



## 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. [It cannot, however, directly 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 CCSA 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 [pro-charter IECs spent, 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 report<sup>1</sup>. 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

<sup>1</sup> 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	\$150,000.00
	09/02/2014	\$155,000.00
	04/03/2015	\$50,000.00
Emerson Collective (Laurene Powell Jobs)	04/02/2015	\$50,000.00
	04/09/2015	\$100,000.00
Doris Fisher	02/19/2014	\$250,000.00
	03/16/2015	\$250,000.00
	04/23/2014	\$300,000.00
	04/02/2015	\$500,000.00
Barbara Grimm	05/14/2015	\$250,000.00
	05/15/2015	\$250,000.00
Reed Hastings	06/30/2011	\$493,500.00
	11/05/2012	\$691,000.00
	09/25/2014	\$1,500,000.00
Carrie Walton Penner	02/20/2013	\$100,000.00
	03/13/2014	\$120,000.00
	05/13/2014	\$250,000.00
	04/16/2015	\$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	\$75,000.00
	10/20/2014	\$250,000.00
	02/20/2015	\$200,000.00
	04/24/2015	\$150,000.00
Jim Walton	10/28/2014	\$250,000.00
	04/14/2015	\$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	\$100,000.00
	03/31/2016	\$1,000,000.00
	05/09/2016	\$1,000,000.00
	07/11/2016	\$500,000.00
	10/05/2016	\$700,000.00
	11/02/2016	\$50,000.00
	01/13/2017	\$300,000.00
	04/19/2017	\$100,000.00
Arthur Rock	04/19/2017	\$100,000.00
	01/13/2017	\$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	\$1,000,000.00
	09/13/2016	\$1,500,000.00
	09/14/2016	\$1,236,000.00
	10/19/2016	\$100,000.00
	02/17/2017	\$1,000,000.00
	05/09/2017	\$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	\$250,000.00
	12/23/2015	\$750,000.00
Bill Bloomfield	01/25/2017	\$200,000.00
	04/24/2017	\$100,000.00
	04/28/2017	\$250,000.00
	05/08/2017	\$500,000.00
	05/11/2017	\$500,000.00
	05/15/2017	\$500,000.00
	05/23/2017	\$225,000.00
Eli Broad	03/31/2016	\$1,000,000.00
	11/03/2016	\$50,000.00
	04/19/2017	\$300,000.00
	05/05/2017	\$400,000.00
	05/11/2017	\$500,000.00
	05/15/2017	\$34,916.03
Katherine B. Bradley	05/10/2017	\$5,000.00
Education Matters PAC	04/21/2016	\$350,000.00
	11/14/2016	\$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	\$500,000.00
	10/19/2016	\$200,000.00
	02/22/2017	\$500,000.00
Stacy Schusterman	05/27/2015	\$75,000.00
	03/24/2017	\$75,000.00
Alice Walton	08/12/2015	\$250,000.00
	05/25/2016	\$200,000.00
	08/15/2016	\$204,000.00
	10/19/2016	\$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.*