



A Union of Professionals

## Betsy DeVos' Record: Privatizing Education and Undermining Public Schools

For decades, Betsy DeVos and her family have spent millions on an anti-public education agenda, defunding, destabilizing, and demonizing public schools and public schooling, while at the same time promoting private, for-profit schooling without any regulation, transparency, accountability, or respect for civil rights and church-state separation. DeVos has no experience in public education. She has never been a teacher, or even a student, in public schools, and did not send her children to public schools.

She has used her and her family's considerable wealth and power to buy whatever influence they need to push this anti-public education agenda, even after it became clear that its policies—vouchers, unregulated charter schools, and prioritizing tax cuts over education funding—were having a large and negative impact on Michigan's students, taxpayers and public schools. While the DeVos family was stymied by public will and evidence in some of its ideological pursuits, when they did succeed, it had catastrophic results for Michigan's students—particularly the state's poorest and most vulnerable students.

### MICHIGAN

The two main DeVos-backed organizations in Michigan are the Mackinac Center and the Great Lakes Education Project, a PAC.<sup>1</sup> DeVos is unapologetic about her influence peddling, writing in *Roll Call*, "I have decided ... to stop taking offense at the suggestion that we are buying influence. Now, I simply concede the point."<sup>2</sup> The DeVoses' contributions are huge, including \$1.45 million to Michigan lawmakers over a seven-week period in 2016.<sup>3</sup>

Betsy DeVos founded GLEP in 2001, her husband served as chair, and the DeVos family has given more than \$600,000 to the PAC. GLEP remains a DeVos operation. Current tax disclosures cite two operationally and financially related organizations: Betsy DeVos is secretary and treasurer of the Great Lakes Education Fund and vice president of the Great Lakes Education Foundation.<sup>4</sup>

The DeVoses, with the Koch brothers, also have been major supporters of the Mackinac Center for Public Policy, a free-market think tank aligned with the American Legislative Exchange Council. DeVos family members have contributed more than \$500,000 to Mackinac.

### Vouchers

- In 2000, Betsy DeVos and her husband funded a multimillion-dollar, and ultimately unsuccessful, ballot initiative to create school vouchers.<sup>5</sup>
- Michigan voters rejected the plan to shift public dollars to private schools by a margin of 69 to 31.<sup>6</sup>
- Even then-Gov. John Engler, a Republican, opposed DeVos' voucher scheme, leading her to resign her post as state GOP chair.<sup>7</sup>

### Charter Schools: Pushing Quantity Instead of Quality, Avoiding Oversight

- After the voucher defeat, DeVos turned her attention to GLEP and to lifting the cap on charter schools, which had

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helped authorizers and state officials hold the schools accountable.<sup>8</sup>

- Lifting the cap opened the door for an increasing number of for-profit charter school operators, notorious for running poor-quality schools and financial problems. Today, unlike in any other state, most of Michigan’s charter schools use tax dollars to enrich for-profit operators.<sup>9</sup>
- A yearlong investigation by the *Detroit Free Press* appeared under the headline “Michigan Spends \$1B on Charter Schools but Fails to Hold Them Accountable.”<sup>10</sup> The investigation found:
  - › “A Sault Ste. Marie charter school board gave its administrator a severance package worth \$520,000 in taxpayer money.
  - › “A Bedford Township charter school spent more than \$1 million on swampland.
  - › “A mostly online charter school in Charlotte spent \$263,000 on a Dale Carnegie confidence-building class, \$100,000 more than it spent on laptops and iPads.
  - › “Two board members who challenged their Romulus school’s management company over finances and transparency were ousted when the length of their terms was summarily reduced by Grand Valley State University.
  - › “National Heritage Academies, the state’s largest for-profit school management company, charges 14 of its Michigan schools \$1 million or more in rent — which many real estate experts say is excessive.
  - › “A charter school in Pittsfield Township gave jobs and millions of dollars in business to multiple members of the founder’s family.
  - › “Charter authorizers have allowed management companies to open multiple schools without a proven track record of success.”
- Michigan’s charter school environment, shaped largely by Betsy DeVos and her allies, is so resistant to oversight that a 2015 federal audit found that the state “claimed it did not have the authority to audit” charter schools.<sup>11</sup>

### **Education Funding: Prioritizing Tax Cuts over Students**

- DeVos’ far-right agenda isn’t just about vouchers and weak oversight for tax dollars spent on charter schools. Education funding overall in Michigan has been held at bay by the state legislators DeVos and her family have supported. Michigan remains one of the states in which student funding has not recovered from the cuts made during the Great Recession.<sup>12</sup>
- When the state Senate leader, a Republican, agreed with then-Gov. Jennifer Granholm, a Democrat, to delay the state’s planned income tax cut for six months to spare schools and local governments from severe budget cuts, DeVos used her political clout to prioritize tax cuts over kids, blocking the measure in the House.<sup>13</sup>
- The DeVoses’ tax avoidance isn’t just ideological, it’s personal. Following a 2013 Michigan state Treasury Department audit, Dick and Betsy DeVos were ordered to pay more property taxes on their massive vacation home. According to reporting in the *Detroit News*, the taxes were earmarked for local school districts.<sup>14</sup>

### **Ending Local Control of Local Schools**

- DeVos backed the Education Achievement Authority, an effort by the state to take over struggling schools. It didn’t work. But even after the EAA was clearly a failure, she doubled down on the policy, seeking to spread EAAs across the state.<sup>15</sup>
- Under previous Chancellor John Covington, complaints to the Michigan Department of Education have charged the EAA with decertifying students from special education status, changing or removing services in individualized education programs, and discouraging students with disabilities from attending EAA schools.<sup>16</sup>

### **Test-and-Punish Policies**

DeVos and her allies routinely seek to impose policies designed to punish, rather than support, public schools, often misusing standardized tests to label students, teachers and schools as failing.

- GLEP backed mandatory retention of all third-graders based on one reading standardized test.<sup>17</sup> AFT Michigan, recognizing the importance of early reading, opposed this punitive measure and instead supported mandatory kindergarten, smaller class sizes and instructional aides in the early grades, intensive intervention for struggling students, and early diagnosis of learning disabilities.

- GLEP backed an A-F grading system for schools that is based largely on standardized tests. The system is designed to identify schools for closure rather than provide information to help them improve.<sup>18</sup>
- GLEP backed teacher evaluations based heavily on student test scores,<sup>19</sup> a measure opposed by AFT Michigan.

## DETROIT

While DeVos-backed policies have been harmful across Michigan, they have been devastating in Detroit.

- School conditions were so bad that Detroit students filed a civil rights suit charging that the state has “violated the 14th Amendment’s equal protection clause by effectively excluding them from the state’s system of free public education and denying them the right to literacy.”<sup>20</sup>
- DeVos backed the creation of the Education Achievement Authority in Detroit in 2012, an effort to place low-performing schools outside of district management. In its privatization ethos and disregard for the public, the EAA echoed the state’s involvement in the Flint water fiasco. The EAA in Detroit did serious harm to students:
  - › Of the hundreds of students in EAA schools, just one fourth-grader passed the state math test.<sup>21</sup>
  - › The state labeled 13 of the 15 EAA schools “failing.”<sup>22</sup> (Another was closed.)
  - › The EAA issued more than 6,000 short-term student suspensions in 2013, despite having only 10,000 students. Roughly 60 percent of suspensions were for violations categorized as insubordination, disorderly conduct, or truancy.<sup>23</sup>
  - › Just as in Highland Park, parents and students voted with their feet. Detroit’s EAA school enrollment dropped by a third over four years.<sup>24</sup>
- Moody’s has warned repeatedly that the proliferation of charter schools destabilizes school district finances, which makes it harder to provide resources that children need to learn. The ratings agency singled out Michigan’s loose policies—the very ones DeVos-backed organizations have fought for—as harmful to Detroit’s schools.<sup>25</sup>
- Independent researchers also have found evidence that the unregulated expansion of Michigan’s charter schools has had a harmful effect on neighborhood schools. As the share of students going to charter schools climbs, there is an intensifying negative effect on the fiscal positions of Michigan school districts. Michigan State University’s David Arsen and his co-authors write that “high and sustained levels” of losing students to charter schools cause district fund balances to “sharply deteriorate.”<sup>26</sup>
- In 2015, there was widespread agreement among parents, educators, business, clergy, labor, Democrats and Republicans on a rescue plan for Detroit’s public schools that would have devoted every dollar to children and included a strong oversight system for public and charter schools. Nonprofit operators, the Republican governor, the Democratic mayor, the Detroit Federation of Teachers, AFT Michigan and public school advocates supported the Detroit Education Commission to stabilize and rationalize the educational landscape by limiting the opening and siting of new schools in the city. Despite that consensus, DeVos lobbied against the oversight system,<sup>27</sup> funneling money through GLEP to quash it.<sup>28</sup> The DeVos-backed PAC’s intention to destroy Detroit Public Schools couldn’t have been clearer: GLEP and its executive director used the hashtag #EndDPS on social media.<sup>29</sup>

## THE RESULT: KIDS SUFFERING, SCHOOLS SINKING

Michigan taxpayers lavish nearly \$1 billion a year on a laissez-faire charter school expansion that has taken its heaviest toll on the state’s most vulnerable students. A 2013 report from Stanford’s Center for Research on Education Outcomes reveals that Michigan charter schools serve a much lower percentage of special education students than regular public schools, and the kids with special needs in Detroit charter schools do worse in reading and math than those in regular public schools.<sup>30</sup> English language learners also do worse in reading and math in Detroit charter schools than they do in regular public schools. But these alarming results have done little to dampen an ideology pushed into law by Betsy DeVos and her partisans: Michigan laws regulating charters are among the nation’s weakest, and the state demands little in the way of accountability for how taxpayer dollars are spent and how well children are educated.

DeVos’ favored policies haven’t lived up to their promises. According to an exhaustive yearlong investigation by the *Detroit Free Press*, 38 percent of Michigan charters perform in the bottom quarter of schools in the state, compared with just 23 percent of traditional public schools.<sup>31</sup> In Detroit, roughly 70 percent of charter schools ranked in the bottom quarter of the state for academic performance, and 65 percent perform worse than regular public schools.<sup>32</sup> In reading, 80 percent of students in Detroit charters perform below the state average; in math, it’s 84 percent<sup>33</sup>—hardly the results promised to Detroit’s children and families.

## ONGOING RESEARCH

- Scope and long-term impact of the DeVoses on Michigan’s working families
- Dark money and the DeVoses’ opaque network of right-wing organizations
- Betsy DeVos’ role in passing Michigan’s Emergency Manager legislation

- <sup>1</sup> GLEP’s form 990 retrieved from the IRS search page, <https://forms.irs.gov/app/pod/basicSearch/search?execution=e2s1>
- <sup>2</sup> <http://www.commondreams.org/views/2016/11/27/5-things-know-about-billionaire-betsy-devos-trump-education-choice>
- <sup>3</sup> <http://www.freep.com/story/opinion/columnists/stephen-henderson/2016/09/03/charter-devos-money-michigan/89774760/>
- <sup>4</sup> <http://www.guidestar.org/FinDocuments/2015/274/901/2015-274901408-0c98df03-9.pdf>
- <sup>5</sup> <http://www.detroitnews.com/story/news/politics/2016/11/23/trump-devos-education/94344918/>
- <sup>6</sup> [https://ballotpedia.org/Michigan\\_Vouchers\\_and\\_Teacher\\_Testing\\_Amendment\\_Proposal\\_1\\_\(2000\)](https://ballotpedia.org/Michigan_Vouchers_and_Teacher_Testing_Amendment_Proposal_1_(2000))
- <sup>7</sup> <http://www.wsj.com/articles/SB972434493337200201>
- <sup>8</sup> <http://www.michiganpopulist.org/great-lakes-education-read-devos-project/>
- <sup>9</sup> <http://www.freep.com/story/news/local/michigan/2014/06/22/michigan-spends-1b-on-charter-schools-but-fails-to-hold/77155074/>
- <sup>10</sup> <http://www.freep.com/story/news/local/michigan/2014/06/22/michigan-spends-1b-on-charter-schools-but-fails-to-hold/77155074/>
- <sup>11</sup> <http://www2.ed.gov/about/offices/list/oig/auditreports/fy2016/a02m0012.pdf>
- <sup>12</sup> <http://www.cbpp.org/research/state-budget-and-tax/after-nearly-a-decade-school-investments-still-way-down-in-some-states>
- <sup>13</sup> *State Net Capitol Journal*, December 22, 2003
- <sup>14</sup> [www.detroitnews.com/story/news/local/michigan/2016/08/17/tax-drag-net-second-homes-snags-billionaires-others/88932834/](http://www.detroitnews.com/story/news/local/michigan/2016/08/17/tax-drag-net-second-homes-snags-billionaires-others/88932834/)
- <sup>15</sup> <http://www.electablog.com/2014/04/breaking-dick-devos-threatening-republicans-who-dont-support-eea-expansion-with-massive-financial-support-of-primary-opponents.html>
- <sup>16</sup> <https://populardemocracy.org/sites/default/files/National%20Takeover%20Ed%20Report.pdf>
- <sup>17</sup> <http://www.glep.org/wp-content/uploads/2013/12/GLEP.3rd-Grade-Reading.Bridge.Dec2013.pdf>
- <sup>18</sup> <http://www.glep.org/this-week-next-feb-6-2015c/>
- <sup>19</sup> <http://www.glep.org/this-week-next-april-11-2014/>
- <sup>20</sup> <http://www.latimes.com/opinion/op-ed/la-oe-tribe-detroit-literacy-right-education-20160923-snap-story.html>
- <sup>21</sup> <http://www.freep.com/story/news/local/michigan/2015/12/17/m-step-results-michigan-metro-detroit-schools/77448338/>
- <sup>22</sup> <http://www.metrotimes.com/Blogs/archives/2016/09/02/fourteen-of-the-eeas-15-schools-are-failing-can-we-finally-say-a-state-take-over-didnt-work>
- <sup>23</sup> <https://populardemocracy.org/sites/default/files/National%20Takeover%20Ed%20Report.pdf>
- <sup>24</sup> <http://www.detroitnews.com/story/news/local/detroit-city/2016/09/04/education-achievement-authority-last-year/89875172/>
- <sup>25</sup> [https://www.moody.com/research/Moodys-Charter-schools-pose-greatest-credit-challenge-to-school-districts--PR\\_284505](https://www.moody.com/research/Moodys-Charter-schools-pose-greatest-credit-challenge-to-school-districts--PR_284505)
- <sup>26</sup> <http://www.education.msu.edu/epc/library/papers/Arsen-Which-districts-get-into-financial-trouble-and-why.asp>
- <sup>27</sup> <http://www.detroitnews.com/story/news/politics/2016/11/24/devos-selection-ignites-fight-help-students/94406260/>
- <sup>28</sup> <http://www.detroitnews.com/story/news/politics/2016/05/19/detroit-school-rescue-cotter/84594570/>
- <sup>29</sup> See, for example, this tweet from the Great Lakes Education Project: [https://twitter.com/GLEP\\_MI/status/659115650821062656](https://twitter.com/GLEP_MI/status/659115650821062656)
- <sup>30</sup> [https://credo.stanford.edu/pdfs/MI\\_report\\_2012\\_FINAL\\_1\\_11\\_2013\\_no\\_watermark.pdf](https://credo.stanford.edu/pdfs/MI_report_2012_FINAL_1_11_2013_no_watermark.pdf)
- <sup>31</sup> <http://www.freep.com/story/news/local/michigan/2014/06/22/michigan-spends-1b-on-charter-schools-but-fails-to-hold/77155074>
- <sup>32</sup> [http://www.huffingtonpost.com/amber-arellano/michigan-the-poster-child\\_b\\_9210754.html](http://www.huffingtonpost.com/amber-arellano/michigan-the-poster-child_b_9210754.html)
- <sup>33</sup> <https://midwest.edtrust.org/resource/the-need-for-high-quality-schools-in-detroit-is-dire>