Kira Orange-Jones, Holly Boffy, Chas Roemer, and Jay Guillot), all of whom not only promoted the privatization agenda but also won. Carrie Walton Penner contributed \$5,000 directly to Kira Orange-Jones, and Greg Penner, contributed another \$5,000 to Orange-Jones' campaign.

Orange-Jones benefited the most from the 2011 BESE out-ofstate, billionaire money flow; in addition to the contributions from Bloomberg, Broad, the Arnolds, and the Waltons/ Penners, Hastings added \$5,000, and Teach for All CEO, Walter Isaacson, contributed \$2,000 (here, here and here). California venture capitalist Arthur Rock contributed \$1,000 to Orange-Jones and followed by an additional \$500. Michelle Rhee's StudentsFirst gave Orange-Jones \$5,000 as well.

Furthermore, in-state money entered the election race as well although it was dwarfed by out-of-state contributions. The most notable contributor was the Grigsby family, whose members combined with the family business (Cajun Industries) contributed nearly a quarter of a million dollars.

In the end, five of the seven BESE seats were filled by corporate-reform-minded members more than willing to approve John White as state superintendent.

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Table 1: Notable Out-of-State Contributors to PACs in the 2011 BESE election

ALLIANCE FOR BETTER CLASS- ROOMS, ABC INC.	DATE	AMOUNT
Michael Bloomberg	10/18/2011	\$100,000.00
Eli Broad	11/16/2011	\$10,000.00
Laura Arnold	11/04/2011	\$10,000.00

LOUISIANA FEDERATION FOR CHILDREN PAC	DATE	AMOUNT
Alice Walton	10/06/2011	\$75,000.00
Jim Walton	10/06/2011	\$50,000.00
J.C. Huizenga (Michigan Charter School Chain Owner)	06/30/2010	\$10,000.00
John Kirtley (Florida venture capitalist/ Florida tax credit supporter)	06/08/2010	\$6,000.00
Ravenel Curry IV	12/22/2011	\$25,000.00
Alice Walton	11/16/2011	\$90,000.00

FUTURE PAC	DATE	AMOUNT
Michael Bloomberg	10/20/2011	\$100,000.00

ALL CHILDREN MATTER LA STATE PAC *INDIRECTLY TO KIRA ORANGE-JONES	DATE	AMOUNT
Alice Walton	03/14/2009	\$28,000.00

Source: Louisiana Ethics Administration Program

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Table 2: Notable Out-of-State Contributors to Candidates in the 2011 BESE election

DIRECT CONTRIBUTIONS TO JAMES GARVEY - DISTRICT 1	DATE	AMOUNT
StudentsFirst, Inc.	09/29/2011	\$5,000.00

DIRECT CONTRIBUTIONS TO KIRA ORANGE-JONES - DISTRICT 2	DATE	AMOUNT
Michael Bloomberg	10/19/2011 11/15/2011	\$5,000.00 \$5,000.00
Eli Broad	11/28/2011	\$5,000.00
Laura Arnold	11/05/2011	\$5,000.00
John Arnold	10/25/2011 10/21/2011	\$4,000.00 \$1,000.00
Carrie Walton Penner	10/14/2011	\$5,000.00
Greg Penner	10/14/2011	\$5,000.00
Reed Hastings	11/17/2011	\$5,000.00
Arthur Rock (California venture capitalist and education reform donor)	09/27/2011 11/15/2011	\$500.00 \$1,000.00
StudentsFirst, Inc.	09/15/2011	\$5,000.00
Katherine Bradley (KIPP and Teach for America DC-Region board member)	10/14/2011 10/14/2011	\$2,500.00 \$2,500.00

DIRECT CONTRIBUTIONS TO GLENNY LEE BUQUET - DISTRICT 3	DATE	AMOUNT
Michael Bloomberg	10/20/2011	\$5,000.00

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Table 2 continued: Notable Out-of-State Contributors to Candidates in the 2011 BESE election

DIRECT CONTRIBUTIONS TO JOHN ALLEN (JAY) GUILLOT - DISTRICT 5	DATE	AMOUNT
Michael Bloomberg	10/21/2011	\$5,000.00
K12 Management, Inc	10/18/2011	\$1,000.00
Charter Schools USA	10/17/2011	\$2,000.00

DIRECT CONTRIBUTIONS TO CHAS ROEMER - DISTRICT 6	DATE	AMOUNT
Laura Arnold	11/07/2011	\$5,000.00
John Arnold	11/07/2011	\$5,000.00
StudentsFirst, Inc	09/15/2011	\$5,000.00

DIRECT CONTRIBUTIONS TO HOLLY BOFFY - DISTRICT 7	DATE	AMOUNT
K12 Management, Inc	10/19/2011	\$1,000.00
Michael Bloomberg	10/19/2011	\$5,000.00
Charter Schools USA	10/17/2011 06/10/2011	\$1,500.00 \$2,500.00
StudentsFirst, Inc	09/15/2011	\$5,000.00

DIRECT CONTRIBUTIONS TO CAROLYN HILL - DISTRICT 8	DATE	AMOUNT
Charter Schools USA	11/18/2011	\$3,000.00

Source: Louisiana Ethics Administration Program

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Table 3: Top 5 Out-of-State Contributors to BESE Candidates and PACs that Supported BESE Candidates

TOP FIVE OUT-OF-STATE CONTRIBUTORS	AMOUNT
Walton Family	\$253,000.00
Michael Bloomberg	\$225,000.00
John and Laura Arnold	\$30,000.00
StudentsFirst, Inc.	\$20,000.00
Eli Broad	\$15,000.00

Table 4: Notable In-State Contributors to PACs in the 2011 BESE election

ALLIANCE FOR BETTER CLASSROOMS, ABC INC.	DATE	AMOUNT
Barbara Grigsby (Lane Grigsby's wife)	10/13/2011	\$100,000.00
Todd Grigsby (Lane Grigsby's son)	08/16/2011	\$20,000.00
Cajun Industries (Grigsby family business)	10/17/2011	\$90,000.00

LOUISIANA FEDERATION FOR CHILDREN PAC	DATE	AMOUNT
Cajun Industries (founded by Lane Grigsby)	09/21/2011	\$25,000.00

Source: Louisiana Ethics Administration Program

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 Table 5: Notable In-State Contributors to Candidates in the 2011 BESE election

DIRECT CONTRIBUTIONS TO JAMES GARVEY - DISTRICT 1	DATE	AMOUNT
Leslie Jacobs (BESE member for 12 years/one of the architects of the Recovery School District/founder of Educate Now!)	09/10/2011	\$5,000.00
Louisiana Federation for Children PAC	10/13/2011	\$1,000.00
Bobby Jindal Campaign Committee LLC	09/02/2011	\$5,000.00

DIRECT CONTRIBUTIONS TO KIRA ORANGE-JONES - DISTRICT 2	DATE	AMOUNT
Stephen Rosenthal (Leslie Jacobs's brother/treasurer for FirstLine Schools' board and KIPP New Orleans' board/ chairperson of the New Schools for New Orleans board and the Collegiate Academies board)	11/08/2011 10/13/2011 09/25/2011 08/26/2011	\$5,000.00 \$1,000.00 \$2,000.00 \$2,000.00
Sandra Rosenthal (Stephen Rosenthal's wife)	11/08/2011 10/11/2011 09/25/2011 08/26/2011	\$5,000.00 \$1,000.00 \$2,000.00 \$2,000.00
Gray Parker (President of the Brooth-Bricker fund which funds education reform efforts in LA)	11/05/2011 08/26/2011	\$5,000.00 \$5,000.00
Louisiana Federation for Children PAC	10/18/2011	\$2,500.00

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(continued from page 49)

Table 5 continued: Notable In-State Contributors to Candidates in the 2011 BESE election

DIRECT CONTRIBUTIONS TO KIRA ORANGE-JONES - DISTRICT 2	DATE	AMOUNT
Leslie Jacobs	10/26/2011 10/17/2011 09/25/2011 08/22/2011 10/17/2011	\$5,000.00 \$2,000.00 \$2,000.00 \$1,000.00 \$2,000.00
Lane Grigsby	08/23/2011	\$2,500.00

DIRECT CONTRIBUTIONS TO GLENNY LEE BUQUET - DISTRICT 3	DATE	AMOUNT
Scott Jacobs (Leslie Jacob's husband)	09/22/2011	\$5,000.00
Bobby Jindal Campaign Committee	09/19/2011	\$5,000.00

DIRECT CONTRIBUTIONS TO JOHN ALLEN (JAY) GUILLOT - DISTRICT 5	DATE	AMOUNT
Todd Grigsby	10/17/2011	\$2,500.00
Cajun Industries LLC	10/17/2011	\$2,500.00
Louisiana Federation for Children PAC	10/12/2011	\$2,500.00
ISC Constructors, LLC (company founded by Eddie Rispone, Louisiana Federation for Children chairman)	10/11/2011	\$5,000.00

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Table 5 continued: Notable In-State Contributors to Candidates in the 2011 BESE election

DIRECT CONTRIBUTIONS TO CHAS ROEMER – DISTRICT 6	DATE	AMOUNT
Leslie Jacobs	11/03/2011	\$5,000.00
Louisiana Federation for Children PAC	10/20/2011	\$2,500.00
Gray Parker	09/26/2011	\$5,000.00
Stephen Rosenthal	08/23/2011	\$5,000.00
ISC Constructors, LLC	08/17/2011 10/11/2011 11/03/2011	\$2,000.00 \$3,000.00 \$5,000.00
Bobby Jindal Campaign Committee LLC	08/15/2011 09/06/2011 11/04/2011 11/05/2011	\$2,500.00 \$2,500.00 \$5,000.00 \$5,000.00

DIRECT CONTRIBUTIONS TO HOLLY BOFFY - DISTRICT 7	DATE	AMOUNT
Louisiana Federation for Children PAC	10/13/2011	\$2,500.00
ISC Constructors, LLC	10/17/2011 07/13/2011	\$2,500.00 \$2,500.00
Gray Parker	09/26/2011	\$5,000.00
Leslie Jacobs	09/02/2011	\$2,500.00
Scott Jacobs	09/02/2011	\$2,500.00
Stephen Rosenthal	09/02/2011	\$5,000.00
Bobby Jindal Campaign Committee	08/29/2011 08/25/2011	\$2,500.00 \$2,500.00
Cajun Industries	06/28/2011	\$5,000.00

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Table 5 continued: Notable In-State Contributors to Candidates in the 2011 BESE election

DIRECT CONTRIBUTIONS TO CAROLYN HILL - DISTRICT 8	DATE	AMOUNT
Louisiana Federation for Children PAC	10/28/2011	\$1,000.00
ISC Constructors, LLC	11/17/2011	\$5,000.00

Source: Louisiana Ethics Administration Program

Table 6: Top 5 In-State Contributors to 2011 BESE Candidates and PACs that Supported BESE Candidates

TOP FIVE IN-STATE CONTRIBUTORS	AMOUNT
Grigsby Family and Business	\$247,500.00
Jacobs/Rosenthal families	\$62,000.00
BobbyJindal Campaign Committee	\$35,000.00
ISC Constructors, LLC	\$25,000.00
Gray Parker	\$20,000.00

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When the 2015 BESE election occurred four years later, the out-of-state billionaire donors ponied up cash again. This time, most of the money flowed through Lane Grigsby's Empower Louisiana PAC. Grigsby alone contributed millions to the race. Michael Bloomberg contributed an astounding \$1.45 million in the form of two disbursements (\$800,000 and \$650,000); Jim and Alice Walton contributed a combined \$650,000; and Eli Broad tossed in \$250,000. The focus of Grigsby's PAC was to oppose two BESE candidates (Mary Harris and Kathy Edmondston) and support two candidates (Tony Davis and Jason Engen), with Harris and Davis vying for the same seat, and Edmonston and Engen doing the same. In the end, one of Grigsby's candidates, Davis, won. Edmonston, who opposed the Grigsby-favored candidate, won the other seat.

Leading up to the 2015 election, members of the Walton family (Jim \$100,000 and Alice \$100,000) and the DeVos family, Betsy \$100,000 and Dick \$100,000, contributed to the Louisiana Federation for Children PAC. Two more large contributions to the PAC came from other prominent

Michigan GOP donors and DeVos allies. McKinley Associates, Inc. - founded by now chairman of the Michigan GOP and close ally of Dick DeVos, Ron Weiser - contributed \$100,000; and Kojaian Management - founded by Michigan Bush campaign finance chairman, Michael Kojaian - contributed another \$100,000. And finally, Doris Fisher contributed another \$100,000 for a total of \$700,000 from big outside donors to an in-state PAC that endorsed the 2015 BESE reform candidates.

Again, in-state contributions also played a big role—the Grigsby family contributed nearly \$2,000,000, and the Rispone family and its construction business, ISC Constructors, gave \$334,000. Unlike 2011, the 2015 election did not yield the necessary eight out of eleven BESE votes for John White to secure the four-year renewal of his employment contract as Louisiana state superintendent. At the same time, there were not enough votes to replace him. Thus, John White became, and still is, a month-to-month-employed state superintendent.

Table 7: Notable Out-of-State Contributors to PACs in the 2015 BESE election

IMPROVE OUR SCHOOLS	DATE	AMOUNT
Michael Bloomberg	10/24/2014	\$100,000.00

EMPOWER LOUISIANA PAC MAJOR DONORS	DATE	AMOUNT
Michael Bloomberg	10/02/2015 11/09/2015	\$800,000.00 \$650,000.00
Action Now Initiative (501(c)(4) advocacy organization that works in conjunction with the John and Laura Arnold Foundation)	09/18/2015 11/05/2015	\$625,000.00 \$17,500.00

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Table 7 continued: Notable Out-of-State Contributors to PACs in the 2015 BESE election

EMPOWER LOUISIANA PAC MAJOR DONORS	DATE	AMOUNT
Eli Broad	09/10/2015	\$250,000.00
Jim Walton	08/20/2015 11/17/2015	\$200,000.00 \$250,000.00
Alice Walton	08/20/2015	\$200,000.00

DFER-LA	DATE	AMOUNT
Alice Walton	11/19/2015	\$50,000.00
Education Reform Now/Education Reform Now Advocacy	06/04/2015 08/14/2015	\$5,800.00 \$4,300.00

STAND FOR CHILDREN LA, IEC	DATE	AMOUNT
Michael Bloomberg	10/24/2014 11/18/2014	\$100,000.00 \$68,600.00
Jim Walton	08/20/2015	\$250,000.00
Action Now Initiative	09/16/2015	\$125,000.00
Smarter America, A Project of the Sixteen Thirty Fund (led by Eric Kessler, founder of Washington DC consulting firm, Arabella Advisors)	10/09/2015	\$80,000.00
Stacy Schusterman (Charter Growth Fund board member/Charles and Lynn Schusterman Family Foundation chairwoman).	11/14/2014 10/14/2015 10/20/2015	\$68,600.00 \$185,000.00 \$65,000.00

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Table 7 continued: Notable Out-of-State Contributors to PACs in the 2015 BESE election

LOUISIANA FEDERATION FOR CHILDREN PAC	DATE	AMOUNT
Alice Walton	03/06/2015	\$100,000.00
Betsy DeVos	09/22/2015	\$100,000.00
Richard DeVos	10/29/2015	\$100,000.00
McKinley Associates, (founded by Ron Weiser, Michigan Republican Party chairman/architect of right-to-work law with Richard DeVos)	10/29/2015	\$100,000.00
Kojaian Management (founded by Michael Kojaian, Jeb Bush's Michigan finance chairman/friend of the DeVos family)	07/09/2015	\$100,000.00
Doris Fisher	04/24/2015	\$100,000.00
Smarter America, A Project of the Sixteen Thirty Fund	10/13/2015	\$70,000.00

Source: Louisiana Ethics Administration Program

Table 8: Notable Out-of-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO KIRA ORANGE-JONES - DISTRICT 2	DATE	AMOUNT
Michael Bloomberg	10/20/2015	\$5,000.00
Reed Hastings	09/22/2015	\$5,000.00

DIRECT CONTRIBUTIONS TO HOLLY BOFFY - DISTRICT 7	DATE	AMOUNT
Charter Schools USA	09/02/2015	\$250.00

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(continued from page 55)

Table 8 continued: Notable Out-of-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO JADA LEWIS - DISTRICT 8	DATE	AMOUNT
Reid Hoffman (LinkedIn founder)	10/23/2015	\$4,000.00
Michelle Yee (Reid Hoffman's wife)	10/23/2015	\$4,000.00
John Arnold	09/16/2015	\$2,500.00
Stacy Schusterman	08/13/2015	\$5,000.00
Sheryl Sandberg (Facebook COO)	08/12/2015	\$4,000.00
Katherine Bradley	07/31/2015	\$3,000.00

Table 9: Top Five Out-of-State Contributors to 2015 BESE Candidates and PACs that Supported BESE Candidates

TOP FIVE OUT-OF-STATE CONTRIBUTORS	AMOUNT
Michael Bloomberg	\$1,723,600.00
Walton Family	\$1,150,000.00
DeVos Family and Associates	\$400,000.00
Stacey Schusterman	\$323,600.00
Eli Broad	\$250,000.00

Table 10: Notable In-State Contributors to PACs in the 2015 BESE election

ALLIANCE FOR BETTER CLASSROOMS, ABC INC.	DATE	AMOUNT
Lane Grigsby	01/12/2015	\$100,000.00
Barbara Grigsby	01/12/2015	\$100,000.00
Todd Grigsby	01/12/2015	\$50,000.00

EMPOWER LOUISIANA PAC MAJOR DONORS	DATE	AMOUNT
Lane Grigsby	10/2/2015 11/9/2015	\$800,000.00 \$650,000.00

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Table 10 continued: Notable In-State Contributors to PACs in the 2015 BESE election

BETTER SCHOOLS, BETTER FUTURES	DATE	AMOUNT
Barbara Grigsby	11/10/2014 10/06/2014	\$75,000.00 \$25,000.00

STAND FOR CHILDREN	DATE	AMOUNT
Lane Grigsby	08/04/2014	\$15,000.00
	11/20/2014	\$10,000.00

LOUISIANA FEDERATION FOR CHILDREN PAC	DATE	AMOUNT
Eddie Rispone (Louisiana Federation for Children PAC chairman)	08/31/2015 10/30/2015	\$25,000.00 \$75,000.00
Linda Rispone (Eddie Rispone's wife)	11/12/2015	\$100,000.00
ISC Constructors, LLC	08/31/2015 10/30/2015	\$25,000.00 \$75,000.00
Lane Grigsby	11/17/2015	\$25,000.00

Source: Louisiana Ethics Administration Program

Table 11: Notable In-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO JAMES GARVEY - DISTRICT 1	DATE	AMOUNT
Leslie Jacobs	09/05/2015	\$1,000.00
Scott Jacobs	09/05/2015	\$1,000.00
Lane Grigsby	09/30/2015	\$5,000.00
Eddie Rispone	09/30/2015	\$1,000.00
Stand for Children Louisiana PAC	10/19/2015	\$1,000.00

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Table 11 continued: Notable In-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO KIRA ORANGE-JONES - DISTRICT 2	DATE	AMOUNT
Sandra Rosenthal	10/08/2015	\$5,000.00
DFER-LA	10/04/2015	\$5,000.00
Stand for Children Louisiana PAC	09/30/2015	\$4,000.00
Louisiana Federation for Children PAC	09/15/2015	\$1,000.00
Leslie Jacobs	04/13/2015	\$2,500.00
Lane Grigsby	04/14/2015	\$5,000.00
Stephen Rosenthal	04/01/2015	\$5,000.00

DIRECT CONTRIBUTIONS TO SANDRA LEBLANC HOLLOWAY - DISTRICT 3	DATE	AMOUNT
Stand for Children Louisiana PAC in- kind contributions	10/15/2015 10/18/2015 10/19/2015 10/22/2015 10/22/2015	\$132.68 \$62.30 \$418.05 \$78.77 \$212.85
Stand for Children Louisiana PAC	10/01/2015	\$1,000.00
Stephen Rosenthal	10/01/2015	\$2,500.00
Sandra Rosenthal	10/01/2015	\$2,500.00
Gray Parker	10/01/2015	\$5,000.00
Louisiana Federation for Children PAC	09/15/2015	\$1,500.00
ISC Constructors, LLC	09/15/2015	\$5,000.00

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Table 11 continued: Notable In-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO SANDRA LEBLANC HOLLOWAY - DISTRICT 3	DATE	AMOUNT
Bobbi Grigsby (Lane Grigsby's wife goes by both Barbara and Bobbi)	09/03/2015	\$5,000.00
Lane Grigsby	08/24/2015	\$5,000.00

DIRECT CONTRIBUTIONS TO TONY DAVIS – DISTRICT 4	DATE	AMOUNT
Stephen Rosenthal	11/03/2015	\$5,000.00
Sandra Rosenthal	11/03/2015	\$5,000.00
Bobbi Grigsby	11/02/2015	\$5,000.00
Lane Grigsby	11/02/2015	\$5,000.00
Gray Parker	11/02/2015 10/14/2015	\$5,000.00 \$5,000.00
Louisiana Federation for Children PAC	10/23/2015	\$1,000.00

DIRECT CONTRIBUTIONS TO GARY JONES - DISTRICT 5	DATE	AMOUNT
Louisiana Federation for Children PAC	10/21/2015	\$1,000.00
Stand for Children Louisiana PAC	10/14/2015	\$1,000.00

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Table 11 continued: Notable In-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO JASON ENGEN – DISTRICT 6	DATE	AMOUNT
Jennifer Reilly	11/16/2015	\$1,000.00
Gray Parker	11/09/2015	\$5,000.00
Bobbi Grigsby	10/30/2015	\$5,000.00
Lane Grigsby	10/30/2015	\$5,000.00
Stephen Rosenthal	10/29/2015	\$5,000.00
Sandra Rosenthal	10/29/2015	\$5,000.00
Eddie Rispone	10/27/2015	\$5,000.00
ISC Constructors, LLC	10/26/2015 09/18/2015	\$5,000.00 \$5,000.00
Linda Rispone	10/20/2015	\$5,000.00

DIRECT CONTRIBUTIONS TO LAREE TAYLOR - DISTRICT 6	DATE	AMOUNT
Todd Grigsby	10/12/2015	\$5,000.00
Ken Jacob (CEO and President of Grigsby's Cajun Industries)	09/14/2015	\$5,000.00
Juanita Jacob (wife of Ken Jacob)	10/12/2015	\$5,000.00
Bobbi Grigsby	09/09/2015	\$5,000.00
Lane Grigsby	09/09/2015	\$5,000.00

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Table 11 continued: Notable In-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO HOLLY BOFFY - DISTRICT 7	DATE	AMOUNT
Leslie Jacobs	04/06/2015	\$2,500.00
Scott Jacobs	09/05/2015	\$1,000.00
Lane Grigsby	09/30/2015	\$5,000.00
Eddie Rispone	09/30/2015	\$1,000.00
Stand for Children Louisiana PAC	10/21/2015 04/17/2015	\$2,500.00 \$1,000.00
Stand for Children Louisiana PAC in- kind contributions	10/24/2015 10/03/2015 10/03/2015	\$197.00 \$275.35 \$806.28
Charles Roemer	10/13/2015	\$2,500.00
Sandra Rosenthal	10/03/2015	\$2,500.00
ISC Constructors, LLC	03/30/2015 09/21/2015	\$1,000.00 \$1,000.00
Louisiana Federation for Children PAC	09/02/2015	\$1,500.00
Stephen Rosenthal	04/08/2015	\$5,000.00
Lane Grigsby	03/03/2015	\$5,000.00
Bobbi Grigsby	03/03/2015	\$5,000.00
Todd Grigsby	03/03/2015	\$5,000.00

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Table 11 continued: Notable In-State Contributors to Candidates in the 2015 BESE election

DIRECT CONTRIBUTIONS TO JADA LEWIS - DISTRICT 8	DATE	AMOUNT
DFER-LA	10/01/2015	\$5,000.00
Stephen Rosenthal	10/01/2015 07/17/2015	\$2,500.00 \$2,500.00
Sandra Rosenthal	10/01/2015 07/17/2015	\$2,500.00 \$2,500.00
Stand for Children Louisiana PAC (inkind contributions)	10/24/2015 10/23/2015 10/20/2015 10/18/2015 10/14/2015 10/10/2015 10/05/2015 10/03/2015	\$853.60 \$916.38 \$143.67 \$530.76 \$509.85 \$256.72 \$176.24 \$755.31
Stand for Children Louisiana PAC	09/28/2015	\$1,000.00
Jennifer Reilly (Founding Board Chair of New Schools for Baton Rouge)	10/01/2015	\$5,000.00
Gray Parker	10/01/2015	\$5,000.00
ISC Constructors, LLC	09/29/2015	\$5,000.00
Louisiana Federation for Children PAC	09/29/2015	\$1,500.00
Bobbi Grigsby	09/03/2015	\$5,000.00
Lane Grigsby	08/27/2015	\$5,000.00
Leslie Jacobs	07/12/2015	\$5,000.00

Source: Louisiana Ethics Administration Program

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Table 12: Top Five In-State Contributors to 2015 BESE Candidates and PACs that Supported BESE Candidates

TOP FIVE IN-STATE CONTRIBUTORS	AMOUNT
Grigsby Family	\$1,935,000.00
Rispone Family/Business	\$334,000.00
Jacobs and Rosenthal Families	\$65,500.00
Gray Parker	\$25,000.00
Stand for Children Louisiana PAC	\$17,825.81

2014 Rhode Island: Anti-Pension Texas Billionaire a Major Player in Rhode Island Governor's Race

n 2014, Rhode Island State Treasurer Gina Raimondo (D) ran for governor and won in what *The New York Times* called "a difficult victory" against Cranston Mayor Allen Fung (R) and Moderate Party candidate, Robert Healy. Once again, that victory was secured, in part, by the billionaires who so generously give to campaigns in order to realize their vision of public school "reform".

Gina Raimondo was part of their crowd. A venture capitalist, she got her start with the New York office of Williamson, Massachusetts-based <u>Village Ventures</u> and co-founded <u>Point Judith Capital</u> in Rhode Island.

Raimondo's husband, Andy Moffit, is the "<u>Director of Industry Learning</u> and co-founder of the Global Education Practice" at Massachusetts-based McKinsey and Company. Moffit's work focuses on "large-scale reform and key strategic efforts" in "large urban districts, state education departments, national foundations and nonprofits, and private companies."

Andy Moffit began his career in education reform with <u>Teach for America</u>, spending the obligatory two years in an elementary school in Houston, Texas. Moffit was also <u>college</u> <u>roommates at Yale law school</u> with education reform advocate, New Jersey Senator Cory Booker. In addition, Raimondo and Booker were Rhodes Scholars together at Oxford.

Moffit's wife, Gina Raimondo, first took office in Rhode Island in 2010 when she was elected State Treasurer. A recent

National Institute of Money in State Politics study found that the contributions to Raimondo's 2010 campaign from the securities and investment industry "far surpassed all other candidates in the state, as well as most political party committees." The same report notes that the vast majority of Raimondo's securities and investment industry donors were from out-of-state.

Their contributions were handsomely rewarded when in 2011 Raimondo was largely <u>credited with shepherding pension</u> <u>reform</u> through the Democratic majority legislature. Local reports from the time noted that Raimondo had become the "darling of anti-pension warriors from coast to coast."

And those "anti-pension warriors" poured money into a 501(c)(4) called Engage Rhode Island to support the cause. The group was not required to reveal their donors, and Raimondo "supported the secrecy" until the Wall Street Journal revealed that they had raised over \$1 million dollars and spent \$740,000 lobbying for the pension changes. The report also revealed that John Arnold had "provided between one-tenth and half the money" raised.

Pension reform may have won Raimondo newfound fame, but not all of it has been positive. In 2013 Rolling Stone's Matt Taibbi wrote a scathing expose titled, Looting the Pension Funds: All across America, Wall Street is grabbing money meant for public workers. In the piece Taibbi wrote: "Raimondo's strategy for saving money involved handing

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more than \$1 billion – 14 percent of the state fund – to hedge funds, including a trio of well-known New York-based funds: Dan Loeb's Third Point Capital was given \$66 million, Ken Garschina's Mason Capital got \$64 million and \$70 million went to Paul Singer's Elliott Management."

Raimondo's pension reforms were significantly less lucrative for public workers. As of 2016, the pension has lost an estimated \$1.4 billion due to "underperformance." Raimondo's "slash[ing] worker benefits" and "exponentially increase[ing] fees paid by the state pension to Wall Street money managers" also received a blistering review in April 2016 in Forbes.

As Raimondo contemplated a run for governor, the financial industry continued to support her. In this race education

reform heavyweights such as Michael Bloomberg and Rahm Emanuel entered the fray, holding fundraisers for her campaign in New York and Chicago. Notable Raimondo outof-state donors included John Arnold and Laura Arnold; New Jersey junior senator and friend of the family, Cory Booker; Michael Bloomberg and his daughter, Emma; former New York City chancellor Joel Klein; Carrie Walton Penner; Purdue Pharma heir and 50CAN board member, Jonathan Sackler; Stacy Schusterman; Steve Jobs' widow and Emerson Collective founder, Laurene Powell Jobs; former Los Angeles mayor and charter advocate Richard Riordan; Facebook COO Sheryl Sandberg (who was involved in the infamous \$100 million Facebook donation to Newark Public Schools that made Cory Booker a national figure); and former New York Regents billionaire chancellor, Merryl Tisch.

Table 1: Out-of-State Direct Contributions to Raimondo

CONTRIBUTOR	DATE	AMOUNT
John Arnold	05/18/2012 01/16/2013 01/10/2014 04/15/2015 04/15/2015	\$1,000.00 \$1,000.00 \$1,000.00 \$1,000.00 \$1,000.00
Laura Arnold	05/18/2012 01/16/2013 04/15/2015	\$1,000.00 \$1,000.00 \$1,000.00
Cory Booker	09/28/2010 03/08/2012 03/07/2013	\$500.00 \$1,000.00 \$1,000.00
Michael Bloomberg	09/17/2014	\$1,000.00

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Table 1 continued: Out-of-State Direct Contributions to Raimondo

CONTRIBUTOR	DATE	AMOUNT
Emma Bloomberg	08/02/2012 06/12/2013 03/11/2014	\$1,000.00 \$1,000.00 \$1,000.00
Joel Klein	06/03/2012 02/24/2013 03/14/2014	\$1,000.00 \$1,000.00 \$1,000.00
Carrie Walton Penner	04/08/2013 01/31/2014	\$1,000.00 \$1,000.00
Jonathan Sackler	12/31/2009 09/14/2011 07/01/2012 03/20/2013 06/22/2014 12/08/2015	\$1,000.00 \$1,000.00 \$1,000.00 \$1,000.00 \$1,000.00 \$1,000.00
Stacy Schusterman	06/06/2013 01/08/2014 12/02/2015	\$1,000.00 \$1,000.00 \$1,000.00
Laurene Powell Jobs	09/18/2013 03/31/2014	\$1,000.00 \$1,000.00
Richard Riordan	05/16/2013 03/06/2014	\$1,000.00 \$1,000.00
Sheryl Sandberg	05/15/2013 03/24/2014	\$1,000.00 \$1,000.00
Merryl Tisch	06/18/2013	\$1,000.00

Source: State of Rhode Island and Providence Plantations Campaign Finance Electronic Reporting @Tracking System (ERTC)

Just prior to the 2014 election many of the same out of state donors that contributed to Raimondo's campaign also contributed \$11,000 (\$1,000 individual contribution and \$10,000 "Party Building" contribution) to the Rhode Island Democratic State Committee. Contributions in this

amount were received from <u>John and Laura Arnold, Stacy Schusterman</u>, <u>Michael Bloomberg</u>, and <u>Laurene Powell Jobs</u>. <u>Emma Bloomberg</u> contributed \$2,600, and <u>Jonathan Sackler</u> and <u>Joel Klein contributed</u> \$1,000 each.

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Table 2: Out-of-State Contributions to Rhode Island Democratic State Committee Contributions

CONTRIBUTOR	DATE	AMOUNT
John Arnold	10/14/2014 10/14/2014	\$1,000.00 \$10,000.00
Laura Arnold	10/14/2014 10/14/2014	\$1,000.00 \$10,000.00
Michael Bloomberg	09/19/2014 09/19/2014	\$1,000.00 \$10,000.00
Emma Bloomberg	11/03/2014 11/03/2014	\$1,000.00 \$1,600.00
Laurene Powell Jobs	09/28/2014 09/28/2014	\$1,000.00 \$10,000.00
Jonathan Sackler	10/30/2014	\$1,000.00
Joel Klein	10/16/2014	\$1,000.00

Source: State of Rhode Island and Providence Plantations Campaign Finance Electronic Reporting @Tracking System (ERTC)

Ultimately <u>Raimondo outspent her Republican rival</u> 3:1, spending over \$5.4 million dollars to beat Allan Fung by a 4 point margin.

Additional funds flowed into the election through the American LeadHERship PAC, which received funding from familiar names, including John and Laura Arnold (\$200,000); Eli Broad (\$15,000), and Stacy Schusterman (50,000). The PAC's money was primarily spent on attack ads against Allan Fung.

Table 3: Out-of-State Contributions to American LeadHERship PAC

CONTRIBUTOR	DATE	AMOUNT
John and Laura Arnold	08/07/13 10/14/14	\$100,000.00 \$100,000.00
Stacy Schusterman	10/15/14	\$50,000.00
Eli Broad	09/08/14	\$15,000.00

Source: State of Rhode Island and Providence Plantations Campaign Finance Electronic Reporting @Tracking System (ERTC)

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Table 4: Top Five Out-of-State Contributions to Gina Raimondo and PACs and Committees that supported her

CONTRIBUTOR	TOTAL AMOUNT
John and Laura Arnold	\$230,000.00
Stacy Schusterman	\$53,000.00
Michael and Emma Bloomberg	\$32,000.00
Eli Broad	\$15,000.00
Laurene Powell Jobs	\$13,000.00

During a campaign debate, Moderate Party candidate Robert J. Healy, Jr. questioned Raimondo as to what influence her husband, Andy Moffit, would have on her education policy. "She tries to portray her husband, Andrew Moffit as a school teacher," Healy said. "But he is involved in the movement to privatize the public schools. It's more than pro-charter. He works for a company for the purposes of making money off [public schools]."

Big donors seemed fairly certain that Raimondo would be a friend to privatizers. A spokesman for Michael Bloomberg said that Bloomberg supported Raimondo over former Governor Chafee in part because of his disappointment with Chafee's "resistance to charter schools."

And Raimondo has not disappointed in this regard. In 2015 the Rhode Island legislature contemplated a series of bills to slow charter growth in the state. One, a "local control bill" would have required the approval of local councils to open or expand charters. Another bill would have ensured that new charters would not cause damage to the "finances"

and/or the academic performance" of the sending districts. Governor Raimondo vowed to veto them.

As Marie Aberger, spokesperson for the Governor, said:

"Charter schools play an important role in our efforts to improve education through innovation. They also play a key role in making a quality education accessible to all Rhode Islanders. As we are working together to strengthen Rhode Island's economy and spark a comeback, the governor believes we need to stay focused on expanding education opportunities and building skills for all students."

Ultimately, Raimondo gave the green light to a compromise bill that "allows existing charters to expand but makes it harder for new charter networks to open," stating, "We have been stuck too long in a conflict between charters versus district schools. It's my hope that by signing this bill, we can put that conflict to bed and encourage more collaboration." Under the compromise bill, proposed expansions can be every bit as devastating to districts as new charter growth.

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For example, the charter management organization that runs two Achievement First charter schools in Providence <u>proposed an expansion</u> that would grow the network from 720 students to 3,112 in the next 10 years.

Achievement First was granted permission to expand <u>despite</u> <u>community outcry</u> and <u>opposition from lawmakers</u>. In an <u>article for the Progressive Magazine</u> titled *How The Corporate Education Reform Industry Buys Elections*, Jonathan Pelto writes:

"Raimondo's success in raising funds from the charter school industry includes at least \$50,000 from the members of the board of directors of Achievement First, Inc., the large charter chain that recently opened a school in Rhode Island, adding to their existing schools in Connecticut and New York.

Jonathan Sackler, an investment manager and heir to the Purdue Pharma fortune, is not only a founding member of Achievement First, Inc. but a founder of a national charter school advocacy group called 50CAN. One of 50CAN's related entities, 50CAN Action Fund, dumped \$90,000 to run TV commercials to help Raimondo's running mate win his primary race."

With continued support from out-of-state big money pension and education reform donors, Raimondo declared her candidacy for the 2018 Rhode Island gubernatorial race. The \$1.82 million she has already raised is a significant deterrent to any potential Democratic challengers in the primary. Her list of contributors already contains familiar names such as John and Laura Arnold, Emma Bloomberg, and Stacy Schusterman. Backed by billionaires, she has an edge in the race.

Minneapolis, Minnesota: Billionaire-backed Reform Organization Funnels Cash into School Board Race

The Minneapolis, Minnesota, Board of Education consists of <u>9 members</u>, including one elected to represent each of the 6 districts as well as 3 elected at-large. Terms are for four years. In 2014, five seats were up for election: Districts 1, 3, 5, and two at-large seats.

The two at-large seats were the focus of big outside money, and Iris Altamirano and Don Samuels were the chosen reform candidates. Both earned the <u>endorsement of Minnesota's major paper</u>, the *Star Tribune*, as well. The editorial board claimed Altamirano and Samuels were the candidates "most likely to be change agents."

Altamirano, a relative unknown, was silent on issues of charter schools and focused on the need to improve the city's public schools. <u>Don Samuels' 2014 declared platform</u> made it clear that he supported high performing charter schools, as well as shutting down low-performing charter schools. He also supported standardized testing and TFA.

Nevertheless, major outside money poured into the election to support Altamirano and Samuels via an independent committee, the Minnesota Progressive Education Fund (MPEF).

The chair of MPEF was MinnCAN Executive Director, <u>Daniel Sellers</u>. MinnCAN is the state branch of 50CAN - The 50 State Campaign for Achievement Now - the national organization that actively promotes school choice, including charters and vouchers. Sellers, who joined MinnCAN in 2012, had previously served as the founding Executive Director of Teach for America – Twin Cities. When MinnCAN launched in 2011, the <u>Star Tribune dubbed the organization</u> "one of the loudest voices for reform."

MPEF raised a total of \$233,500 in support of <u>Altamirano</u> and <u>Samuels</u>. <u>Three out of state donors contributed</u> \$215,000: Michael Bloomberg, Arthur Rock and Jon Sackler (Table 1).

Table 1: Out-of-State Contributions to the Minnesota Progressive Education Fund

CONTRIBUTOR	DATE	AMOUNT
Michael Bloomberg	10/20/2014	\$100,000.00
Arthur Rock	09/29/2014	\$90,000.00
Jon Sackler	10/14/2014	\$25,000.00

Source: Hennepin County Election Campaign Finance website

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The in-state donations to MPEF were modest, but their sources suggest that the local push behind MPEF was related to charter school expansion (Table 2).

Table 2: In-State Contributions to the Minnesota Progressive Education Fund

CONTRIBUTOR	DATE	AMOUNT
Addison Piper	09/22/2014	\$1,000.00
Albert Fan	09/02/2014	\$500.00
Michael and Ann Ciresi	09/28/2014	\$10,000.00
Benson Whitney	10/24/2014	\$5,000.00

Source: Hennepin County Election Campaign Finance website

In-state donors were <u>MinnCAN board member</u>, <u>Addison Piper</u>, who contributed \$1,000, and <u>MinnCAN's board chair</u>, <u>Benson Whitney</u>, who contributed \$5,000. Minneapolis based <u>Charter School Partners Executive Director</u>, <u>Al Fan</u> gave another \$500.

In September of 2013, MinnCAN published a report titled, *Fulfilling the Promise of Charter Schools*. The report concluded that it was time for Minnesota to reclaim its place "as a trailblazer of the charter school movement and the students they serve." Just one month later the <u>Walton Foundation named Charter School Partners' Al Fan an "Education Reformer to Watch"</u>. The Foundation praised Fan for working with other groups to "close the achievement gap in Minneapolis by growing high-quality charter schools."

When MPEF's filing reports became public just prior to the election, *In These Times* reporter Sarah Lahm speculated that Bloomberg, Rock and Sackler were interested in the

school board race because the district had just entered into a district-charter compact with a local charter chain.

Lahm reported that the compact with the local chain was the outcome of the 2010 Minneapolis District-Charter

Collaboration Compact. Minneapolis's compact was one of nine in cities across the nation, an initiative conceived and funded by the Gates Foundation. The Gates compact, worth \$100,000, was awarded to districts to guarantee that charters were given the same status as public schools. The Minneapolis Foundation was tapped to manage the compact.

Michael Ciresi, the largest in-state donor to the Compact fund, is a prominent Minnesota lawyer with the law firm of Robins, Kaplan, Miller & Ciresi. On her blog, Bright Lights Small City, Lahm further explains that the seed money that gave life to the Minneapolis Foundation was the same money that brought MinnCAN, Teach for America and Students for Education Reform (SFER) to Minneapolis. The

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seed money came from Michael Ciresi's firm, Robins, Kaplan, Miller & Ciresi. Flush with hundreds of millions of dollars from fees earned in a \$6.6 billion dollar tobacco settlement, the firm's Foundation, the Robins, Kaplan, Miller & Ciresi Foundation for Children, funded a web of Minneapolis reform organizations.

MPEF was not the only group in this web to funnel outside funds into the 2014 Minneapolis school board race. Students for Education Reform, which has been called an "education reform front" for Democrats for Education Reform, raised over \$25,000 in direct contributions and another \$35,000 in in-kind support.

California investment banker and businessman Adam Cioth was the <u>main contributor to SFER's efforts</u> in Minneapolis.

<u>Cioth, a supporter of charter schools, is on SFER's board</u>.

He is also on the board of Leadership Public Schools, a San Francisco Charter Management Organization, and he is on the Leadership Council for the <u>NewSchools Venture Fund</u>, a California based venture philanthropy non-profit that finances charter schools around the country, including Minneapolis.

Table 3: Out-of-State Contributions to the Students for Education Reform (SFER) Action Network Fund

CONTRIBUTOR	DATE	AMOUNT
Adam Cioth	12/12/2013	\$23,500.00

Source: Hennepin County Election Campaign Finance website

The sole in-state donation to SFER from an individual came from <u>MinnCAN board chair, Benson Whitney.</u> MPEF and 50CAN provided the approximately \$35,000 worth of in-kind support to SFER.

Table 4: In-State Contributions and In-Kind Contributions to Students for Education Reform (SFER) Action Network Fund

CONTRIBUTOR	DATE	AMOUNT
Benson Whitney	07/15/2014	\$2,500.00
Minneapolis Progressive Education Fund	08/11/2014 11/12/2014 12/01/2014	\$10,638.00 \$1,852.48 \$6,845.87

Source: Hennepin County Election Campaign Finance website

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And still more money came into the race via a local offshoot of 50CAN, the 50CAN Action Fund. The group was registered to Vallay Varo, the founding Executive Director of MinnCAN and the current President of 50CAN nationally. 50CAN Action Fund registered with a Minneapolis mailing address, 2800

University Ave SE, Suite 202. This is the same address MPEF used to register their committee, and the same mailing address used by MinnCAN and Al Fan's Charter School Partners. 50CAN Action Fund was also the recipient of California billionaire Arthur Rock's largesse.

Table 5: Out-of-State Contributions and In-Kind Expenditures to the 50CAN Action Fund

CONTRIBUTOR	DATE	AMOUNT
Arthur Rock	05/15/2014	\$10,000.00
SFER Action Network, Inc. (New York address)	07/10/2014 06/29/2014 07/29/2014 08/11/2014 08/09/2014	\$4,350.00 \$6,996.80 \$9,417.20 \$1,160.00 \$8,639.80
50CAN Action Fund Inc. (Washington D.C. address)	05/31/2014 06/30/2014 07/29/2014 10/31/2014	\$371.89 \$1,848.60 \$1,316.41 \$457.97

Source: Hennepin County Election Campaign Finance website

In the end, the result was mixed; Altamirano failed to unseat incumbent Gagnon, but Samuels was elected. Shortly after the election a <u>Star Tribune analysis</u> showed that Minnesota charters are no panacea, and in fact they are "failing to hit learning

targets" and "not achieving adequate academic growth."

Nevertheless, charter growth continues, with 5 new charters opening in the Minneapolis area in the fall of 2017. ■

New York: Hedge-fund Billionaires Contribute Millions to Charter-friendly Governor

n March of 2014, while speaking in front of the State Capitol, New York Governor Andrew Cuomo was photographed standing behind a bright yellow sign emblazoned with the rally cry "#charterswork." This iconic photo symbolized how beholden the Governor was to some of his biggest campaign donors. Cuomo had clearly benefitted from the strong and consistent funding by both the Democrat and Republican pro-charter, Wall Street financial sector that joined with pro-charter school PACs to support Andrew Cuomo's 2014 campaign.

In the months following that rally, Cuomo would face a surprisingly strong Democratic primary challenge from a political unknown--Fordham law professor, Zephyr Teachout. Teachout would receive over one-third of the votes cast, the most ever received in a primary by a non-incumbent in New York's history. That is because her campaign highlighted Cuomo's weaknesses, one of which was his hostility towards public schools and their teachers. Public school advocates resented his overt support for charters and disdain for public schools, which he repeatedly referred to as "monopolies." In the end Cuomo defeated Teachout, but only after outspending her 40 to 1.

Since his first gubernatorial campaign in 2010, Andrew Cuomo received generous contributions in exchange for his support of charter schools. It is on these charter boards, which are often quite large, where many of New York's wealthy elite sit. When Cuomo sought money from the hedge fund community, it was made clear that he needed to support their pro-charter agenda. Joe Williams, then Executive

Director of DFER, arranged a power breakfast for Cuomo with big money supporters of the cause.

In exchange for Cuomo's support of charters, charter board members became extraordinarily generous to the Cuomo campaign. One donor was the <u>Great Public Schools PAC</u>, <u>started by the controversial Success Academy Charter School (SA)</u> leader, Eva Moskowitz. But Success Academy's influence did not end with its leader's PAC. Members of the Success Academy's Board of Directors made direct contributions to the Cuomo campaign as well. Success Academy Chairman, Daniel Loeb, the founder and chief executive of Third Rock Capital, has given to pro-charter school lobbying groups and PACs. He and his wife also contributed close to \$100,000 directly to Cuomo's campaign.

Other SA Board members or their spouses who contributed sizeable sums either directly to Andrew Cuomo, or to a PAC that supported Cuomo, include those connected to the hedge-fund industry: Bruce Kovner, Joel Greenblatt and his wife Julia, and Bryan Binder. Other SA board donors are Daniel Nir and his wife Jill Braufman, Andrew and Dana Stone, Kent Yalowitz, Catherine Shainker, Jarret Posner and Suleman Lunat. SA Board Member and Gotham Capital Manager John Petry, who gave \$60,000 to Cuomo's campaign, explained the contributions with this statement: "It's really impressive how he [Cuomo] has thrown himself into education [reform] policy."

Out-of-state SA board members also poured money into the New York Governor's campaign. Connecticut resident Steven

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Galbraith gave \$35,000, and California residents John and Regina Scully added \$100,000 to Cuomo's coffers with \$50,000 in contributions given just a month before the 2014 election. Greg Sawers of New Jersey contributed \$10,000, and Samuel Cole, also of New Jersey, contributed \$42,500 to Andrew Cuomo. South Carolina resident and financier Charles Strauch contributed \$15,000 as well.

Success Academy supporters who contributed to Cuomo go beyond board members. For example, John Paulson contributed \$8.5 million dollars directly to Success Academy Network and also \$41,000 to Cuomo. Eli Broad's Foundation has invested nearly \$14,000,000 dollars in Success Academy, and Broad personally contributed \$60,800 to Andrew Cuomo.

Cuomo also received financial support from members of the Board of Directors of other charter schools, including Harlem Children's Zone. Wall Streeter Joseph DiMenna contributed \$50,000; Hedge funder Brian Higgins and his wife Tania contributed \$50,000; and Home Depot founder, Kenneth Langone, contributed \$75,000. Langone even agreed to head up a group of Republicans to support Cuomo's reelection specifically because of his pro-charter position, adding that: "Every time I am with the governor, I talk to him about charter schools. He gets it."

The Board of Directors of the KIPP charter chain directly and indirectly supported Cuomo as well: Washington, D.C. resident Katherine Bradley gave \$25,000 to Moskowitz's PAC, which in turn contributed to Cuomo, and Philippe Dauman, former CEO of Viacom, gave \$85,000 directly to Cuomo as did Whitney Tilson (\$12,000).

Michael Steinhardt, who opened the first Hebrew Academy Charter School in 2009, contributed \$75,000. Achievement First Charter Chain's board also contributed to Cuomo. Contributors included Connecticut residents William Berkely and Jonathan Sackler as well as John Ceriale, husband of past Board member Melissa Ceriale.

Those whose businesses depend on charter schools also gave to the Governor's re-election. Connecticut resident Brian Olson, whose construction company (Civic Builders) builds charter schools, contributed \$45,000. Winston Fisher is a past board member of Civic Builders, and its 2016 Gala Honoree. He and his family contributed \$192,500 directly to Cuomo. William Ackman of Pershing Square contributed \$76,000 to Andrew Cuomo's two campaigns. Ackman's Pershing Square Foundation joined the Turner-Agassi's fund (a for-profit), which is building charter schools en masse around the country.

McKenna, Long and Aldridge, a Georgia based law firm with a thriving practice in charter school law, had a PAC with the same name which contributed \$62,698.46 to Cuomo until the firm was swallowed up by Dentons, a multinational firm which started the Legacy Charter School chain. Dentons contributed \$1,000 to Cuomo.

Other "school reform" organizations that move beyond the charter sphere were also generous to a Governor who declared in 2012 that he alone was the lobbyist for students. StudentsFirstNY, an off-shoot of the national organization, was founded in 2012 by Joel Klein, Michelle Rhee, and hedge funders Daniel Loeb and Paul Tudor Jones. Cuomo's

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2015 State of the State speech mirrored, sometimes verbatim, the StudentsFirstNY's website's Mission and Priorities section.

The StudentsFirstNY Board of Directors contributed to the Cuomo campaign. Prominent attorney David Boies and his law firm gave \$125,000 to Cuomo and Joel Klein gave \$10,000.

StudentsFirstNY shares an address (345 7th Ave Suite 501 NYC) with several other pro-charter organizations: Families for Excellent Schools, Families for Excellent Schools Advocacy, New Yorkers for a Balanced Albany, and New Yorkers for Putting Students First. The New Yorkers for a Balanced Albany PAC was also established after the 2014 election.

New Yorkers for Putting Students First PAC contributed \$50,000 directly to Cuomo. Additionally, New Yorkers for Putting Students First contributed to the Independent <u>Democratic Conference</u> (IDC), a group of Senate "Independent" Democrats who vote with the Republicans on education reform. Families for Excellent Schools co-founder Bryan Lawrence contributed \$20,000 directly to Cuomo as well as to the PACs that support Cuomo.

Ravenel Boykin Curry IV of Eagle Capital Management, who is a supporter of charter schools, co-founder of DFER, and member of the Board of Directors of Education Reform Now Advocacy, contributed \$121,600 directly to Cuomo; \$60,800 before the 2014 election, and then again after the election was over. The most generous billionaire education reformer, however, was Connecticut's Paul Tudor Jones, whose family contributed \$400,000 to Cuomo directly and indirectly through PACs. Jones, a billionaire who made his fortune shorting the stock market right before the 2008 crash, believes it is his mission to save education, and by doing so, cure poverty.

All of the efforts and contributions made by charter advocates paid off. In the final two months of the election Andrew Cuomo outspent his Republican gubernatorial opponent, Rob Astorino, five to one. Cuomo was re-elected by a 13% margin. Post-election, Andrew Cuomo Inc. was left with about \$9,000,000 million dollars for his next campaign.

With an eye toward his 2018 reelection, Cuomo raised over \$5.1 million in the first half of 2017. Both in and out-of-state charter friendly PACs and individuals, such as Moskowitz's Great Public Schools PAC, Ravenel Curry, Jim Walton and Carrie Walton Penner, are among Cuomo's largest 2017 contributors.

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Table 1: In-State Contributors to Andrew Cuomo 2018, Inc.¹ and PACs that contributed to Andrew Cuomo 2018, Inc.

DIRECT CONTRIBUTIONS TO ANDREW CUOMO	DATE	AMOUNT
New Yorkers for Putting Students First (and New Yorkers for Putting Students First Independent Committee)	11/25/2013 12/10/2012	\$25,000.00 \$25,000.00
Coalition for Public Charter Schools PAC	12/10/2012	\$10,000.00
Democrats for Education Reform – New York State	05/05/2014 12/10/2012 01/13/2014 12/27/2012 07/13/2012 01/07/2014	\$5,000.00 \$10,000.00 \$10,000.00 \$10,000.00 \$1,000.00 \$4,000.00
Great Public Schools Political Action Committee	11/16/2011 04/10/2012 12/20/2011 05/24/2011	\$15,000.00 \$15,000.00 \$10,000.00 \$ 25,000.00
Charter P.A.C.	11/03/2011	\$1,500.00

CONTRIBUTORS WITH SUCCESS ACADEMY TIES	DATE	AMOUNT
Daniel Loeb – Success Academy Board President/Chairman of Third Point LLC	09/04/2014 11/07/2011 08/09/2011	\$41,000.00 \$4,367.00 \$15,000.00
Margaret Loeb – wife of Daniel Loeb	09/23/2014 11/25/2013	\$19,000.00 \$10,000.00
Bruce Kovner – spouse of Success Academy Board member Suzie Kovner/Caxton Associates	05/29/2014 11/25/2013	\$5,000.00 \$40,000.00
Joel Greenblatt – Success Academy board member/Gotham Management	12/10/2012 05/24/2011	\$25,000.00 \$15,000.00

¹Previously called Andrew Cuomo 2014.

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Table 1 continued: In-State Contributors to Andrew Cuomo 2018, Inc. and PACs that contributed to Andrew Cuomo 2018, Inc.

CONTRIBUTORS WITH SUCCESS ACADEMY TIES	DATE	AMOUNT
Julia Greenblatt – wife of Joel Greenblatt	11/13/2013	\$25,000.00
Daniel Nir – former Success Academy board member/spouse of Jill Braufman/Gracie Capital	11/25/2013 12/10/2012 09/23/2014	\$10,000.00 \$25,000.00 \$25,000.00
Jill Braufman – former Success Academy board member/spouse of Daniel Nir	11/16/2011 08/29/2013	\$50,000.00 \$7,500.00
Bryan Binder – Success Academy board member/Castleline Holdings	01/10/2014 12/10/2012 12/10/2012	\$10,000.00 \$5,000.00 \$5,000.00
Kent Yalowitz – Success Academy board member	09/23/2014	\$5,000.00
Catherine Shainker – Success Academy board member	10/06/2014 10/06/2014	\$1,000.00 \$1,000.00
Andrew Stone – Success Academy board member	10/20/2014 12/10/2012 11/16/2011	\$10,000.00 \$25,000.00 \$25,000.00
Dana Stone – spouse of Andrew Stone	11/25/2013	\$25,000.00
Jarret Posner – Success Academy board member	08/29/2014	\$2,500.00
Kelly Posner – sister of Jarret Posner	01/11/2013	\$20,000.00
Suleman Lunat – Success Academy board member	09/23/2014	\$1,000.00
John Petry – Success Academy board member	12/10/2012 05/24/2011 11/14/2013 09/23/2014	\$10,000.00 \$15,000.00 \$10,000.00 \$25,000.00

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Table 1 continued: In-State Contributors to Andrew Cuomo 2018, Inc. and PACs that contributed to Andrew Cuomo 2018, Inc.

CONTRIBUTORS WITH STUDENTS- FIRST TIES	DATE	AMOUNT
Joel Klein - StudentsFirst NY founder/ former NYC Schools Chancellor	12/27/2012	\$10,000.00
David Boies - StudentsFirst board member	06/26/2014 06/07/2011 03/19/2013	\$25,000.00 \$25,000.00 \$25,000.00
Boies, Schiller and Flexner - David Boies/Chairman	12/27/2013 12/27/2012	\$25,000.00 \$25,000.00
Roger Hertog - former StudentsFirst board member	05/22/2013	\$30,000.00

CONTRIBUTORS WITH HARLEM CHILDREN'S ZONE TIES	DATE	AMOUNT
Stanley Druckenmiller – Harlem Children's Zone trustee	03/04/2014	\$60,800.00
Joseph DiMenna - Harlem Children's Zone board member	02/08/2012	\$50,000.00
Tania Higgins – wife of Brian Higgins/Harlem Children's Zone board member	02/16/2011 08/30/2013	\$25,000.00 \$10,000.00
Ken Langone – Harlem Children's Zone chairman emeritus/Home Depot founder	03/19/2013	\$50,000.00

CONTRIBUTORS WITH KIPP TIES	DATE	AMOUNT
Whitney Tilson - KIPP board member/ DFER co-founder	01/07/2014 06/07/2011 12/27/2012	\$1,000.00 \$1,000.00 \$10,000.00
Philippe Dauman - KIPP board member	07/04/2014	\$60,000.00
Larry Robbins - former KIPP board chair	07/09/2014 12/10/2012 05/24/2011 01/07/2014	\$5,800.00 \$25,000.00 \$5,000.00 \$25,000.00

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Table 1 continued: In-State Contributors to Andrew Cuomo 2018, Inc. and PACs that contributed to Andrew Cuomo 2018, Inc.

CONTRIBUTORS WITH OTHER CHARTER TIES	DATE	AMOUNT
Ravenel Boykin Curry IV	11/16/2011 05/31/2011 12/10/2012 06/23/2011	\$5,000.00 \$30,000.00 \$23,800.00 \$2,000.00
Michael Steinhardt – Hebrew Charter School Center founder	05/29/2014	\$40,000.00
Sara Steinhardt Berman - daughter of Michael Steinhardt/Hebrew Charter School Center board chair	05/29/2014	\$40,000.00
David Steinhardt – son of Michael Steinhardt	05/29/2014	\$20,000.00
Bryan Lawrence - Girls Prep Charter School founder/Families for Excellent Education co-founder	11/16/2011	\$10,000.00
Winston Fisher - Civics Builders (builds charter schools) former board member	08/06/2013 07/24/2014 12/27/2012	\$22,500.00 \$12,000.00 \$25,000.00
Jessica Fisher - spouse of Winston Fisher	07/24/2014	\$13,000.00
Steve Fisher - Fisher Brothers partner with Winston Fisher	08/06/2013 06/17/2014	\$22,500.00 \$25,000.00
Kenneth Fisher - Fisher Brothers partner with Winston Fisher	12/27/2012 04/19/2011 06/17/2014	\$25,000.00 \$5,000.00 \$25,000.00
William Ackman – Turner-Agassi charter school builders partner	05/22/2013	\$50,000.00

Source: New York State Board of Elections

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Table 2: Out-of-State Contributors to Andrew Cuomo 2018, Inc. and PACs that contributed to Andrew Cuomo 2018, Inc.

CONTRIBUTORS WITH SUCCESS ACADEMY TIES	DATE	AMOUNT
Samuel Cole – Success Academy board member	09/23/2014	\$12,500.00
Steven Galbraith - Success Academy board member	09/24/2014	\$35,000.00
John Scully - Success Academy board member	08/29/2014	\$50,000.00
Charles Strauch - Success Academy board member	12/27/2013 11/17/2011	\$5,000.00 \$10,000.00

CONTRIBUTORS WITH ACHIEVEMENT FIRST TIES	DATE	AMOUNT
Jonathan Sackler	07/18/2011 12/10/2012 11/25/2013 09/24/2014	\$1,000.00 \$10,000.00 \$15,000.00 \$20,000.00
John Ceriale – husband of past Achievement First board member, Melissa Ceriale	05/30/2014	\$25,000.00

CONTRIBUTORS WITH OTHER CHARTER TIES	DATE	AMOUNT
Sonia Jones - wife of Paul Tudor Jones/ StudentsFirstNY director	03/19/2013	\$25,000.00
Katherine Bradley - KIPP board member	12/10/2012	\$5,000.00
Charles Ledley - Education Reform Now/DFER board member	12/27/2012	\$10,000.00
Brian Olson - Civic Builders Founder (charter school construction company)	11/25/2013 06/15/2011 12/10/2012	\$25,000.00 \$10,000.00 \$10,000.00

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Table 2 continued: Out-of-State Contributors to Andrew Cuomo 2018, Inc. and PACs that contributed to Andrew Cuomo 2018, Inc.

CONTRIBUTORS WITH OTHER CHARTER TIES	DATE	AMOUNT
J.C .Huizenga - National Heritage Academies (for-profit charter) founder	03/25/2014 12/10/2012	\$15,000.00 \$25,000.00
Anthony Davis – Achievement First board member	05/24/2011	\$25,000.00

<u>Source:</u> New York State Board of Elections

Table 3: In-State Contributors to New Yorkers for Putting Students First

NEW YORKERS FOR PUTTING STUDENTS FIRST (and New Yorkers for Putting Students First Independent Committee)	DATE	AMOUNT
Daniel Loeb	08/02/2013 07/10/2012	\$140,000.00 \$75,000.00

Source: New York State Board of Elections

Table 4: Out-of-State Contributors to New Yorkers for Putting Students First

NEW YORKERS FOR PUTTING STUDENTS FIRST (and New Yorkers for Putting Students First Independent Committee)	DATE	AMOUNT
Paul Tudor Jones and Sonia Jones	07/15/2013 08/13/2013 08/11/2012	\$125,000.00 \$125,000.00 \$75,000.00

Source: New York State Board of Elections

 Table 5: In-State Contributors to Coalition for Public Charter School PAC

CONTRIBUTIONS TO COALITION FOR PUBLIC CHARTER SCHOOLS PAC	DATE	AMOUNT
Bruce Kovner	06/24/2013 05/15/2012	\$50,000.00 \$10,000.00
Michael Steinhardt	01/23/2013	\$25,000.00

Source: New York State Board of Elections

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Table 6: Out-of-State Contributors to Coalition for Public Charter School PAC

CONTRIBUTIONS TO COALITION FOR PUBLIC CHARTER SCHOOLS PAC	DATE	AMOUNT
Paul Tudor Jones	09/11/2012	\$50,000.00
Jonathan Sackler	02/07/2013	\$15,000.00

Source: New York State Board of Elections

Table 7: In-State Contributors to Great Public Schools Action Committee

CONTRIBUTIONS TO GREAT PUBLIC SCHOOLS POLITICAL ACTION COMMITTEE	DATE	AMOUNT
Joel Greenblatt	01/07/2014	\$75,000.00
Roger Hertog	11/18/2014	\$25,000.00

Source: New York State Board of Elections

Table 8: Out-of-State Contributors to Great Public Schools Action Committee

CONTRIBUTIONS TO GREAT PUBLIC SCHOOLS POLITICAL ACTION COMMITTEE	DATE	AMOUNT
Katherine Bradley	03/22/2012	\$25,000.00

Source: New York State Board of Elections

Table 9: In-State Contributors to Charter PAC

CONTRIBUTIONS TO CHARTER PAC	DATE	AMOUNT
Roger Hertog	09/20/2011	\$25,000.00
Bruce Kovner	09/08/2011	\$25,000.00

Source: New York State Board of Elections

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Table 10: In-State Contributors to Democrats for Education Reform NYS

CONTRIBUTIONS TO DEMOCRATS FOR EDUCATION REFORM - NEW YORK STATE	DATE	AMOUNT
Joel Greenblatt	12/31/2013	\$20,000.00
Anthony Davis	01/30/2014	\$50,000.00
Suzy Davis - wife of Anthony Davis	02/10/2014	\$50,000.00
Ravenel Curry IV	12/31/2013 07/31/2014	\$50,000.00 \$75,000.00
Elizabeth Curry - mother of Ravenel Curry IV	12/13/2013	\$50,000.00
John Petry	12/13/2013	\$50,000.00

Source: New York State Board of Elections

 Table 11: Top Five In-State Contributors to Cuomo and PACs that Supported Cuomo

CONTRIBUTOR	TOTAL AMOUNT
Daniel Loeb and family	\$304,367.00
Ravenel Boykin Curry IV and family	\$235,800.00
Winston Fisher and family	\$175,000.00
Joel Greenblatt and family	\$160,000.00
Bruce Kovner	\$130,000.00

Table 12: Top Five Out-of-State Contributors to Cuomo and PACs that Supported Cuomo

CONTRIBUTOR	TOTAL AMOUNT
Paul Tudor Jones and family	\$400,000.00
Jonathan Sackler	\$61,000.00
John Scully	\$50,000.00
Brian Olson	\$45,000.00
Steven Galbraith	\$35,000.00

Denver School Board 2015: Billionaire Dollars Ensure School Board Majority in Reform-friendly District

The November 3, 2015, Denver School Board election completed the efforts of corporate education reformers to control all 7 seats on the board. In that election, three seats, one at-large, and one each in Districts 1 and 5, were contested.

This was not the first attempt at Board control—money from billionaires had <u>poured into previous Denver school board</u> <u>elections</u> (e.g., 2013), but it did not result in a board that was unanimously in favor of corporate-style reforms.

Truth be told, Denver had been a billionaire school reform investment for over a decade.

In 2013 Michael Petrilli, of the Thomas B. Fordham Institute, said that Denver was seen nationally as a "promising place" for school reform and that there was a lot of interest in ensuring that the school board had a strong "pro-reform stance."

Money from out-of-state reform-minded billionaires began flowing into Denver starting in 2002, when the <u>Los Angeles based Broad Foundation gave Denver Public Schools \$1.7 million</u> for a teacher performance pay system based on student test scores.

The billionaires' agenda took off when the Denver School Board chose Michael Bennet as Superintendent of Schools in 2005. Like Joel Klein in New York City, Bennet had no background in public education – he came from a local investment firm where he turned around failing companies.

Bennet began closing Denver schools almost immediately. According to Education Next, DPS has closed or replaced 48 schools and opened more than 70, mostly charters, since 2005. Denver subscribes to the portfolio model—a term derived from the investment world, where the district authorizes and oversees both district and charter schools. In the portfolio model, the school board sees itself as a person who owns a stock portfolio - sell the losers, hold on to the winners, buy new stocks, sell off the losers again, etc. Constant turmoil and disruption. Having a pro-reform school board is therefore essential for charter growth and development.

In 2006, Bennet called on local and national civic and foundation leaders, including the Gates Foundation, to create an initiative called A+ Denver (now known as A+ Colorado). A+ Denver was created "to push for change and support the board when it promoted reform."

When Bennet was appointed U.S. Senator in January of 2009, he recommended that the board replace him with his Chief Operating Officer, Tom Boasberg.

Like Bennet, Boasberg has no professional experience in education, and he was quick to adopt Bennet's reform agenda. Boasberg's biography on the district website proudly boasts that during his tenure the district has "welcomed the creation of more than 75 new schools and the closure or turnaround of more than 30 underperforming schools." It was a formula for chaos by design.

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The 2015 election was key to giving a green light for even more "reform." That election pitted corporate reform candidates against candidates who, while supportive of many corporate school reforms, were not absolute in their allegiance to the Bennet/Boasberg agenda.

The contest for the District 5 seat was between Lisa Flores, who supported the billionaires' reform agenda without reservation, and Michael Kiley, who supported some reforms such as teacher pay-for-performance but wanted some restrictions on where charters could open. Kiley supported the establishment of charter schools in vacated buildings only.

For the at-large and District 1 seats, incumbents Happy Haynes and Ann Rowe were running for re-election; both Haynes and Rowe supported teacher pay-for-performance, school enrollment zones, and providing facilities for charter schools without reservation.

In an effort to both unseat Haynes and Rowe, and to beat corporate-reform-sponsored District 5 challenger Flores, the Denver Classroom Teachers Association (DCTA) spent a total of \$170,500 in support of Robert Speth, Kristi Butkovich, and Michael Kiley.

Haynes was pitted against Robert Speth for the at-large seat, and Rowe against Kristi Butkovich for the District 1 seat. Speth was a parent of Denver public school children, and an active volunteer in their school. He was a vocal critic of the damaging effects of the privatization movement in Denver, including undemocratic school closures, outsourcing

operations of schools to private corporations. He opposed the influence of the Relay Graduate School of Education in the district, a charter-school sponsored fast-track course of studies based on "no-excuses" teaching practices.

Butkovitch was a third generation DPS graduate, who was an opt-out activist and a founder of a pro-public education group, the <u>Denver Alliance for Public Education</u>. The wife of a retired teacher and administrator, she was also outspoken about her belief that there was a national push to scapegoat teachers for economic problems.

Pro-corporate reform candidates received support from an Independent Expenditure Committee called Raising Colorado. Raising Colorado's contributions for the Denver school board election came entirely from New York-based Education Reform Now Advocacy (ERNA), which is associated with the corporate-reform-promoting nonprofit, Democrats for Education Reform (DFER).

Like the Newark mayoral race that occurred the year before, ERNA, a 501 (c)(4), was funneling money into the Denver race while using its not for profit status to hide donor names.

According to its 2014 990 tax form, ERNA contributed \$465,000 to Raising Colorado and about another \$100,000 to other organizations in the state. In 2015, it added an additional \$375,000. Table 1 below shows the amounts and dates of the four 2015 contributions, a portion of which were used to purchase campaign advertisements for Haynes, Rowe, and Flores (Table 2).

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 Table 1: Education Reform Now Advocacy contributions to Raising Colorado

CONTRIBUTOR	DATE	AMOUNT
Education Reform Now Advocacy	04/27/2015	\$100,000.00
	09/24/2015 10/13/2015	\$150,000.00 \$50,000.00
	10/14/2015	\$75,000.00

Source: Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

Table 2: Raising Colorado Expenditure Totals for 2015 Denver School Board Candidates

CANDIDATE	DATE	EXPENDITURE
Allegra "Happy" Hanes	11/23/2015 11/23/2015 10/25/2015 10/28/2015 10/05/2015	\$11,305.84 \$9,746.10 \$39,466.96 \$15,318.25 \$12,457.58
Lisa Flores	11/23/2015 10/05/2015 10/05/2015 10/12/2015 10/12/2015 10/25/2015 10/28/2015 09/21/2015 09/30/2015	\$3,500.00 \$14,277.66 \$13,651.80 \$13,651.80 \$13,651.80 \$14,547.00 \$14,547.00 \$51,685.00 \$14,277.66
Ann Rowe	11/23/2015 10/05/2015 10/12/2015 10/12/2015 10/28/2015 09/21/2015	\$3,500.00 \$14,391.65 \$14,391.65 \$13,506.01 \$14,391.65 \$21,705.00 \$323,970.41

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Aside from *Raising Colorado's* independent expenditures on behalf of Haynes, Rowe, and Flores, all three received a number of notable direct contributions from both in-state and out-of-state corporate reform supporters (Tables 3 – 7). Among the Colorado contributors are established Colorado corporate reform donors Philip Anschutz, John Fox, Samuel Gary, Patrick Hamill, Daniel Ritchie, Kent Thiry, and David Younggren, who also made headlines for their <u>contributions</u> to the 2013 school board race. Gary helped create charter

schools; David <u>Scanavino</u> and <u>Ritchie</u> are charter school founders; <u>Thiry</u> funds charter schools; and Pat Stryker is a local billionaire involved in venture capitalism.

Out-of-state contributions include Michael Bloomberg, KIPP charter board member <u>Katherine Bradley</u>, <u>Stacy Schusterman</u>, and Paypal/Linkedin co-founder Reid Hoffman and his wife, Michelle Yee.

Table 3: Notable Out-of-State Contributors to 2015 Denver School Board "At-Large" Candidate, Happy Haynes

CONTRIBUTOR	DATE	AMOUNT
Michael Bloomberg	10/29/2015	\$5,000.00
Reid Hoffman	10/21/2015	\$4,000.00
Michelle Yee	10/21/2015	\$4,000.00

<u>Source</u>: Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

Table 4: Notable In-State Contributors to 2015 Denver School Board "At-Large" Candidate, Happy Haynes

CONTRIBUTOR	DATE	AMOUNT
John Fox	10/23/2015	\$1,000.00
Samuel Gary	10/21/2015	\$5,000.00
Patrick Hamill	10/23/2015	\$2,500.00
Daniel Ritchie	10/20/2015	\$2,500.00
David Scanavino	10/27/2015	\$8,000.00
Pat Stryker	10/28/2015	\$5,000.00
Kent Thiry	10/20/2015	\$5,000.00
David Younggren	10/08/2015 10/22/2015	\$1,000.00 \$1,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Table 5: Notable In-State Contributors to 2015 Denver School Board District 1 Candidate, Ann Rowe

CONTRIBUTOR	DATE	AMOUNT
DFER Colorado	10/15/2015 10/15/2015	\$200.00 \$300.00
Daniel Ritchie	08/31/2015	\$2,500.00
KentThiry	10/20/2015	\$2,500.00
David Younggren	08/15/2015	\$1,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

Table 6: Notable Out-of-State Contributors to 2015 Denver School Board District 5 Candidate, Lisa Flores

CONTRIBUTOR	DATE	AMOUNT
Katherine Bradley	08/06/2015	\$2,000.00
Philip Reyes	08/05/2015	\$5,000.00
Reid Hoffman	10/21/2015	\$4,000.00
Michelle Yee	10/20/2015	\$4,000.00
Sheryl Sandberg	08/20/2015	\$2,000.00
George Sepulvida	07/28/2015	\$2,000.00
Stacy Schusterman	08/20/2015	\$5,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Table 7: Notable In-State Contributors to 2015 Denver School Board District 5 Candidate, Lisa Flores

CONTRIBUTOR	DATE	AMOUNT
DFER Colorado	10/15/2015	\$1,000.00
Philip Anschutz	10/15/2015	\$2,000.00
Daniel Ritchie	09/09/2015	\$5,000.00
David Scanavino	10/27/2015	\$2,000.00
Kent Thiry	10/20/2015	\$5,000.00
David Younggren	06/29/2015	\$1,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

Table 8: Top Five Out-of-State Contributors in the 2015 Denver School Board Race

CONTRIBUTOR	TOTAL AMOUNT
Rising Colorado (ERNA)	\$323,970.41
Reid Hoffman/Michelle Yee	\$16,000.00
Michael Bloomberg	\$5,000.00
Philip Reyes	\$5,000.00
Stacy Schusterman	\$5,000.00

Table 9: Top Five In-State Contributors in the 2015 Denver School Board Race

CONTRIBUTOR	TOTAL AMOUNT
Kent Thiry	\$12,500.00
Daniel Ritchie	\$10,000.00
David Scanavino	\$10,000.00
Pat Stryker	\$5,000.00
Samuel Gary	\$5,000.00

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In the end, Haynes, Rowe and Flores, the three candidates supported by corporate-reform-promoting billionaires and their advocacy groups, won their 2015 Denver school board seats, with the Haynes/Speth race for District 5 being the closest.

The 2015 Denver School Board election was the culmination of more than a decade's worth of efforts by in and out of state billionaire school reformers, who sought to remake public education using a corporate model.

Denver School Board 2017

During the 2017 Denver school board election, ERNA gave \$625,000 to Raising Colorado (Table 10). In turn, Raising Colorado spent just shy of \$400,000 on behalf of four candidates: Barbara O'Brien for the at-large seat, Angela Cobian in District 2, Mike Johnson in District 3, and Rachele Espiritu in District 4 (Table 11).

Although ERNA increased their expenditures on behalf of pro-reform candidates, only half of their candidates were successful. Incumbents Mike Johnson and Rachele Espiritu both lost their elections by thousands of votes, ending the two-year lock corporate reformers enjoyed on all 7 board seats.

The four ERNA supported candidates also received direct contributions from Bruce Benson, the president of the University of Colorado and a former oilman and GOP fundraiser. At the behest of then DPS Superintendent

Michael Bennet, Benson encouraged a group of deeppocketed Republicans to make unprecedented contributions in the 2011 and 2013 DPS elections.

Other notable contributors in the 2017 election were Colorado billionaires Phillip Anschutz and Kenneth Tuchman, and out-of-state billionaires John Arnold of Texas and Alice, Jim and Steuart Walton of Arkansas.

Public education advocates were encouraged that Big Money did not prevail in all four races, particularly in District 3, where teacher Carrie Owens was outspent by 3 to 1 but still triumphed over incumbent Mike Johnson. Former DPS board member Jeannie Kaplan believes that the election shifted because residents have become more engaged after years of anti-public school reform efforts. It may be "the beginning of the pendulum swing," Kaplan said.

Table 10: Education Reform Now Advocacy contributions to Raising Colorado

CONTRIBUTOR	DATE	AMOUNT
Education Reform Now Advocacy	09/14/2017 09/28/2017	\$325,000.00 \$300,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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 Table 11: Raising Colorado Expenditure Totals for 2017 Denver School Board Candidates

CANDIDATE	DATE	EXPENDITURE
Rachele C. Espiritu	09/28/2017	\$13,636.32
·	09/28/2017	\$11,966.01
	10/05/2017	\$10,759.31
	10/05/2017	\$10,759.31
	10/05/2017	\$10,759.31
	09/28/2017	\$36.00
	10/06/2017	\$3,554.95
	11/06/2017	\$6,155.07
	11/07/2017	\$4,183.89
	10/27/2017	\$9,268.80
	10/27/2017	\$3,281.74
	10/27/2017	\$13,765.83
	11/01/2017	\$16.00
	11/01/2017	\$10,186.09
	11/07/2017	\$4,605.98
	10/27/2017	\$350.00
	11/07/2017	\$522.66
	10/16/2017	\$13,368.41
	10/23/2017	\$9,596.77
	10/18/2017	\$6,783.24
	10/23/2017	\$5,951.04
Angela Cobian	09/28/2017	\$10,586.72
	10/10/2017	\$10,586.72
	10/10/2017	\$9,334.93
	10/10/2017	\$9,334.93
	09/28/2017	\$36.00
	10/06/2017	\$596.36
	11/06/2017	\$3,500.00
	11/01/2017	\$16.00
	10/30/2017	\$2,368.83
	11/01/2017	\$3,998.46
	11/07/2017	\$3,538.05
	11/07/2017	\$332.73
	10/23/2017	\$17,741.20
	10/18/2017	\$5,743.29
	10/23/2017	\$2,799.11

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Table 11 continued: Raising Colorado Expenditure Totals for 2017 Denver School Board Candidates

CANDIDATE	DATE	EXPENDITURE
Mike Johnson	09/28/2017	\$13,514.81
	10/05/2017	\$10,659.46
	09/28/2017	\$36.00
	10/06/2017	\$820.08
	11/01/2017	\$16.00
	10/30/2017	\$1,531.96
	11/01/2017	\$2,118.52
	11/07/2017	\$2,611.32
	10/23/2017	\$12,732.16
	10/18/2017	\$3,096.76
	10/23/2017	\$1,918.63
Barbara Jack O'Brien	10/05/2017	\$33,748.87
	09/28/2017	\$36.00
	10/06/2017	\$3,579.34
	11/01/2017	\$16.00
	10/30/2017	\$2,194.95
	11/01/2017	\$3,345.88
	11/07/2017	\$2,495.22
	11/07/2017	\$632.10
	10/12/2017	\$26,245.99
	10/23/2017	\$25,864.66
	10/18/2017	\$5,620.14
	10/23/2017	\$2,935.63
Oppose Jennifer Bacon	10/27/2017	\$13,765.83
	Total	\$399,556.37

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Table 12: Notable In-State Contributors to 2017 Denver School Board District 4 Candidate, Rachele C. Espiritu

CONTRIBUTOR	DATE	AMOUNT
Democrats For Education	10/01/2017	\$4,000.00
Reform Colorado Political Committee	09/12/2017 08/29/2017	\$500.00 \$250.00
Philip Anschutz	09/25/2017	\$2,000.00
Bruce Benson	10/24/2017	\$10,000.00
Pat Hamill	10/19/2017 09/13/2017	\$5,000.00 \$2,500.00
Kenneth Tuchman	10/25/2017	\$2,500.00
Steven Halstedt	10/25/2017	\$1,500.00
James Q. Crowe	10/10/2017	\$5,000.00
Scott Reiman	10/01/2017	\$5,000.00
Daniel Ritchie	07/03/2017	\$5,000.00
Samuel & Nancy Gary	08/21/2017	\$2,500.00
Cathey Finlon	07/24/2017	\$1,000.00
Justin L. Jaschke	09/12/2017	\$1,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

Table 13: Notable Out-of-State Contributors to 2017 Denver School Board District 2 Candidate, Angela Cobian

CONTRIBUTOR	DATE	AMOUNT
Arthur Rock	09/08/2017 11/01/2017	\$10,000.00 \$10,000.00
Steuart Walton	11/16/2017	\$5,000.00
Alice Walton	11/16/2017	\$3,000.00
Jim Walton	11/16/2017	\$3,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Table 14: Notable In-State Contributors to 2017 Denver School Board District 2 Candidate, Angela Cobian

CONTRIBUTOR	DATE	AMOUNT
Kenneth Tuchman	10/30/2017	\$2,500.00
Democrats For Education Reform Colorado Political Committee	09/20/2017 09/11/2017	\$500.00 \$500.00
Cathey Finlon	07/16/2017	\$1,000.00
Justin Jaschke	09/08/2017	\$1,000.00
James Crowe	10/05/2017	\$1,500.00
Steven Halstedt	09/14/2017	\$1,500.00
Catherine Abarca	09/09/2017	\$2,500.00
Marco Abarca	07/25/2017	\$2,500.00
Samuel Gary	08/08/2017	\$2,500.00
Patrick Hamill	09/12/2017	\$2,500.00
Bruce Benson	08/23/2017	\$5,000.00
Scott Reiman	10/02/2017	\$5,000.00
Daniel Ritchie	06/28/2017	\$5,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

Table 15: Notable Out-of-State Contributors to 2017 Denver School Board "At-Large" Candidate, Barbara Jack O'Brien

CONTRIBUTOR	DATE	AMOUNT
Leslie Jacobs	09/27/2017	\$1,000.00
DFER	09/12/2017	\$500.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Table 16: Notable In-State Contributors to 2017 Denver School Board "At-Large" Candidate, Barbara Jack O'Brien

CONTRIBUTOR	DATE	AMOUNT
Bruce Benson	07/27/2017	\$10,000.00
Daniel Ritchie	06/28/2017	\$5,000.00
Samuel Gary	06/20/2017	\$2,500.00
Patrick Hamill	06/13/2017 09/12/2017	\$5,000.00 \$2,500.00
David Younggren	08/09/2017 10/04/2017	\$1,000.00 \$1,000.00
Susan Halstedt	08/18/2017	\$2,500.00
Scott Reiman	10/02/2017	\$5,000.00
Philip Anschutz	09/25/2017	\$5,000.00
Debra Tuchman	10/25/2017	\$2,500.00
James Crowe	10/09/2017	\$2,500.00
Chris Watney	07/20/2017 08/16/2017	\$1,000.00 \$1,000.00
Justin Jaschke	09/08/2017	\$1,000.00
Cathey Finlon	07/16/2017	\$1,000.00
Marco Abarca	06/20/2017	\$1,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Table 17: Notable In-State Contributors to 2017 Denver School Board District 3 Candidate, Mike Johnson

CONTRIBUTOR	DATE	AMOUNT
Philip Anschutz	11/09/2017	\$5,000.00
David Youngren	10/05/2017	\$4,000.00
Patrick Hamill	10/04/2017	\$2,500.00
Samuel Gary	10/07/2017 10/04/2017	\$2,500.00 \$2,500.00
Susan Halstedt	10/07/2017	\$1,500.00
DFER	09/12/2017	\$500.00
Bruce Benson	10/27/2017	\$10,000.00
Scott Reiman	10/25/2017	\$5,000.00
Kenneth Tuchman	10/24/2017	\$2,500.00
Marco Abarca	08/18/2017	\$1,000.00
James Q. Crowe	10/11/2017	\$1,000.00
Cathey Finlon	07/15/2017	\$1,000.00
Steven Halstedt	07/05/2017	\$1,000.00
Justin Jaschke	09/12/2017	\$1,000.00
Daniel Ritchie	06/28/2017 10/03/2017	\$1,000.00 \$1,000.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

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Table 18: Top Five Out-of-State Contributors in the 2017 Denver School Board Race

CONTRIBUTOR	TOTAL AMOUNT
Raising Colorado (ERNA)	\$399,556.37
Arthur Rock	\$20,000.00
Walton Family	\$11,000.00
Leslie Jacobs	\$1,000.00
DFER	\$500.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

 Table 19: Top Five In-State Contributors in the 2017 Denver School Board Race

CONTRIBUTOR	TOTAL AMOUNT
Bruce Benson	\$35,000.00
Scott Reiman	\$20,000.00
Patrick Hamill	\$20,000.00
Daniel Ritchie	\$17,000.00
Samuel Gary	\$12,500.00

<u>Source:</u> Colorado Secretary of State TRACER (Transparency in Contribution and Expenditure Reporting)

Conclusion: How to Follow the Money

ducation reform billionaires are trying to buy elections across the country. Those with powerful ambition and millions to spend are seeking to remake public education by bending it to their will. Our report, Hijacked by Billionaires, provided nine case studies on how they do their work, hidden from the public eye. And we only scratched the surface.

As we show, whether the goal was to ensure the employment of an anti-tenure crusading superintendent in Perth Amboy or to create a charter-loving board majority in the Los Angeles Unified School District, the tactics are the same. Billionaire reformers from coast-to-coast swoop in and flood a state or local election with unprecedented infusions of cash. If they can't pour in sufficient funds by donating directly to candidates (due to state contribution limits) they funnel tens or hundreds of thousands of dollars, and in some cases millions, through PACs, other Super PACs, 527 groups, and 501(c) (4) organizations. From canvassers to TV ads, their millions distort the record and positions of propublic education candidates who are stuck in the crosshairs. By outspending their opponents, the reformers and the candidates too often win.

Why can this happen?

Although each state has its own laws and regulations that govern campaign finance, the states are also required to

adhere to Supreme Court decisions. Several Supreme Court cases had major impacts on state and local elections. The most crucial case was the 2010 Citizens United decision, which was followed by a U.S. Court of Appeals decision in SpeechNow v. FEC.

The Citizens United decision allows corporations and other groups and individuals to form Super Political Action Committees (Super PACs) called Independent Expenditure Committees (IECs). These IECs are allowed to "spend unlimited sums of money on ads and other communications designed to support or oppose a candidate." IECs combine money from corporations, individuals, associations, PACs and even not-for profit organizations in order to advocate for or against a candidate. The only requirement is that they not coordinate or collude with the candidate who benefits from their spending.

The U.S. Court of Appeals used the Citizens United decision as precedent in the SpeechNow decision that ruled, "limits on contributions to groups that make independent expenditures are unconstitutional."

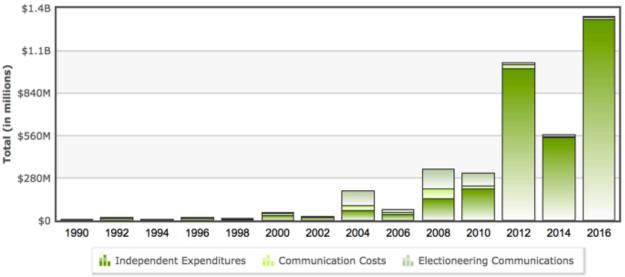
The combination of these two rulings paved the way for unprecedented levels of spending in federal, state and local elections. This chart below from OpenSecrets.org is a startling representation of how these two rulings have influenced spending on federal elections.

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Graph 1: Outside Spending by Cycle, Excluding Party Committees



What does this look like at the state level?

While corporations, unions and individuals cannot contribute unlimited sums directly to candidates in most states (12 states impose no limit on contributions from individuals, six allow unlimited corporate contributions, and 13 allow unlimited PAC contributions), they can contribute unlimited amounts to IECs. The only good news is that IECs must report their contributors to the Federal Election Committee (FEC).

This allowed us to see many of the names of contributors as we "followed the money" from donations to PACs to IECs. But we could not see it all. Not-for-profit 501 (c)(4) organizations like Education Reform Now Advocacy do not have to report their donors. They are, in our opinion, abusing their tax status as an organization that should be promoting social welfare, in order to become conduits for anonymous donors to political campaigns.

So how did we follow money in this report, and how can you do it, too?

As local and state newspapers close, consolidate and lay off reporters and investigative journalists, the work of "following the money" is often left to bloggers and citizen journalists. The Network for Public Education Action hopes that this report will inspire everyday citizens like you to expose these practices in local and state races, and to inform the public when democratic elections are being hijacked by the billionaire club.

Each state has an agency tasked with implementing and monitoring the state's campaign finance laws and each state mandates disclosure and reporting of campaign contributions. This means that an IEC has to disclose its spending, and the state has to report that spending. The Campaign Finance Institute maintains a list of state websites

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where you can view the disclosure reports that are submitted to the state. It is also helpful to look at the 990 tax statements of any not-for-profit that contributes to a PAC or IEC.

But how do you know what to look for?

It can be tricky because each state's contributions limits, reporting requirements and website are set-up differently. The National Conference of State Legislatures has compiled resources with state by state breakdowns of <u>state limits</u> on contributions to candidates, and <u>state's independent</u> expenditure reporting. A quick study of the contribution limits and reporting requirements in a given state will give you a solid idea of where to look for the money.

For example, in Rhode Island, contributions from individual donors and PACs to a candidate are restricted to \$1,000 per year, and corporations and unions are prohibited from contributing directly to candidates.

Therefore, if billionaire reformers want to use their fortunes to influence a Rhode Island election, they're unlikely to do it through individual contributions. To have an impact they have to contribute to an IEC, 527 or a 501(c) PAC, which in turn can make independent expenditures to support or oppose the candidate(s) of their choosing.

Because Rhode Island has strict reporting laws, any independent expenditure over \$1,000 must be reported

within 7 days. Expenditures over \$1,000 made within 30 days of the election must be reported within 24 hours. When you know a state's reporting requirements, it makes it easier to know what to look for and when to look for it.

Navigating a state's disclosure website just takes patience and trial and error. Each state's user interface is different some are easy to navigate, while others are frustrating. They are all manageable, however, and the information is there.

Billionaires must not go unchecked when they use their wealth and power to hijack state and local elections. They must be exposed when they force their agenda on communities and school districts. When corporate reform spending is uncovered before an election, it can have a tremendous impact on the outcome. That is where you come in. Take the time to learn how to follow the money and expose corporate reform spending in an upcoming election.

If your state or local paper isn't reporting it, or is underreporting it, write about it yourself. Blog, write a letter to the editor, or link up with a <u>grassroots public education advocacy</u> <u>organization</u> in your area.

Corporate billionaire reformers may be able to outspend us, but exposing that spending is a powerful tool at our disposal – learn how to use it.