**Case Study 2: The Race for the Los Angeles School Board**

The [Los Angeles Unified School District](http://achieve.lausd.net/about) (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](http://www.ccsa.org/blog/2014-15_FactSheet_WaitlistData_.pdf).

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, but they have also been actively involved in the political process by spending huge sums to get charter school advocates elected to the LAUSD Board.

Since [the first level of possible charter approval in California is the school district](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC&sectionNum=47605.&highlight=true&keyword=charter+open), [having a “charter-friendly” school board promotes charter school expansion](http://www.latimes.com/local/education/la-me-lausd-election-analysis-20150521-story.html). 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](http://www.latimes.com/local/education/la-me-charter-donations-20151202-story.html).

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](https://www.charterconference.org/2016/general_info/march_to_one_million.php). And that “parade” was well funded indeed. In 2014, [CCSA reported its income](https://www.charitynavigator.org/index.cfm?bay=search.summary&orgid=13430) 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](http://www.guidestar.org/profile/51-0465703), and under that name it received a $5.8 million dollar grant from the [multi-billion dollar Silicon Valley Community Foundation](https://deutsch29.wordpress.com/2016/09/05/silicon-valley-community-foundation-mega-donor-to-vergara-and-controller-of-numerous-ca-nonprofits/) 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, New York’s DFER founder, 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[[1]](https://networkforpubliceducation.org/2016/09/7098/" \l "_ftn1); and Christopher Nelson, the Managing Director of the Doris & Donald Fisher Fund.[[2]](https://networkforpubliceducation.org/2016/09/7098/#_ftn2) Prior Board members include Reed Hastings of Netflix and Carrie Walton Penner, heir to the Walmart fortune.

The real power, however, sits in CCSA’s related organization, [CCSA Advocates](http://www.ccsaadvocates.org/), 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. It is at all three levels that charters can be authorized in the state.

The CCSA.org website links to two related organizations—[CCSA Families](http://ccsafamilies.org/) and [CCSA Advocates](http://www.ccsaadvocates.org/). CCSA Advocates is the [lobbying arm of CCSA](http://cal-access.sos.ca.gov/Lobbying/Employers/Detail.aspx?id=1343743&session=2015) governed by [IRC 501(c)(4)](https://www.ftb.ca.gov/businesses/Exempt_organizations/Entity_list.shtml), 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](https://www.irs.gov/charities-non-profits/other-non-profits/social-welfare-organizations). According to its [website](https://ccsa2.nationbuilder.com/donate), 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](http://cal-access.sos.ca.gov/Campaign/Committees/Detail.aspx?id=1339522&view=general) (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](http://saos.fec.gov/aodocs/AO%202011-12.pdf) 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)](http://www.parentteacheralliance.org/) 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](http://ethics.lacity.org/disclosure/campaign/totals/public_election.cfm?election_id=50). 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](https://boe.lausd.net/). For each seat, [CCSA Advocates had a pro-charter candidate that it supported](http://www.ccsaadvocates.org/2015_elections): 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](http://ethics.lacity.org/campaignfinance.cfm). The Ethics website lists the specific dollar amounts raised and spent for each candidate, [including the amount spent by independent expenditure committees](http://ethics.lacity.org/disclosure/campaign/totals/public_election.cfm?election_id=50) 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](https://ballotpedia.org/Los_Angeles_Unified_School_District_elections_(2015)), a well-known anti-charter incumbent 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](http://laschoolreport.com/rodriguez-seeking-an-lausd-seat-as-more-than-a-charter-guy/), “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](http://ethics.lacity.org/disclosure/campaign/totals/public_election.cfm?election_id=50), pro-charter IECs (mainly the PTA CCSA 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](http://ethics.lacity.org/disclosure/campaign/totals/public_election.cfm?election_id=50).

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[[1]](#footnote-1). 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.](http://www.latimes.com/local/lanow/la-me-edu-school-election-20170516-story.html)” 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. Netflix founder 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](http://ethics.lacity.org/disclosure/campaign/search/public_ie_search_results.cfm?showall=yes&elec_seat_cmt_id=1152%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1152%2C1152%2C1152&viewtype=pf&include=IE%2CS) 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](http://ethics.lacity.org/disclosure/campaign/search/public_ie_search_results.cfm?showall=yes&elec_seat_cmt_id=1152%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1152%2C1152%2C1152&viewtype=pf&include=IE%2CS)) and Students for Education Reform (SFER) Action Network ([over $60,000 in total](http://ethics.lacity.org/disclosure/campaign/search/public_ie_search_results.cfm?showall=yes&elec_seat_cmt_id=1152%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1028%2C1152%2C1152%2C1152&viewtype=pf&include=IE%2CS)), which is based in New York. In addition to his massive contributions to CCSA Advocates IEC, Eli Broad also spent [over $75,000](http://ethics.lacity.org/disclosure/campaign/search/public_ie_search_results.cfm?elec_seat_cmt_id=1152,1028,1028,1028,1028,1028,1028,1028,1028,1028,1028,1152,1152,1152&include=IE&include=S&viewtype=pf) mailing two personal endorsements of Melvoin (you can read the endorsements [here](http://ethics.lacity.org/pdf/disclosure/Comm/IE/Eli%20Broad_Mailer_Melvoin_4.18.17_2.pdf) and [here](http://ethics.lacity.org/pdf/disclosure/Comm/IE/Eli%20Broad_Letter_Melvoin_5.9.17_Amends5.3.17.pdf)). Bill Bloomfield spent [over $50,000](http://ethics.lacity.org/disclosure/campaign/search/public_ie_search_results.cfm?elec_seat_cmt_id=1152,1028,1028,1028,1028,1028,1028,1028,1028,1028,1028,1152,1152,1152&include=IE&include=S&viewtype=pf) to distribute California Senator Barbara Boxer’s endorsement (read that letter [here](http://ethics.lacity.org/pdf/disclosure/Comm/IE/Bill%20Bloomfield_Mailer_Melvoin_5.12.17.pdf)), and former Los Angeles Mayor Riordan spent over $40,000 to send out his own [emails](http://ethics.lacity.org/pdf/disclosure/Comm/IE/Richard%20Riordan_Email_Melvoin_1.19.17.pdf) and [mailers](http://ethics.lacity.org/pdf/disclosure/Comm/IE/Richard%20Riordan_Letter_Melvoin_5.10.17.pdf) 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 “[the incredible greed and hunger and desire for power that's going on here.](http://www.scpr.org/news/2017/05/12/71753/outside-spending-on-lausd-election-shatters-record/)”

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](https://edsource.org/2017/charter-groups-and-unions-spend-millions-for-control-of-la-unified-school-board/578065). With the new pro-charter majority, it seems all but certain that the “[Broad Plan](https://edsource.org/2016/the-broad-plan-for-la-schools-grows-to-more-than-charters-only/561997)” 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 | 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 |

**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 |

**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  $1,000,000.00 |
| 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 |
| William Bloomfield | 01/25/2017  04/24/2017  04/28/2017  05/08/2017  05/11/2017  05/15/2017 | $200,000.00  $100,000.00  $250,000.00  $500,000.00  $500,000.00  $500,000.00 |
| Eli Broad | 03/31/2016  11/03/2016  04/19/2017  050/5/2017  05/11/2017  05/12/2017 | $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 |

**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 |
| John H. Scully | 09/23/2016 | $350,000.00 |
| 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 |
| Students First 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 |

|  |  |
| --- | --- |
| **Top Five Out of State Contributors to CCSA Advocates IEC** | **Total 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 |
| John H. Scully | $350,000.00 |

|  |  |
| --- | --- |
| **Top Five In State Contributors to CCSA Advocates IEC** | **Total Amount** |
| Reed Hastings | $7,520,500.00 |
| Doris Fischer | $4,510,000.00 |
| William Bloomfield | $4,010,000.00 |
| Eli Broad | $2,639,916.03 |
| Carrie Walton Penner | $1,620,000.00 |

*Source: California Secretary of State website*

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

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.[xxix] [↑](#footnote-ref-1)