

**Break the Rules: How Supply-Side Investors and Entrepreneurs  
Can Sustain Their Work through Regulatory Advocacy**

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Prepared for the American Enterprise Institute Conference,  
“The Supply Side of School Reform and the Future of Educational Entrepreneurship,”  
October 25, 2007

The collected papers for this conference can be found at [www.aei.org/event1522](http://www.aei.org/event1522).

## Introduction

*“It is not only the regulatory environment that founders must directly challenge, but the entire sweep of policies, practices, and pedagogies, from federal law to local union contracts, from teacher preparation programs to the design of mainstream textbooks, that together define how most public schools today function.... Whether through calculation, timidity, or a failure of imagination, education entrepreneurs have generally failed to challenge such dictates... Going along to get along locked them into enormously costly and ineffective practices little different from their district competitors.”*

- Charter school developer Steven Wilson<sup>1</sup>

*“We have to be willing to break the rules. I am really thankful for organizations that are going to help push the politicians, especially the ones who have been on the side of protecting the status quo.”*

- Washington, D.C. Schools Chancellor Michelle Rhee<sup>2</sup>

Regulatory barriers, erected and exercised over decades, constrain the work of supply-side “entrepreneurs” in education reform. Investors in the supply side improve their chances at success by reforming or removing these barriers. Such regulatory reform requires a level of will, resources and skill at least equal to the intensity of investment that entrepreneurs already dedicate to building supply itself. Such reform requires advocacy from its milder forms of policy guidance to more aggressive forms of legislative lobbying to direct political action designed to advance or defeat elected officials and candidates.

This chapter does not address how investors should support the *operations* of supply-side entrepreneurs as they create models of reform. Such guidance is presented in the other chapters of this book, as well as in several excellent recent essays.<sup>3</sup> Instead, I examine the opportunity such entrepreneurs have to build a necessary and parallel wing of reform – one that cultivates and applies political power to advance and protect high quality supply-side initiatives and removes the formidable regulatory barriers standing in their way.

## **Interest Groups Make the Rules**

### *What I learned from Terry Moe*

I learned much of what I know about the dynamics of American schooling from Terry Moe. Moe, a Stanford-based political scientist, is widely known for *Politics, Marketplace, and America's School*, his call in 1990 with co-author John Chubb for a universal system of publicly funded school choice.<sup>4</sup> But a much lesser known work by Moe in 1989 lays the foundation for what investors and entrepreneurs most need to understand to support and protect their work on the supply side of school reform. That chapter, “The Politics of Bureaucratic Structure”, has served as a fundamental basis of my perspectives on school reform for the last decade.<sup>5</sup>

After reading his chapter in 1996, I called Professor Moe and asked him questions about his analysis. The combination of Moe’s chapter and his over-the-phone guidance helped me begin to understand the fundamental influence of interest groups on the political creation and implementation of reforms. Boiled down, Moe’s analysis runs as follows:

- Public policies and regulations, as well as the bureaucratic entities and bureaucrats that implement and enforce them, are to a large degree defined and controlled by interest groups rather than a reflection of rational design;
- Interest groups wield influence over the regulatory environment not simply in the legislative process but at every level of rule making and rule enforcement, from the drafting of regulations specifying a given statute to regulatory structures imposed by bureaucratic agencies at an operational level;

Implicit in Moe’s analysis is the notion that if you want to change the regulatory environment to favor your own entrepreneurial agenda, you need to acquire and exercise the

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same kind of influence that your opponents have been wielding to block your advancement.

Moe explains the essence of interest group influence:

Legislators [and, by extension, rule makers at lower levels of the bureaucratic environment] by and large, can be expected either to respond to group demands in structural politics or to take entrepreneurial action in trying to please them. They will not be given to flights of autonomous action or statesmanship.<sup>6</sup>

Moe was not writing about education reform, but his insights apply neatly to reforming K-12 schooling, from entrepreneurial supply-side initiatives to No Child Left Behind (NCLB). And, while it is written from a federal perspective, it usefully translates to any regulatory environment that implicates schooling. Replace “president” with “governor” and “congressman” with “state legislator”, and Moe’s chapter provides a blueprint for understanding politics and policy at the state and local levels where, despite the current overwhelming din of NCLB, most regulation of K-12 schooling actually takes place.

Though I did not know it at the time, one year after getting off the phone with Terry Moe, I would begin to experience the politics of bureaucratic structure in its full force.

### **A Cautionary Tale: The Massachusetts Charter School Story**

In 1997, I joined the team responsible for implementing the Massachusetts Charter School Initiative on behalf of the state’s single charter authorizer, the Massachusetts Board of Education. At the time, ours was one of the first charter initiatives in the nation, and Massachusetts had fourteen charter schools in operation. The political and regulatory conditions for early implementation of this entrepreneurial initiative were quite favorable.

During its start-up years, the initiative had a well written law: the only large-scale flaw was a statutory statewide cap of twenty five schools. We enjoyed strong support from Governor William Weld and his senior staff as well as the leadership of both houses in the legislature. Our small authorizer team reported to a remarkably atypical state board of education chaired by a

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maverick education reformer – Boston University Chancellor John Silber – and led by smart, reform-oriented figures like James Peyser and Abigail Thernstrom. We also had an aggressive, non-governmental ally, the Massachusetts Charter School Resource Center, which provided technical assistance, fundraising, and human resource networks. Lastly, the initiative had an informal but effective legislative advocacy team consisting of a couple of seasoned legislative operatives who were highly skilled, well-funded, and utterly mission-oriented.

Each of these leaders and resources served to temporarily protect our initiative from the ever-intensifying assault by interest groups working to hamstring and decimate the entire effort. In a state like Massachusetts, where the interest groups protecting established education practices are as strong and smart as any in the nation, we had unusually strong defenses.

Our early good fortune lulled us into a sense of complacency.

The first mistake, one of the few made by Governor Weld's leadership team, was to shift management of the charter initiative from the Governor's Executive Office to the Massachusetts Department of Education, a roughly four hundred person bureaucracy tasked with administering the myriad obligations of a state education system. The Weld team's first instinct was right on: Move the management of the charter initiative out of the governor's office to protect it from future threat of an administration potentially inimical to charter schools. However, their next instinct could not have been more wrong. By shifting us to the Department of Education (DOE), the governor's office placed us in an agency dominated by career bureaucrats ideologically opposed to charters and, in many cases, influenced by interest groups determined to kill the charter initiative. It was a bit like sending the chicken to live in the fox den and hoping for the best.

Here is a quick picture of how something initially so right went so wrong in the course of five quick years.

When management of the charter school initiative was shifted to the DOE in 1996, we still maintained relative autonomy. We had a small array of powerful patrons protecting our interests and independence to act *despite* our new DOE landlords. Our authorizer team was a small and coherent team of four people, philosophically aligned and representing a good mix of policy and school oversight skills. We were led by a tenacious team leader, Scott Hamilton, who defended the initiative from incessant political and bureaucratic encroachment, thereby allowing the rest of the team to get core work done.

Though we were housed in a generally hostile agency, we had some control over the design and implementation of the most important regulatory aspects of the initiative. Our office reported directly to the commissioner of education and had open lines of communication with both the board of education and the governor's office. We handled our own media and external relations. We advised legislators and legislative staffers on the evolution and needs of the initiative. We even had our own office space in Boston, forty minutes south of the DOE's cubicle-packed mother ship in Malden. For a time, we were able to operate in a relatively safe and autonomous environment because we had political patrons that would routinely fight for us when charter opponents exercised their political capital within the state bureaucracy.

But, as education reform litigator Clint Bolick often says, "the empire always strikes back".

By 2000, the opposition interest groups had caught up with us. The charter initiative, in part because of some very strong school start-ups and good press, was no longer on opponents'

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back burners. Our opponents, and the politicians and bureaucrats in their sway, began to wield their influence to hamstring the initiative.

By seeing to it that public “watchdog” groups invasively and indefinitely investigated *every single charter school* in the state and our office’s management of the policy, opponents successfully chewed up tens of thousands of hours of time that we and our initiative’s school principals would otherwise have spent on operational challenges. At one point, the state’s charter schools and our authorizer team were under “review” by no fewer than four public oversight entities: the Office of the State Auditor, the Office of the Inspector General, the U.S. Department of Education’s Office of Civil Rights and the Massachusetts Education Reform Review Commission. This is not to mention the thousands of hours that we and charter principals spent responding to “investigative journalists” and the dozens of ideologically (and antagonistically) motivated education school researchers hoping to uncover a diabolical conspiracy to privatize the public education system.

True, we still had a fairly good statute, a fair share of political patrons, and some very strong school operators beginning to produce good academic results. But the intensity of the opposition’s well-orchestrated use of bureaucratic structures to slow us down, coupled with the inherent slog of any start-up operation, ensured that good days felt like being under siege and bad days felt like a flat-out street fight. As much as our authorizer team and ambitious charter school leaders hoped to faithfully execute our entrepreneurial ambitions, the opposition ultimately owned the terrain.

Today in 2007, charter opponents have killed any near-term hope that the charter school initiative will provoke broader systemic reform of public schooling in Massachusetts. A statutory cap prevents charter schools from drawing more than nine percent of any

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municipality's public education funding. The initiative's growth has slowed dramatically – now at only sixty-one schools in its thirteenth year of operation – and accounts for less than three percent of the state's K-12 public school students. The state's authorizer team on which I had served is now buried deep within the DOE's many-layered 500 person staff and no longer has significant opportunity to provide practical or symbolic leadership for the initiative.

Massachusetts charter schools have suffered from damaging regulatory burdens. In the start-up years, we developed a school accountability process that, compared to conventional school districts, was lean and focused intensely on each charter's academic performance. Only a short time later, with growing encroachment by bureaucratic offices whose usual business was district oversight, the charter school initiative and its schools were being annually reviewed by the DOE's Title I teams, Special Education teams and occasionally even the Nutrition Office. The regulatory reporting requirements for charter schools grew increasingly burdensome. Savvy Massachusetts charter schools soon began to create (at great cost) year-round compliance positions to respond to the overwhelming reporting load, thus freeing up the school principal to actually run the school.

If I had been a motivated school founder anywhere in the country in 1995, I would have hustled to Massachusetts given the clarity of the charter statute and the relative simplicity of the regulatory burden. In 2007, I would look elsewhere.

Political support for charter schools has decreased dramatically in the last ten years in Massachusetts. Simply put, charter proponents, from state leaders to school operators to parents, *haven't sufficiently recognized or acted on the need to represent their interests and exercise influence with public officials holding power.* Wholesale turnover in the once charter-friendly leadership in the legislature, governor's office and State Board of Education has yielded a

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situation where anti-charter bills now have significant viability. The state's promotion and protection of the initiative as an education reform opportunity has largely been set aside. Some of the best charter operators in the nation who got their start in Massachusetts have relocated their entrepreneurial energies to locales offering better opportunities.

During the start-up years of the charter school initiative, we did a good job of helping to support the founding of some very strong charter schools. In terms of helping to change the fundamental business of schooling in Massachusetts, we failed completely.

### **Why Did We Fail?**

We did not realize that, while our political power was sufficient for early protection of the charter initiative, it was far too fragile to sustain it. We benefited at the start from a rare confluence of political leaders with the courage to do the right thing for the initiative in the face of stiff opposition. But we should have known that we were in a quickly closing window of opportunity. To perpetuate the political power necessary to maintain favorable rules at the legislative and bureaucratic levels, we should have focused as much energy on building a base of political power and advocacy expertise as we did on implementing the initiative itself. We got caught up in day-to-day operational challenges. By not building sufficient political power early, we ensured that Massachusetts charter schools now stand little chance of becoming a large-scale reform mechanism that could actually influence the state's broader K-12 landscape.

Strong new charter school operators do not come to Massachusetts these days. The venture philanthropy funds do not look there for opportunity. The highly effective Massachusetts Charter School Resource Center, which once helped to start some of the best charters in Massachusetts, has closed up shop and re-opened as a national charter school incubator – still located in Boston but doing all of its work outside the state.

## **Not Just a Massachusetts Story**

This story about Massachusetts is not just a story about Massachusetts. The interrelationship among interest groups, politics and regulatory structures that either allow or impede reform is intensely alive and well across the country. Consider this sample of news stories and reform analyses from the daily influx of news clips I have received in the past two months:

- Journalist Daniel Weintraub and Claremont Graduate University researcher Professor Charles Taylor Kerchner assess the political history and interest group dynamics that have defined and undermined the recent restructuring of governance of the Los Angeles Unified School District;<sup>7</sup>
- Freelance journalist Joe Williams tells the “Oakland Education Reform Story” and examines the interest groups and political influences that undermined efforts to transform the school district into a service organization supporting quasi-autonomous public schools;<sup>8</sup>
- Hundreds of national, regional and local media outlets across the country document political campaigns in Utah by pro and con interest groups to rally the public to vote for or against the implementation of a statewide voucher program in an upcoming statewide referendum;<sup>9</sup>
- The *Milwaukee Journal Sentinel* covers the work by interest groups like the Milwaukee Teachers’ Education Association and The New Teacher Project to improve the collective bargaining terms governing teacher hiring in Milwaukee Public Schools;<sup>10</sup>

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- The *Columbus Dispatch* exposes email communications between anti-charter school interest groups and the Ohio Attorney General’s Office regarding the design of methods to hold Ohio charter schools accountable using charitable trust law;<sup>11</sup>
- (and coming full circle back to Massachusetts) The *Wall Street Journal*’s op-ed page examines the influence of education interest groups on Massachusetts Governor Deval Patrick’s efforts to review and revise the state’s “MCAS” accountability system.<sup>12</sup>

Additional in-depth analyses provide more rigorous evidence of the ways in which regulatory constraints and the interest groups behind them slow the growth and performance of supply-side reforms:

- A 2005 Fordham Institute study concluded that the average disparity in funding between a charter school and its host district counterpart is about \$1,800 per student, a gap that results invariably from the political compromises that produce the enactment and regulatory architecture of state charter statutes;
- The National Charter School Research Project’s 2007 analysis of “charter management organizations” reports that political and regulatory environments dramatically frustrate the operations and scale of charter networks.<sup>13</sup>
- Freelance journalist Joe Williams’s 2006 article “Games Charter Opponents Play” illustrates how municipal actors opposed to charter schools are some of the savviest manipulators of the regulatory environment, using their influence over facility zoning, school transportation systems and school funding mechanisms to stall a charter school’s momentum.<sup>14</sup>

But there is *good* news here. Interest group influence over the regulatory environment is as much an opportunity as it is a threat for supply-side entrepreneurs. Education reform interest

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groups have won a small but important share of recent policy victories. Consider the new market opportunity produced as a result of the successful five year campaign by Milwaukee school choice advocates to persuade Wisconsin's legislature and governor in 2006 to raise the cap on the Milwaukee voucher program by more than 7,000 students. And consider the far larger market opportunity created in New York's charter school sector after charter advocates secured a one hundred school cap raise in 2007.

The opportunities are present, it seems, when supply-side reformers invest the resources and talent necessary to meet, and eventually overpower, the interest groups that currently work to oppose their efforts.

### **Why aren't more regulatory barriers being knocked down?**

Scholars Rick Hess of the American Enterprise Institute and Checker Finn of the Thomas B. Fordham Foundation pointed out in a 2007 analysis that the new generation of supply-side reformers are successful at a small-scale because they avoid direct conflict with their regulatory overseers. These operators accommodate, compromise, and cut deals with established rule makers in order to maintain operational momentum.<sup>15</sup> Exceptions like The New Teacher Project combine a mission of supply-side service with a mission of explicit advocacy for changing the rules. I agree with Hess and Finn that we cannot fairly expect entrepreneurial operators to build the supply and simultaneously do all the work required to develop the political power. Supply builders need to stick to their knitting, focus on doing one or two things very well, and produce powerful results. At the same time, supply-side operators must at least appreciate and support the need for somebody – even if it is not them – to wage the advocacy war.

Regrettably too many supply-side entrepreneurs underestimate the need to build the political power that will change the rules constraining their work. Some are content to

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accommodate and compromise. Others are overly optimistic that the regulatory environment will somehow reform itself after seeing the supply siders' good results. The premise of such entrepreneurs seems to be that rule makers – politicians, policymakers and agency bureaucrats – will respond and change when inspired by enlightened example or guidance. I call this “reform by enlightenment”, the belief that “if you build a high performing [*insert your favorite supply side initiative here*], policy makers will flock to it, take notes, and duly change the rules and incentives so that the rest of the sector can follow suit”. In theory the concept sounds great. In reality it consistently fails.

There have always been highly effective examples of school supply in American schooling. But recent history has shown little deconstruction of regulatory constraints that would provide freedom for such supply to grow and prosper at a dramatic scale. Reform by enlightenment is dangerously devoid of a true appreciation of how the regulatory environment gets built and rebuilt and who calls the shots in the process.

Overly confident adherence to reform by enlightenment misses a fundamental truth: Elected and appointed rule makers do not have much interest in, or time for, enlightenment. Despite the groundbreaking choice- and accountability-oriented reforms enacted over the last two decades by Superintendent Angus McBeath's team in Edmonton, Alberta, not a single school system in Canada has attempted replication of those reforms.<sup>16</sup> A state legislator will occasionally vote his conscience, but will more often vote in alignment with the interests of those who will determine the outcome of his next election cycle. More crudely put, state legislators and rule makers at all levels of a regulatory environment too often serve the interests of those who can help them or hurt them. Rule makers with power will act in ways that perpetuate their

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power. The highest probability of getting them to change course for a preferred set of policy conditions is to demonstrate the capacity to enhance that power or threaten it.

It is not that reform by enlightenment is wrong. It is just not enough. If it is to actually produce fundamental changes in the operating conditions of public schooling, any entrepreneurial reform must be executed in the context of an aggressive application of political power that compels rule makers to *actually change the way business gets done in school system X*. Motivating systems to improve through vague concepts of “collaboration” with outside-the-system entrepreneurs is fine and potentially effective – but only when coupled with undeniable political pressure for the rules to change.

Consider recent reform initiatives attached to maverick and courageous big-city superintendents and mayors. I am thinking of Mayor Michael Bloomberg and Chancellor Joel Klein in New York City, Mayor Bart Peterson in Indianapolis, Mayor Cory Booker in Newark, Chancellor Michelle Rhee in Washington, D.C., (former) Superintendent Alan Bersin in San Diego, and (former) state-appointed manager of Oakland Schools Randy Ward. It is unfair and naïve to expect that these truly strong leaders can possibly attain large-scale, long lasting reforms without aggressive political support that will ensure: 1.) faithful follow-through by their successors; and 2.) regulatory protection of their reform gains.

Fortunately, recent calls for greater policy advocacy to change the regulatory barriers to reform have come not just from Rick Hess and Checker Finn but from other leading education policy analysts like University of Arkansas researcher Jay Greene,<sup>17</sup> Education Sector founder Andrew Rotherham<sup>18</sup> and independent analysts Steven Wilson<sup>19</sup> and Bryan Hassel.<sup>20</sup> I subscribe to their recommendations enthusiastically but also note that they fall short. While they all argue for advocacy activities far more aggressively than do supply-side reformers, they are still not

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sufficiently clear, forceful, and direct about the glaring need to challenge politically the status quo.

Here is a good recent example of otherwise excellent policy analysis that simply does not go far enough in calling attention to the need to “get political”. The University of Washington’s National Charter School Research Project’s accurate and insightful study of charter management organizations is followed by prescriptions for fighting regulatory burden that are so vague and soft as to be unworthy of execution:

Anticipating political risk. MOs [management organizations] need to do on-the-ground work with local community groups as well as savvy politicking at the state level

[and later in the report]

Policymakers should:

Convene panels of MOs to suggest ways to create growth-friendly regulatory structures at the federal, state, and local levels<sup>21</sup>

These recent analyses of the barriers to supply-side reform are a healthy and necessary first step to dealing with the problem, but in and of themselves, they have little capacity to influence change *unless* they are taken up by advocates who have the power to actually get rules changed.

## **Break the Rules**

### *The New Entrepreneurs of Political Power*

Supply-side investors have a clear opportunity to develop the advocacy skills and resources that will yield necessary changes in regulatory environments that, in turn, will allow their efforts to prosper and replicate. In fact, such work is already well underway in a number of school reform initiatives. However, given the many current regulatory battles being lost in such

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areas as charter schools, school choice and teacher licensure, these promising early advocacy efforts require dramatic expansion.

Current advocacy operations are found mainly in the charter school and school choice movements. Technically speaking, school choice – in the form of publicly-funded voucher and tax credit scholarship programs – does not qualify as a “supply-side reform.” Yet I include it for the simple reason that, when effectively enacted and implemented, choice programs provide one of the biggest and least regulated market opportunities for supply-side reformers hoping to provide high-quality school options to low-income families. If you are a supply-side reformer in Milwaukee with 7,000 brand new school vouchers worth \$6,500 per student, you might just have something to work with.

A comprehensive “how to” summary of public policy advocacy *has* been written in a parallel realm of public policy: tort reform. Texans for Lawsuit Reform (TLR), an advocacy team responsible for dramatically overhauling tort practice in Texas in the last twelve years, has documented its approach to high-intensity, long-term advocacy campaigns in its “Template for Reform.”<sup>22</sup> While TLR’s approach may not translate fully to education reform, it provides a provocative picture of the massive level of resources, will and perseverance that its authors needed in a ten year campaign to fundamentally restructure how tort law gets done in Texas.

For now, in the absence of a thorough study of advocacy operations in the current wave of school reform, a crude taxonomy will have to do:

*At the national level:*

Charter school advocacy organizations – such as the Center for Education Reform, the National Association of Public Charter Schools and the National Association of Charter School

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Authorizers – generally work to support charter school policy improvements at the federal and state levels.

School choice advocacy organizations – such as the Alliance for School Choice, the Friedman Foundation and the Institute for Justice – generally work to guide and support state-based coalitions attempting to enact and improve parental choice voucher and tax credit programs.

*At a state level:*

Charter school associations, which in addition to providing programmatic benefits to their members, work to represent the interests of their member charter through legislative advocacy, regulatory advocacy, legal defense (and offense) and media relations. Early pioneers like the Colorado League of Charter Schools and the Michigan Association of Public School Academies have been leading effective and sustained campaigns for their members for more than a decade. Organizations like the California Charter School Association (CCSA) and the New York Charter Schools Association are newer to the work but have brought a mix of advocacy expertise and powerful allies to help protect and improve their charter initiatives.

State school choice advocacy organizations work to advocate for enactment and expansion of voucher and tax credit scholarship programs. Organizations like School Choice Wisconsin, School Choice Ohio, and Utah’s Parents for Choices in Education are the primary coordinators of advocacy for choice in their states. Examples of their involvement include the successful four year campaign to lift the cap on the Milwaukee Parental Choice Program, the early implementation of Ohio’s “EdChoice” voucher program and the successful (but soon to be challenged by referendum) state-wide school voucher program in Utah.

Generally, these early pioneers work across three types of advocacy, frequently using parallel organizations to respect the dictates of the Internal Revenue code governing advocacy activities:

1. *Evidence Building, Education and Legal Offense/Defense*: Here, advocates employ assessment and documentation of education reforms and, conversely, evidence of failures or gaps in conventional schooling options that need to be addressed. Advocates use such evidence to educate and mobilize citizens, community leaders, business leaders, public officials and the media about the need for change and *the efficacy of their proposed reforms*. They also work with legal teams to defend their interests from legal assault and to sue for remediation of unfair statutes. In addition to dedicated interest group advocates (for example, California Charter Schools Association and School Choice Wisconsin), such work is frequently conducted by advocacy-oriented think tanks and, on rare occasions, by supply-side entrepreneurs themselves (for example, The New Teacher Project). Work in this advocacy type is most often conducted by “non-profit public charities” organized under Section 501(c)(3) of the Internal Revenue code and, as such, is tax exempt.
2. *Legislative Advocacy (Lobbying)*: Here, advocates make direct attempts to influence – or *lobby* – for or against specific legislation at the federal, state and local levels. Lobbying can happen in Congress, in state legislatures, in municipal governing bodies and in the context of a public voter referendum or initiative. Current charter school and school choice advocacy is most often directed at state legislative action. Legislative advocacy may only be done minimally by “501(c)(3)” organizations and

is usually practiced by “501(c)(4)” organizations that are not permitted tax exempt status by the Internal Revenue code.

3. *Political Action:* Using taxable donations from individual donors, political action operations work to support the election or re-election of public officials sympathetic to their interests and, conversely, defeat candidates for election or re-election who oppose their interests. Reform-oriented political donors helped, for example, to elect the pro-charter Governor Eliot Spitzer in New York’s most recent gubernatorial election. Political action is the least developed arm of advocacy in the current wave of school reform, *yet one of the strongest weapons* employed by interest groups opposing charter schools, school choice, teacher licensure reform, and state testing and accountability systems.

Reform victories – such as New York’s recent expansion of its charter cap or Wisconsin’s expansion of the Milwaukee Parental Choice [voucher] Program – most often happen when all three of these types of advocacy are employed with intensity and skill for sustained periods of time. The New York charter school cap raise was the result of several years of effort. While different advocates in New York working variously across the three types of reform did not always (or even frequently) work in effective partnership with one another, the fact that they were collectively invested for a period of years helped to secure their success. The Milwaukee story is similar. Reform advocates in the city worked for four years across all three advocacy types to secure a cap raise: After three successive annual vetoes by the Governor’s Office, an intensified advocacy campaign in the fourth year eventually convinced Governor Jim Doyle to sign a cap raise into law in early 2006.

Because education reformers are generally more familiar with advocacy types one and two than they are with type three – political action – I will profile two recent entrants into K-12 schooling that are attempting to enhance the influence of education reform through direct political action. Through trial, error and perseverance, both are prototypical models for what political action on the supply side of school reform could look like in coming years:

### **All Children Matter (ACM)**

All Children Matter (ACM) was founded by school choice activists and education reform investors in 2003. ACM's founders determined that the school choice movement lacked the political action to ensure that elected officials – particularly state legislators – would support school choice programs. ACM sought to complement type one and two advocacy efforts with political action that would provide a counterweight to the enormous influence of interest groups that oppose school choice.

ACM is a “527” political action committee dedicated to electing public officials to the legislative, executive and judicial branches of state government who are committed to supporting school choice and charter school programs. ACM also works to oppose public officials who do not support such programs. While ACM neither endorses specific school choice legislation nor advocates for one type of legislation over others, it supports or opposes candidates by judging them on criteria that include support for charter schools, tuition tax credits and school vouchers.

ACM works across the country, most aggressively in states that either have existing, large-scale school choice programs, such as Florida, Ohio and Wisconsin, or in states with more modest choice programs, like Iowa and Utah. Additionally, ACM typically targets states for electoral involvement in which significant school choice programs are likely to be near the

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threshold of passing in the state legislature, such as Louisiana. ACM typically targets 10 states for political involvement throughout each two-year election cycle.

Since ACM functions as a political action organization, its activities are focused on building relationships with incumbent and future candidates, as well as influencing the outcomes of elections so that more school choice supporters can be elected to public office in any given state. ACM makes direct contributions to candidates that support school choice and also conducts “independent expenditures” designed to influence the outcome of an election but are conducted *independently of the campaigns of those candidates it supports or opposes*.

Independent expenditures can include direct mail, radio and television advertising, print advertising in newspapers or other publications, telephone advocacy calls, and grassroots activities all designed to support or oppose a candidate in a particular election. ACM also gives strategic and tactical support to local and state-based school choice political activists to assist them in achieving these objectives and winning elections for the cause of school choice.

### **Democrats for Education Reform**

Democrats for Education Reform (DFER) began operation in 2006 to address a void in the political influence of education reformers, particularly within the Democratic Party. Its founders, a small group of like-minded and politically active Democrats from New York’s investment community, were motivated by a desire to spur debate about education reform within a political party that they considered too monolithic and risk-averse in its views on K-12 schooling. Given that motivation, DFER is, in a sense, more focused on political reform than education reform, operating on the assumption that making the Democratic Party more willing to engage and debate controversial issues will enhance the viability of worthy education reform initiatives.

Technically, DFER is a federal political action committee and a New York State political action committee, a structure that allows it to raise money for candidates at the federal and state levels. DFER's founders have also started a completely separate "501(c)(4)" organization, Education Reform Now Advocacy, and a completely separate "501(c)(3)" organization, Education Reform Now. The 501(c)(4) is used to advocate for specific issues like charter schools. The 501(c)(3) is deployed only for non-political education and research purposes.

DFER supports the creation of new public schools through charter school laws, mayors who wish to have greater control of their schools and rigorous accountability systems like those of NCLB. DFER works at both the federal and state levels and supports education reform candidates within the Democratic Party by "giving them a political reason to do the right thing." DFER also spends significant resources attempting to grow the base of Democrats who support substantive education reform. It does this by bringing people together in frequent social and professional gatherings and by "putting Democratic faces out in the public eye in support of reform." DFER then tries to encourage that base to support candidates who share its views. It also aims to provide cover for reform-oriented politicians by "making noise, organizing supporters, and getting different perspectives into the media."

### **Investing in *More* New Entrepreneurs of Political Power**

As University of Arkansas professor Jay Greene correctly advises, the best use of philanthropic investment is to redirect how future public dollars are spent. Private investors – philanthropic and otherwise – are already heavily invested in the supply side of education reform. One can assume (or at least hope) that, consistent with Jay Greene's view, such investors intend to have their initiatives taken up by good public policy, financed fully (if not immediately) by public revenues and sustained for the long haul.

To protect those investments and maximize the chance that supply-side initiatives will expand and prosper, investors must make additional, parallel expenditures to seed and launch *advocacy initiatives* to sustain their work. The education policy environment at state and local levels is awash with interest groups protecting established structures of public schooling. This is a given and will remain a given so long as we maintain our current system of government. In contrast, supply-side investors and entrepreneurs have yet to build the counterbalancing interest groups that will give them competitive advantage in the inevitable regulatory wars that their initiatives provoke.

Essentially, the supply side-reform movement should build the capacity to exert influence *wherever public rules that implicate their reform work are defined and revised*. Advocates should aim to enact changes that facilitate their work and revise or eliminate impediments. Here are some possible near-term advocacy initiatives:

- Suspending teacher and principal licensing requirements in jurisdictions where supply-side reformers are aiming to support new school strategies that require a large number of highly skilled candidates from outside the system;
- Raising or eliminating statutory caps on the number of charter schools in a given state or municipality;
- Making statutory revisions that would allow for multiple, high-quality charter authorizers in states where current authorization has stifled new school start-ups or permitted low-quality schools;
- Enacting statutory changes, or seeking legal remedy, to address inequitable funding of charter school students;

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- Securing allowance for charter schools (or any new public schools) to use federal and/or state revenues to pay retroactively the costs of training programs (for example, KIPP and New Leaders for New Schools) that have invested heavily in the school's start up.

Ultimately, investing in the political advocacy necessary to sustain reform requires the same long-haul view that should dominate the strategies of all supply-side reformers. What I learned in my Massachusetts experience is that the powerful interest groups who were determined to stall and weaken our charter school initiative had been building and honing their skills for decades. They will continue to be there for decades to come. Any effort to build and exercise power in the interest of reform must understand that this is not just a long-term game – it is a perpetual game.

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- <sup>1</sup> Steven F. Wilson, "Challenge the Status Quo" *Education Next* 7, no. 2 (Spring 2007).
- <sup>2</sup> Michelle Rhee, Speech to *Democrats for Education Reform* Gathering, Washington, D.C., (September 17, 2007).
- <sup>3</sup> See the full collection of chapters contained in:  
Hess, Frederick M. (ed.), *With The Best Of Intentions: How Philanthropy Is Reshaping K-12 Education* (Cambridge, MA: Harvard Education Press, 2005).
- <sup>4</sup> John E. Chubb and Terry M. Moe, *Politics, Markets, and America's Schools* (Washington, DC: The Brookings Institution, 1990).
- <sup>5</sup> Terry M. Moe, "The Politics Of Bureaucratic Structure," in *Can The Government Govern?* eds. John E. Chubb and Paul E. Peterson (Washington, D.C.: The Brookings Institution, 1989).
- <sup>6</sup> Terry M. Moe, "The Politics Of Bureaucratic Structure," in *Can The Government Govern?* eds. John E. Chubb and Paul E. Peterson (Washington, D.C.: The Brookings Institution, 1989).
- <sup>7</sup> Daniel Weintraub, "A Murky Picture: An Attempted Takeover Goes Awry," *Education Next* 7, no. 3 (Summer 2007).
- Charles Taylor Kerchner, "A Ray of Hope: Politics may still save L.A. Schools," *Education Next* 7, no. 3 (Summer 2007).
- <sup>8</sup> Joe Williams, "National Model or Temporary Opportunity: The Oakland Education Reform Story," (Washington, D.C.: The Center for Education Reform, 2007)
- <sup>9</sup> See, for example, "Anti-Voucher Movement Donations Pour In," *The Associated Press*, September 18, 2007.
- <sup>10</sup> Alan J. Borsuk and Sarah Carr, "MPS Contract Aims to Improve Hiring," *Milwaukee Journal Sentinel*, October 3, 2007.
- <sup>11</sup> Catherine Candisky, "Teachers behind Dann's Strategy?" *The Columbus Dispatch*, October 2, 2007.
- <sup>12</sup> Guy Darst, "Mass Testing," *The Wall Street Journal*, September 22, 2007.
- <sup>13</sup> Lydia Rainey, Guillermo Maldonado, Marc Dean Millot, Robin Lake, and Paul Hill, "Quantity Counts: The Growth of Charter School Management Organizations," (Seattle: National Charter School Research Project, University of Washington, 2007).
- <sup>14</sup> Joe Williams, "Games Charter opponents Play: How Local School Boards –and Their Allies –Block the Competition," *Education Next* 7, no. 1 (Winter 2007).
- <sup>15</sup> Frederick M. Hess and Chester E. Finn, Jr., "What Innovators Can, And Cannot, Do: Squeezing Into Local Markets and Cutting Deals" *Education Next* 7, no. 2 (Spring 2007).
- <sup>16</sup> Angus McBeath, "Creating Successful Schools," *Pioneer Institute for Public Policy Research: 2005 Lovett C. Peters Lecture In Public Policy* 59 (Feb. 2006).
- <sup>17</sup> Jay P. Greene, "Buckets Into The Sea: Why Philanthropy Isn't Changing Schools, and How It Could," in *With The Best Of Intentions: How Philanthropy Is Reshaping K-12 Education*, ed. Frederick M. Hess (Cambridge, MA: Harvard Education Press, 2005).
- <sup>18</sup> Andrew J. Rotherham, "Teaching Fishing Or Giving Away Fish? Grantmaking for Research, Policy, and Advocacy," in *With The Best Of Intentions: How Philanthropy Is Reshaping K-12 Education*, ed. Frederick M. Hess (Cambridge, MA: Harvard Education Press, 2005).
- <sup>19</sup> Steven F. Wilson, "Challenge the Status Quo" *Education Next* 7, no. 2 (Spring 2007).
- <sup>20</sup> Bryan C. Hassel and Amy Way, "Choosing To Fund School Choice," in *With The Best Of Intentions: How Philanthropy Is Reshaping K-12 Education*, ed. Frederick M. Hess (Cambridge, MA: Harvard Education Press, 2005).
- <sup>21</sup> Lydia Rainey, Guillermo Maldonado, Marc Dean Millot, Robin Lake, and Paul Hill, "Quantity Counts: The Growth of Charter School Management Organizations," (Seattle: National Charter School Research Project, University of Washington, 2007).
- <sup>22</sup> Hugh Rice Kelly and Richard W. Weekley, "Template for Reform: How Texas is Restoring Its Civil Justice System," (Austin: Texans for Lawsuit Reform, 2006).