

# — EDITED TRANSCRIPT —

HUDSON INSTITUTE'S  
Bradley Center for Philanthropy and Civic Renewal *and the*  
National Committee for Responsive Philanthropy (NCRP)  
*present*



## CHOICE GRANTS: FOUNDATIONS AND THE SCHOOL CHOICE MOVEMENT

Friday, December 14, 12:00 to 2:00 p.m.

A brand new report published by the National Committee for Responsive Philanthropy (NCRP) addresses the questions “What have conservative foundations done with their grant dollars to promote concepts of privatizing public education through ‘school choice,’ primarily linked to school vouchers? What were their strategies in providing resources to an array of conservative education think tanks, public policy advocates, and organizers?” Funding in support of school choice makes up only a fraction of the annual grantmaking by U.S. foundations, observes author **RICK COHEN**, “but it taps a sentiment in philanthropy and in the public that private sector alternatives, with the bottom line motivation of the for-profit sector, somehow are automatically and authentically more efficient and effective than the public sector, statistical data to the contrary notwithstanding.” The movement’s persistence is of a kind seldom attributed to organized philanthropy. Cohen’s report, *Strategic Grantmaking: Foundations and the School Privatization Movement* serves as “a case study for other foundation and nonprofit leaders who are interested in effective, strategic movement-building grantmaking.”

On December 14, Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal and NCRP co-hosted Rick Cohen to discuss his findings. Joining Cohen on the panel were **LEIGH DINGERSON**, the Education Team Leader for the Center for Community Change and member of the report’s advisory committee; Indiana University’s **LESLIE LENKOWSKY**; and **BEN WILDAVSKY** of the Kauffman Foundation. Bradley Center Director **WILLIAM SCHAMBRA** served as the discussion’s moderator.

### PROGRAM and PANEL

- 12:00 p.m. Welcome by Hudson Institute’s **WILLIAM SCHAMBRA**  
Welcome by NCRP’s **AARON DORFMAN**
- 12:10 Panel discussion  
Panelists: **RICK COHEN**, author of *Strategic Grantmaking*  
**BEN WILDAVSKY**, Kauffman Foundation  
**LESLIE LENKOWSKY**, Indiana University  
**LEIGH DINGERSON**, Center for Community Change
- 1:00 Question-and-answer session  
2:00 Adjournment

THIS TRANSCRIPT WAS PREPARED FROM AN AUDIO RECORDING and edited by Krista Shaffer. To request further information on this event or the Bradley Center, please contact Hudson Institute at (202) 974-2424 or send an e-mail to Krista Shaffer at [Krista@hudson.org](mailto:Krista@hudson.org).

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# Panel Biographies

In 2006, after almost 8 years as the executive director of the National Committee for Responsive Philanthropy (NCRP), **Rick Cohen** joined *Nonprofit Quarterly* magazine (NPQ), the nation's premier journal of nonprofit policy and practice, as NPQ's national correspondent. In his position at NPQ, Cohen is continuing the investigative and analytical work he led at NCRP, advocating for increased philanthropic giving and access for disadvantaged and disenfranchised constituencies and promoting increased philanthropic and overall nonprofit accountability. Prior to joining NCRP, he was vice president of the Local Initiatives Support Corporation (LISC) in charge of strategic planning. He also served as vice president of the Enterprise Foundation, directing Enterprise's field programs. In addition to his regular column in *Nonprofit Quarterly* and his monthly e-newsletter, the *Cohen Report* at [www.nonprofitquarterly.org](http://www.nonprofitquarterly.org), Cohen has authored or co-authored three books and numerous articles and op-eds for professional journals and newspapers, testified at Congressional committees and roundtables, and appeared on radio and television.

**Leigh Dingerson** is the education team leader for the Center for Community Change (CCC) in Washington D.C. She also works as an organizer and writer for the Center's Policy Unit on welfare reform work, and public school reform programs. She edits both CCC's "Organizing" and "Education Organizing" newsletters. Leigh formerly served as executive director of the National Coalition to Abolish the Death Penalty and a community organizer with ACORN. She is the co-author of the *Co/Motion Guide to Youth-Led Social Change* (1998, Alliance for Justice).

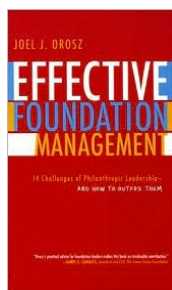
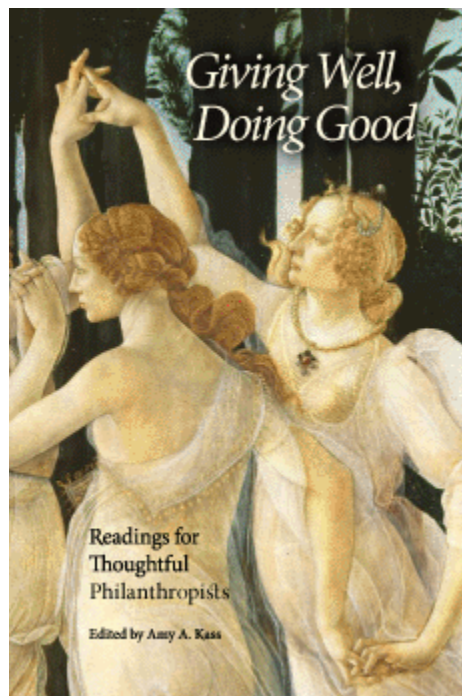
**Leslie Lenkowsky** is director of graduate programs at the Indiana University Center on Philanthropy. He was formerly the chief executive officer of the Corporation for National and Community Service, and is a leading scholar on America's civic and philanthropic traditions. Before joining the Bush Administration, he was professor of philanthropic studies and public policy at Indiana University/Purdue University at Indianapolis. From 1990 to 1997, Mr. Lenkowsky was president of the Hudson Institute, a major public policy research institution. Among his other positions, he has served as president of the Institute for Educational Affairs, deputy director of the United States Information Agency, and research fellow at the American Enterprise Institute.

**Ben Wildavsky** is a senior fellow in Research and Policy at the Ewing Marion Kauffman Foundation and a visiting fellow in Governance Studies at the Brookings Institution. Previously, he was education editor of *U.S. News & World Report*. He has also covered economic policy for *National Journal*, written on higher education for the *San Francisco Chronicle*, and served as executive editor of *The Public Interest*.

# PROCEEDINGS

WILLIAM SCHAMBRA: My name is Bill Schambra, and on behalf of Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal Krista Shaffer and I welcome you to today’s panel, entitled “Choice Grants: Foundations and the School Choice Movement.” It is a particular pleasure to co-host this panel with the group whose new report inspired it, namely the National Committee for Responsive Philanthropy (NCRP).

But first, let me give our customary preview of coming attractions. In a few days, we should have fresh off the press at Indiana University a splendid new addition to the resources available to funders who wish to be more reflective about their giving, namely *Giving Well, Doing Good: Readings for Thoughtful Philanthropists*, edited by Hudson Institute’s own Amy Kass. The cover image (right) shows Botticelli’s Three Graces – well, the third one appears on the book’s spine. We will mark the occasion of the book’s release on January 18, so please mark your calendars with a panel addressed to what we think might be one of the more likely audiences for this volume, namely philanthropic advisors. Using a reading from the volume, and with Amy Kass acting as our guest host, we will address the question, what are the larger moral obligations of such philanthropic advisors to their clients, to society, and to mankind. Our panelists will be Phil Cubeta, familiar to some of you, perhaps, as a blogger at *Gift Hub* ([www.gifthub.org](http://www.gifthub.org)); Ellen Remmer, who has just been made president of The Philanthropic Initiative (TPI) in Philadelphia; Keith Whitaker of Calibre financial advisors; and Eric Kessler of Arabella Philanthropic Investment Advisors.



In February, we will welcome another volume to the library of philanthropy – a volume in this case by Joel Orosz, who is a professor at Grand Valley State University in Michigan, entitled *Effective Foundation Management: 14 Challenges of Philanthropic Leadership—and How to Outfox Them*. For that discussion we’ll have not only Professor Orosz but also Peter Frumkin of the University of Texas at Austin and Phil Buchanan of the Center for Effective Philanthropy.

And now for today’s panel. As is the case with the other major political issue involving the term “choice,” the topic of today’s panel stirs controversy from the very first moment we try to name it. Do we call our subject “education vouchers”? “School choice”? “School privatization”? How about “parental choice in education,” as its admirers prefer, or “dismantling public education,” as its detractors suggest. However it is described, there can be no doubt that it has stimulated an enormous outpouring of philanthropic resources, and that a considerable portion of them have come from foundations associated with the conservative moment.

Just where those resources come from, where they go, and how they're given is the topic of the new report from NCRP entitled, *Strategic Grantmaking: Foundations and the School Choice Movement*. To discuss the report we have with us today a distinguished panel of commentators – as ever – beginning with Rick Cohen, who is the author of the report, the Washington correspondent for *Nonprofit Quarterly*, and an old friend of the Bradley Center. Welcome back, Rick! Next, we'll hear Les Lenkowsky of Indiana University and no stranger to Hudson Institute – he is a former president of the institute; Ben Wildavsky of the Ewing Marion Kauffman Foundation; and Leigh Dingerson of the Center for Community Change.

But first, to help us frame the report this morning I'm pleased to welcome to his first appearance at the Bradley Center podium the new director of NCRP, Aaron Dorfman. Thank you, again, Aaron, for co-hosting this event.

AARON DORFMAN: Good afternoon! I'm delighted that NCRP is able to co-sponsor this discussion with Hudson Institute's Bradley Center for Philanthropy and Civic Renewal. Thank you for coming today, and I add my welcome to Bill's. But before Rick Cohen shares the findings of NCRP's latest report, I just want to provide a word or two of context.

NCRP first began examining the funding practices of conservative foundations about a decade ago. In July 1997, we released a report entitled *Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations*. Since that time we have released six other, similar reports, and so this current report is really part of a tradition at NCRP that we think adds to the field's understanding of how philanthropic giving impacts society. While the earliest report focused on only a dozen known conservative foundations and their support for think tanks, the reports over the years have evolved to include a deeper analysis. We've expanded the number of foundations we've examined in the reports, and we've deepened our understanding of how conservative funders are supporting a web of organizations beyond think tanks. Some of the reports have looked at specific issues, like our 2005 study entitled *Funding the Culture Wars: Philanthropy, Church, and State*. Other reports have kept the wide-angle focus on conservative foundations and public policy, like the 2004 report *Axis of Ideology* – which, by the way, is still the number one purchased publication at NCRP.\*

Contrary to the opinions of some, these reports are not meant to demonize foundations that fund a conservative public policy agenda. On the contrary, NCRP has long promoted and continues to promote the idea that providing funding for policy advocacy and community organizing is a smart funding strategy, and foundations of all political orientations should be providing more support for policy advocacy – not less. In so doing, they contribute to a robust and vibrant democratic process.

And so with that, I'll turn it over to Rick (Cohen), who will take us through the report.

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\* The Bradley Center hosted a discussion on *Axis of Ideology* on March 11, 2004, just after the report came out. You can find a complete transcript of the discussion online at: [http://pcr.hudson.org/index.cfm?fuseaction=publication\\_details&id=3260](http://pcr.hudson.org/index.cfm?fuseaction=publication_details&id=3260)

RICK COHEN: Thank you. It's always a pleasure to be invited back here – this is, what, the fourth or fifth time? I know it's a cause of consternation for some, but here I am again! And I'm also very pleased to share the dais with Les (Lenkowsky) and Leigh (Dingerson), whom I of course know, and Ben (Wildavsky), whom I don't know, but I've spent time in Kansas City hanging around in the old days of the Kauffman Foundation and so I know your territory. So it's a pleasure.

I'll try to be brief, here, and just outline a few issues, a few themes from the report. But I'll start with a little bit of context in the form of the kind of double-barreled reaction that these studies of conservative philanthropy generally get. From the conservative side, there is usually a lot of fulmination about why conservative foundations are singled out for analysis. The critics point out that there is so much more money on the other side of the ledger, and the funding from conservatives is so small that it is implicitly an unfair or inaccurate comparison.

Now, that assumes that I can identify who or what to classify as a liberal or left foundation – and I'll leave that for the moment. But like the other studies that Aaron (Dorfman) mentioned, this isn't a comparative analysis. There is nothing in the study about conservative philanthropy being more or less in terms of a number. What it does say is that conservative philanthropy is sometimes different. NCRP has long written that a dollar of foundation grantmaking isn't always worth a dollar. There are some dollars that go further, that are worth more, that accomplish more. And the intriguing aspect, to us, is what kinds of grantmaking really achieve something. Moreover, this kind of grantmaking has been of interest to us not just because of the themes that Aaron mentioned, but also the evolution in both our understanding of conservative philanthropy and conservative philanthropy itself, although not monolithically.

I should point out, however, that the tendency of conservatives to cry philanthropy poverty is a little tendentious; if you look at the size and growth of, for example, the Walton Family Foundation and the fact that it could be a very, very large foundation soon – if it is not already. And many other conservative foundations are creeping into the list of the top fifty largest foundations. So the sense that this is an underfunded area of activity doesn't quite hold.

The other conservative response usually is that if the conservative foundations that NCRP identifies are doing so well with their grantmaking, why isn't society marching to a conservative drumbeat on issues like school choice? Now, I don't look at philanthropic effectiveness like I'm betting on football games, betting on the points spread or the over/under. That's not how I measure effectiveness. I look at the way people talk about the issues, the way issues are framed, defined, and debated. And I find that regarding school choice questions, even though vouchers haven't racked up widespread implementation on the ground, the supporters of this school privatization movement have had a significant and, to my belief, somewhat unjustified impact in impugning the efficacy and potential of public education. While I understand the theoretical underpinnings of many conservatives thinking that the private market metaphor is a useful lens for examining government functions, I think sometimes it is a little bit overblown, a little bit stretched to inaptness. If you look at the groups that keep track of privatization achievements over there at Heritage and *Reason* and so forth, sometimes there is a little bit more consternation there than successes to count down.

I should also point out, however, that for many foundations, the issue of government not doing a good job or the sense the government is not doing a good job is not simply a theoretical proposition. There are many times when people get into government, and you'd swear that they are doing a job of actually *intentionally* not doing a good job. I look at the government implementation of a response to Hurricane Katrina, and I would say that if maybe we simply used the levers of government correctly, we'd see much more potential there. And I think there's a bit of personal opinion I should stick in that when people allow the levers of government to rot, it's pretty hard to say that government does a good job when you use the levers correctly, and to take advantage of what government can do. There's a great deal to be said.

But as Bill (Schambra) pointed out, the title of this report is not *Conservative Strategic Grantmaking*; it is simply *Strategic Grantmaking*. While the ideological prominence of some of the lead funders stems from a very rich vein of conservative thought, many of the leading funders that pop up in the list in this study wouldn't be identified as supporters of Newt Gingrich's Contract with America. So there is a diversity of funders in this study.

On the liberal left side, I can assure you that the broadsides will say that because I'm actually here at this podium, there's a sense that I'm being too cozy with the right wing. I actually show up for the cold cuts – I find the cold cuts to be phenomenal. (Laughter.) But people think that I actually have other motivations, that I turn my back on my political pedigree. Bill (Schambra) didn't describe my politics, but he probably could have – and you've probably heard it before. But I'm here not because this is position to be cozy with conservatives or cozy with liberals. It's more a matter of looking at, as Aaron (Dorfman) said, the kinds of philanthropy that I think are very useful to study and understand in terms of what they accomplish. Moreover, it's a discussion of what I consider serious philanthropy. A lot of philanthropy out there I view as silly or inconsequential or idiosyncratic or self-indulgent, and this is often a discussion of foundations – whether I agree with them or not – doing very serious work, and I think that that's important.

With that, let me describe a little of the report itself. We used the Foundation Center's Foundation Directory Online, GuideStar Grant Explorer, and other sources to identify organizations that looked like they were actively supporting and promoting school vouchers and school tax credits for K-12 education. We came up with about 130 organizations or so, although I suspect there are more. About a third of those are national, multi-issue organizations. About 40 percent were state- or regional, multi-issue organizations. And something less than a third were organizations that were specifically focused on education policy as a theme itself.

Again using GuideStar and the Foundation Center, we then searched to find foundations that had made grants to these organizations between 2002 and 2005. We found about 1,200 foundations that had made grants to about 100 of those organizations, with total grants running between \$80 million to \$100 million a year. If you look at the report, you'll see that the numbers for 2005 look low. Every time we looked at the 2005 count, it went up because – GuideStar and the Foundation Center aren't great research tools. They're basically fundraising-understanding tools. And as information gets reported, the numbers change. Particularly for the out years, there's generally a lag time, and I would suggest that the 2005 numbers – which I think were about \$85 million in grants – are probably low.

A number of things struck me about the funders in this study. First, among the 1,200 funders there was great diversity. This is not a particular kind of funder; you find many kinds of funders here including many small, family foundations, which I thought was intriguing. But within that, one third of the grant dollars appear to be money from the Walton Family Foundation, and that's four times the amount of grant dollars of the Bradley Foundation, so Walton is actually putting a lot of money there.

What I also found striking was the propensity of many funders not just to make large grants, but to make many grants. The Roe Foundation, for example, funded fifty organizations in our study one year. The idea of putting money into multiple organizations suggests to me that there is an infrastructure-building kind of component here. And they're funding a variety of groups. It's not simply a strategy of paying for the offices of the Heritage Foundation or Cato or this fabulous space here at Hudson Institute. It's a lot more.

Some things in the study struck me as reaffirming what NCRP has found in previous studies, and some things struck me as a little different, or maybe they are new realizations. First, there are a number of different strategies and motivations among funders for supporting school vouchers and school choice. It's not simply one motivation. There are some strong themes, however. There's a very strong free market, anti-government motivation and anti-government theoretical approach, as well as a strong belief that the market itself is a capable lens for addressing what I would view as a more public sector need for educating young people, and that government is not an adequate means of doing so. But it's not even a monolithic framework within that. If you look at the motivations, you'll find the Milton Friedman people in there. I had people giving me lectures about Friedrich Hayek and a variety of different themes and strands that come out of this, so it is hardly a completely monolithic approach.

There's another strain of support for school vouchers among these funders and among some of the groups – less of a theoretical belief in the efficacy of the private market and more of a belief that government impugns on the individual rights of people to make choices. I believe a complementary strain – if “complementary” is the right word – is strongly targeted toward weakening or destroying labor unions, with the teachers' unions seen as both a powerful bulwark of the labor movement and an impediment to the kinds of pedagogical and managerial directions in which some people think education should go.

In my estimation from the research, I think it would be wrong to conclude that this is a top-down strategy of funders as puppeteers, pulling the strings of communities and manipulating localities and people. In reality, in many cases, they are tapping, mobilizing, and capitalizing on a reservoir of community discontent with public schools. Some of the funding clearly goes to organizations that chart their own courses in promoting vouchers and credits. They garner support from a variety of people and a variety of organizations even though on other issues some of these funders might be a little uncomfortable with them. Even if you see the idea that sometimes the voucher movement doesn't necessarily get its support at the polls, the Utah result being an example, it is not that it's simply people being pulled by a star chamber of funders into supporting particular issues. There are grievances. There are issues that people are raising, and conservative foundations are actually seeing this.

I should also point out another issue. In looking at the grantmaking of some of these funders, I wouldn't characterize this as an all-or-nothing kind of grantmaking. It's not like some of these funders support only vouchers and don't support anything else. In fact, the Walton Family Foundation is an intriguing case in that it supports both vouchers and choice, charters, and public schools through grants directly to public school systems. And you see grants to organizations that would hardly be seen as ideologically compatriots of Walton. So there is a diverse kind of funding in this picture as well.

Finally, let me end with what I find to be a particularly interesting issue, as always, with conservative foundations. I think it goes against the grain of what other foundations tend to do. The funders of school voucher programs are very generous in their provision of unrestricted, core support grants. They give flexible money. And my report took a very conservative definition of this. If I look at the Walton Family grants, which I characterize as program grants, they look very much like core support grants to me – so that if I were to move them to the core support side, I'd say two thirds of the grantmaking is unrestricted, flexible money – the kind of money groups really need. Despite the talk among foundations generally about moving toward core support, I find very little of it going in that direction.

In addition, these foundations spend their money. They know that if they want to make a dent with a particular political movement, they put their money in the hands of the groups that do the work. You generally see these foundations giving out – in grants, not overall payout (which includes administrative expenses) – 5 percent, 6 percent, 7 percent of their total assets and higher. Other foundations take the 5 percent overall payout minimum required by law and turn it into a maximum; it becomes their ceiling.

So I think there is a lot to look at here in terms of what funders are doing to support this movement, and what kinds of strategies are particularly effective. And I'll end by telling you that I was looking at the campaign platforms of the presidential candidates the other day, and I found that many candidates support school vouchers; the issue is certainly not dead. There is a political movement there that is still looking at this for sustenance, seeing this as a strategy that makes sense, and reacting to where people have grievances, and it's worth paying attention to. I'll stop there.

**BEN WILDAVSKY:** First of all, I'd like to thank Bill Schambra and Krista Shaffer for inviting me to be on this panel today. I'm glad to have met all of my co-panelists, and I'm especially glad to be up on the dais with an old friend, Les Lenkowsky. He may not even remember that he was kind enough to invite me to audit his graduate public policy class at Georgetown nearly twenty years ago. But of course, he does have complete deniability for anything that I am about to say.

It seems to me that there is at best a profound ambivalence running through this report – so much so that it's really two reports, one that attempts to be descriptive and informative about the role of foundations in the movement to establish school vouchers and tax credits, and another – unfortunately more dominant – that is harshly critical, not especially informative, and not always particularly accurate. This can be seen from the very beginning of the report, when we're told that the conceit of the document is that it's not about advocacy. We read on page three that it “does not purport to assess the pros and cons of vouchers, tax credits, or other mechanisms of



school privatization.” Indeed, its central finding is ostensibly not just that conservative foundations have given a lot of money to promote vouchers and tax credits, which is pretty much a dog-bites-man observation, but also that the organization and targeted strategy used by those funders is downright impressive and – we are supposed to believe – something that other foundations can learn from.

On the other hand, just a few paragraphs before reading about how the report does not purport to take a position on vouchers, we’ve just been told that vouchers are guilty of “fragmenting the base of support for public education and weakening the public’s commitment to education as one of the basic ‘deliverables’ of government.” This doesn’t exactly sound like a neutral assessment, and I’m afraid that this kind of loaded and disingenuous language occurs far too often throughout the report.

In substantive terms, the report attempts to offer what you might call a taxonomy of school-choice grantmaking, talking about strategies such as you’ve just heard – giving to grassroots organizations; practicing incrementalism by, say, focusing on vouchers for special education kids or in cities with failing school systems like Cleveland and Milwaukee; targeted vouchers; giving general operating funds rather than project-specific grants; giving high payouts; and offering support for political advocacy. But it’s hard to focus on all of those specifics because the framing of the report from the very beginning, as I’ve said, really just seems to be, here’s all the bad stuff that is being done to undermine public education by the mean conservative foundations and their occasional non-conservative fellow travelers. And I think that’s really unfortunate, because there is really a lot more that could have been said.

My favorite parts of the document, to focus on some of the stronger points, were the places where it strayed from advocacy both in tone and in content. Those are the places where I think it captures some of the nuance and complexity of the school choice movement and of the donors who fund it. A case in point is the discussion of the late John Walton of the Walton Family Foundation, who we are told didn’t disparage public schools because he believed they could best be helped to be responsive to the needs of parents through the competition provided by vouchers giving families the option of private schools (p. 17). The report even goes on, to its credit, in the next paragraph to raise and then dismiss the idea that, as some on the left claim, this rhetorical support for public education by people like Walton is really just a ruse disguising a strategy for breaking teachers’ unions and privatizing school operations. In fact, the report says, a more reasonable approach is to take Walton’s strategy at face value and see it as “part of a well-capitalized and effective strategy to promote alternatives to what conservatives see as a public school monopoly.” Unfortunately, this kind of aside is the exception rather than the rule, and the credibility of the report suffers as a result.

I’m going to make four additional comments in the time I have left, beginning with what I consider the report’s sort of anachronistic worldview, continuing with its tendentious language, going on to discuss a couple of specific misleading claims, and concluding with my view that this was a missed opportunity to write about the kind of post-ideological coalitions that we are increasingly seeing among foundations and others in the school reform movement.

So, number one: Overall, the stance of the report feels sort of dated to me, as if NCRP is determined to fight yesterday's battles notwithstanding the fact that as we've just heard, vouchers really haven't been all that successful, with Utah being just the most recent example. This sense of being out of date continues with the conceit that school choice mostly equals vouchers. It's pretty easy to make the case, I think, that much of the energy and momentum in today's school reform movement revolves around charter schools. But the politics of the charter movement, as the report mentions – too briefly, are too heterodox. And the report is pretty candid right up front in saying that since charters draw support from liberals as well as conservatives, they just won't be the focus of this document. That seems like a curious choice, to me. If the point is to write about the issue of foundations and school choice in all its variants, charters would seem important to include, whatever their sources of support. The choice not to include charters suggests that the objective here was just to go after conservative foundations, not to explore the substance of the grantmaking in this key area.

Point number two is loaded language. This starts with the forward, in which you read terms like the “school privatization agenda,” which I think is a little bit like the term “death tax” in that it isn't designed to illuminate an issue but to frame it in terms that only an opponent could embrace. Perhaps this shouldn't come as a surprise from a group whose previous report was called *Axis of Ideology*. My second point about language is, we're told that shifting away from an educational environment that “builds a sense of collective purpose and nurtures democratic ideals” to one that emphasizes “individual choice” makes education – Heaven forefend! – a market commodity. What isn't clear, at least to me, is why getting more parents more choice over where their children go to school is incompatible with a sense of collective purpose. I have kids in both public and private schools, and it seems to me that the sense of common purpose and the nurturing of democratic ideals that I've seen in my oldest child's Waldorf school is at least as strong as in my two younger kids' public schools.

Point number three, misleading innuendo. When I agreed to be on this panel, I had no idea – and I suspect that Bill Schambra didn't, either – that the report would mention my own foundation, the Kauffman Foundation. And I have to really take exception to what it says about the Kauffman Foundation's grants and work in this area. Perhaps I should just say for the record to begin with that the Kauffman Foundation's slogan, which you can hear if you listen to NPR, is that we're the foundation of entrepreneurship. We don't view ourselves as a conservative foundation or as a liberal foundation. So to the extent that there is some implicit suggestion here or in the report that we are to be grouped in with conservative foundations, I think it is inaccurate.

But to be specific, we are listed in this report as among the largest funders of school voucher and education tax credit advocates, giving a little over \$1 million in 2005. At first, I had no idea what this was talking about, because to the best of my knowledge we haven't funded any work on school vouchers or tax credits – not, as they say in *Seinfeld*, that there is anything wrong with that. But it's not something we've done.

Then I read a footnote describing some of Kauffman's grants (p. 18). And it notes that many of our grants are focused on teaching math, science, and entrepreneurship “without specific intent of promoting school vouchers or tax credits directly.” Then it adds, darkly, “some of the grant

recipients are well known as advocates of school choice,” and it goes on to cite several grants I know quite well, including at least one for which I’m the program officer. These grants have nothing to do with vouchers or tax credits. Frederick Hess’ work on educational entrepreneurship at the American Enterprise Institute, for example, is cited in the footnote. He’s really focused very heavily on charter schools – how to improve their personnel, their quality, as well as how to bring more innovative practices to conventional public schools. Vouchers just haven’t figured into his work very much at all. So it’s misleading to suggest that they have.

Another quick example. The report says that the philosophy of the education-specific funders that it identifies is epitomized by the credo of the Alliance for the Separation of School and State, whose motto apparently is, “(We) (p)romote the idea that the only way to achieve ‘Honest Education’ is to end government involvement in schooling” (*Strategic Grantmaking*, p. 11). Now I just don’t think it’s true that places like the Walton Family Foundation and many others mentioned in this report want to end public education despite this kind of overwrought rhetoric. It just weakens the credibility of the whole report.

And then, finally, I want to talk about a missed opportunity. This is an important point, and maybe I shouldn’t have left it for last, but there’s really a lot of very interesting stuff going on around market-based approaches to education reform. It’s not just coming from conservative groups or conservative foundations. First of all, vouchers – and the report does mention this in passing – vouchers and especially vouchers targeted to low-income kids get lots of support from unexpected places. They get support not just from the *Wall Street Journal* editorial page, but also places like the *Washington Post* editorial page, the *USA Today* editorial page, and people like Arthur Levine, the former president of Teachers College at Columbia University.

My second point, more broadly, is this: You wouldn’t know this from the report, but there are lots of market-oriented liberals and centrists who are out there in the education reform movement. One of the things that I really enjoyed, first as a journalist writing about school reform and now as a foundation person, is that the whole way the movement has evolved in the past decade or so, party affiliation and general political preferences are really very hard to determine based on where people stand on a given education issue. You can name lots of Democrats who are associated with reforms that some self-described progressives love to hate. You have Kati Haycock and her involvement with No Child Left Behind; Joel Klein’s reforms in New York City; Alan Bersin’s when he was superintendent in San Diego; Bart Peterson, mayor of Indianapolis until recently. There are just lots and lots of left-right coalitions not only with charter schools, which are a big example, but also around things like alternative certification – Teach For America, for anyone who knows it, is not exactly a bastion of conservatism – as well as issues like performance pay for teachers.

My final point is that there are lots of huge debates going on among school reformers, which you wouldn’t know at all from this report. This is, again, an opportunity that was missed, I think. Around charter schools there are huge issues about how to make the schools better, and there is increasingly candid acknowledgement among lots of people who were sort of free-market types that charter schools are not doing as well as they could and should do. Just yesterday I got an e-mailed newsletter from Chester Finn’s group (Thomas B. Fordham Institute) – also one of the nefarious “school choice” supporters mentioned in the footnotes. What does this free-market

ideologue write about charter schools? He writes that one of the mistakes of charter schools in Ohio has been “trusting overmuch in market forces,” and he goes on to talk about how too many operators have been content with just whether they can fill the school with enough bodies as opposed to whether or not the kids are actually learning.

So, again, all of this just shows that there are many, many more shades of gray and nuance in this issue. I really am disappointed. And now I’ll turn things over to Les (Lenkowsky).

LES LENKOWSKY: Thank you very much, Ben, and I’m glad that not only Ben is with us, but a whole bunch of my other former students – good to see you here again!

A few years ago, I was asked by a reporter for the *Stanford Social Innovation Review* to comment on an earlier study in this group, and I said, in one word, it’s ludicrous. I would like to be able to tell you that this latest edition to what I call the literature of the vast right-wing conspiracy has led to a change in mind, but I’m afraid I can’t do that. I’m going to echo a few of the things Ben said, but I hope to demonstrate my case a little differently: I find this report intellectually dishonest; confused and overwrought about the consequences of the grant activities it is trying to describe; and less to do with philanthropy than with delegitimizing school choice as an option philanthropists might consider let alone pursue.

Let me take these points in turn.

Dishonesty. The basic thesis of this report is that there is a large amount of funding from conservative foundations focused to promote school choice. Moreover, that funding is more likely to be unrestricted and aimed at building a movement. Let’s unpack all of those.

“Unrestricted.” If you look Table 7 in the report (p. 20 and right), it purports to show that this funding is unrestrictive. Indeed, the text accompanying it says, “These funders of school voucher advocates demonstrate a similar commitment” – similar to conservative foundations funding in other areas – “to core operating support grantmaking.” Now, look at the table. Well, it turns out that 40 percent is education specific, 17.25 percent are other project- or program-specific grants, and 4 percent can’t be determined. If you add it up, that’s more than half of it. Then we look at

“general public policy activities.” I’m not sure what that means, but presumably that’s restricted in some respect. “General operating support” comes to one out of four dollars, roughly, of the grants made in 2005. But it’s really important to remember what we’re talking about here. In the school choice movement and many other areas, there are organizations that exist solely to be engaged in promoting in one way or another school choice. So in that sense, a general operating support grant is in fact a program grant. We can’t tell from this chart.

Grant Purpose	Percent of 2005 Grant Dollars
General operating support	26.64
General public policy activities (education, advocacy)	11.67
Education-specific projects or programs	39.99
Other project- or program-specific grants	17.25
Unknown/could not be determined	4.44

Secondly, it is claimed that conservative foundations, particularly those active in school choice, are more likely than other foundations to pay out more than they are required to by law. That's

Grant Distribution Ratios in 2005	Number of Funders
below 4 percent	21
4 to 4.5 percent	41
4.5 to 5 percent	57
5 to 5.5 percent	56
5.5 to 6 percent	24
6 to 7 percent	26
7 to 10 percent	35
Greater than 10 percent	154

Table 10 (on p. 22 and here, left), the grant distribution. At first glance, it would seem to suggest that that's right. Of the number of funders, more than half pay out more than the required 5 percent of their assets. The report does eliminate administrative costs in that calculation. However, remember what we are talking about here. We are talking about very large, well-staffed foundations to very small foundations operating locally. One of the things we know about payout is that smaller, family-oriented, local foundations routinely exceed the payout requirement in their grants. We can't tell from this chart whether the organizations paying out more than 5 percent are those small foundations that you would expect to pay out more than 5

percent, or whether we are talking about the whole range of foundations. By the way, this isn't only for school choice activities.

Third, it is claimed that the grantmaking is focused. Turn to Tables 8 and 9 on page 2 (and below). Here we see – 8 says “Top Ten School Choice Recipients of General Support Grants.” And it turns out that Heritage Foundation got \$2.4 million and Hoover got \$2.3 million. If I read this report correctly, and correct me if I do not, these are not grants for school choice. These are grants from foundations to these organizations for anything those organizations do, which may be school choice but it may be regulatory reform or any number of things, for the most part. And the same is true, but in reverse, for Table 9, “Top Ten General Support Grantmakers to School

Organizations	General Support Grant Totals
Heritage Foundation	\$2,404,010
Hoover Institution	2,322,902
American Enterprise Institute for Public Policy Research	1,410,000
Manhattan Institute for Policy Research Inc.	1,169,570
Cato Institute	1,156,645
Parents Advancing Choice in Education (PACE)	992,000
Focus on the Family	790,254
Institute for Justice	775,000
National Center for Policy Analysis	768,000
Oklahoma Council of Public Affairs	692,000

Foundations <sup>61</sup>	Total Amount
The Lynde and Harry Bradley Foundation, Inc., WI	\$3,045,000
Sarah Scaife Foundation, Inc., PA	2,545,000
The Annenberg Foundation, PA	2,000,000
Jaqueline Hume Foundation, CA	1,955,263
The Samuel Roberts Noble Foundation, Inc., OK	1,600,000
Lilly Endowment Inc., IN	1,150,000
Mathile Family Foundation, OH	1,002,000
The Roe Foundation, SC	788,500
The Carthage Foundation, PA	710,000
ExxonMobil Foundation, TX	599,000

Privatization Organizations.” So this would include, for example, the funders of Hudson Institute that are on this list, regardless of what they put their money into. They could have put their money into those cold cuts in the back of the room today, for all we know.

Another example of this is Table 2, page 13, “Top 11 Grant Recipients among 104 School”

Table 2: Top 11 Grant Recipients among 104 School Choice Organizations				
Largest grant recipients (starting with groups receiving more than \$2,000,000 in 2002)	2002	2003 <sup>34</sup>	2004 <sup>35,36</sup>	2005
Children’s Scholarship Fund	\$24,630,668	\$19,389,542	\$14,835,100	\$14,467,543
Children First	8,367,772	10,627,036	6,900,066	5,649,294
American Enterprise Institute	7,635,423	11,210,880	5,701,800	3,514,000
Heritage Foundation	6,253,580	8,301,966	11,158,893	8,534,924
Focus on the Family	3,994,579	5,185,389	5,331,301	2,008,875
Cato Institute	3,114,190	2,904,596	3,775,077	2,915,110
Manhattan Institute	2,808,651	4,230,311	4,799,062	3,733,816
Institute for Justice	2,783,200	3,304,925	2,551,335	2,350,750
Hoover Institution	2,550,587	3,626,900	4,396,120	6,290,297
National Center for Policy Analysis	2,504,600	1,670,600	2,310,470	1,571,110
Hudson Institute	2,295,390	2,114,600	1,574,800	1,460,250
<b>TOTAL</b>	<b>\$66,938,640</b>	<b>\$72,566,745</b>	<b>\$63,334,024</b>	<b>\$52,495,969</b>

Choice Organizations.” Well, when you get to broad groups like the American Enterprise Institute, the Heritage Foundation, Cato, Manhattan, and the Institute for Justice, you are talking about groups that do a variety of things. These grants are not specific to school choice grants.

Finally, let’s take a look at the force of evil in this report, the Walton Family Foundation. Here, you should turn to Tables 4 and 5, which document the Walton Family Foundation grants (page 15 or see next page). It turns out that between 2001 and 2005, the Walton Family Foundation paid out \$141 million, if my adding is correct. On Table 5, those first two organizations – Children’s Scholarship Fund and Children First/CEO America – received \$123 million. That is scholarship money. I would say that close to probably 100 percent of these funds provide scholarships so that young people can attend private schools. Now, if we want to include that as part of the school choice movement, that’s a defensible choice, but if we do so, let me tell you that there are lots of other people and organizations that provide scholarships – and oh, yes, what about all of those folks who contribute to the endowments of private schools, individuals as well as foundations. A large share of that endowment money is used to provide financial aid to students attending those schools.

I was going to make the same point Ben (Wildavsky) made, in the “intellectual dishonesty” category, about charter schools. If we add charter schools to this report, it would dramatically change the conclusion. Okay, so there’s dishonesty.

**Table 4: Walton Family Foundation School Choice Grants**

Year	Amount Given
2001	\$30,054,720
2002	30,870,971
2003	31,000,745
2004	25,538,068
2005	25,343,778

**Table 5: Organizations Receiving More Than \$100,000 from the Walton Family Foundation, 2001–2005**

Grant Recipient	State	5-year Grant Total
Children's Scholarship Fund	NY	\$85,755,009
Children First /CEO America	AR	38,479,188
Center for Education Reform	DC	4,009,878
Floridians for School Choice, Inc.	FL	3,836,250
Hispanic Council for Reform and Educational Options	DC	2,780,996
Black Alliance for Educational Options Inc	DC	2,586,774
Alliance for School Choice, Inc.	AZ	2,557,585
Excellent Education for Everyone	NJ	1,550,000
Hoover Institution at Stanford University	CA	1,355,627
Institute for Justice	VA	1,140,000
Association of American Educators Foundation	CA	826,700
Partners Advancing Values in Education (PAVE)	WI	710,000
Milton and Rose D. Friedman Foundation Inc	IN	641,625
Thomas B. Fordham Institute	DC	450,000
Manhattan Institute for Policy Research Inc	NY	346,000
Heartland Institute	IL	310,000
Pacific Research Institute for Public Policy	CA	175,000
American Enterprise Institute for Public Policy Research	DC	107,900
Hudson Institute Inc	DC	100,000
Mackinac Center for Public Policy	MI	100,000

reference – home schooling, which has been growing very rapidly not only in places like Indiana but also in Virginia.

Second, confusion. Again, Ben touched upon some of this. There is an exaggerated sense of influence bordering, I think, on the paranoid. Another one of my students here, Aaron Dorfman, I'm sure unconsciously used a phrase those of us with long memories will remember: "I have in my hand a list of known conservative foundations." This is what I like to call philanthropic McCarthyism, the idea that there is this group of people here who are known to us – we have studied them using these databases – that are engaged in conservative grantmaking.

I can say that it is very difficult, having directed a conservative foundation for a number of years, to categorize foundations by the programs they support. When I joined the staff of the Smith Richardson Foundation, a good friend of mine said that we would never be able to give a grant to the Brookings Institution. Well, yes, we did give grants to the Brookings Institution. There are lots of other examples of that, and yet what we have here is the stereotype. Ben referred to this in the Walton case.

We also have noted here that the influence of all of this isn't very clear. And this is what I refer to as confusion. Although the report talks about all of these things that the conservative foundations have been doing, it states that "[n]onetheless, it has been difficult for conservative activists to make inroads" (p. 7-8), etc. But then at the end (p. 31), we read, "these foundations deserve credit for serving as the capital bulwark for a movement that has had significant impact in shaping the public's understanding of K–12 education," and similar things about public attitudes.

From this report you get no inkling whatsoever how many children may be involved in these various school choice programs. It is a tiny fraction of the number of children in public education. And in addition to charters, this report leaves out for the most part – I think I saw one

There is a big discussion, which has become a staple of this genre, of the political contributions of the people associated with conservative foundations or interest groups, as if this is somehow weaved together seamlessly. What this report doesn't tell you is that the Republican Party is itself divided, sometimes quite sharply, about the merits of vouchers. A few years ago there was a statewide referendum in California concerning the voucher program. Teacher unions put a lot of money into beating back the referendum, but ultimately one of the reasons it lost had less to do with the teacher unions and more to do with the good folks of that rock-ribbed Republican county, Orange County, who really didn't want the schools that they had worked hard to get by moving out to Orange County now to be open to the kinds of children they were trying to escape. Now, we may or may not be sympathetic to that – I'm not. But to think that Republicans and therefore Republican contributions are part of the school choice movement clearly oversimplifies and, I would say, is confused.

Finally, I think it is best to understand this report as a weapon to delegitimize school choice. As Aaron (Dorfman) pointed out, that is not the professed intent. But in fact there is nothing new in this report – and I have read every report in this series – about strategic grantmaking. Instead, what's new is contained in the larger agenda to delegitimize, to defame, that awful thing called privatization. You wouldn't know, however, that about one fourth or maybe one fifth of foundation grants go to education – higher, elementary, and secondary – and in fact, the elementary and secondary giving have been growing rapidly as a fraction of foundation giving to education. That means there are literally billions of dollars coming from foundations every year for various kinds of things related to elementary and secondary education. What we're looking at here is one of many things that foundations as well as wealthy individuals are investing their money in to try to do something to improve our schools.

To give one example, I keep a little list of the worst grants of all time, and near the top of my list is the \$500 million gift that the Annenberg Foundation made to work in a number of public school systems. Choice was off the table for this gift. If you look at the chart in this report – although we're looking at different time frames – the total spending by all of these so-called conservative foundations over a five-year period did not get to \$500 million. And oh, yes, I haven't included in these counts the various contributions to schools of education, which are on the cutting edge of opposition to anything that would affect public schooling.

Let me just make one other point and then conclude.

It is assumed here that school choice is a conservative idea. And indeed, we frequently hear cited Milton Friedman's early support for school choice. But shortly after that, Harvard University's School of Education had a major project led by a former education editor of the *New Republic* named Christopher Jenks to develop a school choice program as a liberal idea. That was attractive enough so that the Office of Economic Opportunity, with which our very distinguished guest Pablo Eisenberg has been associated, studied this as a part of its strategy for winning the war on poverty, and in fact, an experiment was tried in Alum Rock, California. The most influential book on school choice was published not by Hudson, not by the American Enterprise Institute, the Heritage Foundation, or Cato, but by the *Brookings Institution*. It was written by



John Chubb and Terry Moe,<sup>\*</sup> and yes, it was funded by – among other funders – the John M. Olin Foundation and the Bradley Foundation, but it came out of an impeccably liberal organization. And as Ben (Wildavsky) has alluded to, the Walton Family Foundation has had a much broader interest in education than is suggested here.

Now, I don't believe personally that school choice is a panacea for what ails American education, but I do think it is one of many things that grantmakers ought to be looking at, and this effort to delegitimize it as harmful to the education of children and perhaps even the result of a political and philanthropic conspiracy is a disservice to philanthropy, to education, and especially to children.

LEIGH DINGERSON: Now that we've got the tables all straightened out and we're clear, I'm going to change the direction of the conversation a little bit and talk about what this looks like on the ground, from my perspective. I work with community-based organizations all over the country. These are parents who are working collectively to improve their public schools. These are parents who are working on behalf of their entire community to improve education for all kids, not for the right or the privilege or the lesson for parents that they ought to become good shoppers.

I've got two kids in the public schools here in the District of Columbia, which as you know are competing now, or are in a sector with a very, very high school choice movement – we've got both vouchers and charter schools. They were primarily – in fact, entirely – imposed on the District by Congress but have been heavily supported by a number of conservative foundations that are mentioned in Rick (Cohen)'s report.

What I see both in my own kids' school experiences and also in my work around the country with community-based groups is that many of the effective school reform initiatives that are out there, that we know work, and that show some promise aren't being brought to scale because of instability in public school districts or lack of resources. So while many conservatives decry what they consider intractability on the part of centralized school systems, what I see and what the folks I work with see is an infrastructure that is changing all the time. We have community-based groups that come up with a reform; they get it implemented; they work; they negotiate; they find something that makes change; and the next thing they know, there's a new superintendent and the plan goes out the window. Mayoral reform has become the new hue and cry of the new school reform movement. So school systems are destabilized by structural changes, by a revolving door of superintendents, by decreases in funding that undermine the way schools can operate, by teacher lay-offs – all kinds of things. So instead of immovable bureaucracies, in fact, reform in public schools has been hampered by undermining, and I would posit a good portion of that undermining has come from the school choice movement.

I want to tell you a couple of stories. The first story is about my daughter's middle school here in DC. There are a number of so-called choice schools – I actually don't appreciate or approve of the whole "choice" language and in fact we *chose* to keep our kids in DC public schools and there are 55,000 kids whose families also *chose* to keep them in DC public schools. There are a number of charter schools in the vicinity of my daughter's school that have recruited heavily

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<sup>\*</sup> John E. Chubb and Terry Moe, *Politics, Markets, and America's Schools* (Brookings Institution, 1990).

from our neighborhoods. Over this past summer two of those schools came close to imploding, and really not more than about four or five days before school opened this year, my daughter's school was hit with a flood of kids who were giving up on choice and were coming back to their local, neighborhood school. What that meant for my daughter was a math class at the beginning of the year with over thirty kids in it, because the school had not intended on having the numbers that they ended up with, and they didn't have enough teachers. So for a couple of weeks, my daughter was in a math class with thirty-three or thirty-four children – until the central office could find another math teacher and get them into the school.

In New Orleans, where I've done a lot of work, looking at the impact of school choice on kids, choice schools were heavily supported to the tune of millions of dollars after Hurricane Katrina. The public schools were scrapping for money if they could find any at all. And the choice laws in New Orleans and Louisiana allowed those schools to close their doors when class sizes reached twenty. The first wave of kids who had good shoppers as parents, people who were able to maneuver the city of New Orleans without any public transportation and without much information out there, filled up those schools pretty darn quickly. And the second wave and third wave and the fourth wave of families who came back to New Orleans found that the doors were closed and they had to either go back to the grossly underfunded, state-run – at that point – public schools or sit on a waiting list waiting for a desk, waiting for a seat, waiting for a building that would accept them. I talked to a teacher in New Orleans who had fifty kids in her science lab in a state-run school, and yet the choice schools would absolutely refuse to open their doors to one more kid.

So my charge around how philanthropy has been supporting the notion of school choice is that it has undermined public education; it has decreased stability in our public schools; and it is my belief that a market-based approach will always do that because it is based on a system of winners and losers, and that's a bad thing. No matter how broad the sector gets and how large the so-called opportunity is for kids, there will always be a need for a public sector education system, and when we splinter and fragment the provision of public education, we leave kids behind. There is no way around it. It creates and exacerbates inequity.

I'm actually very anxious to get on to the conversation, so I am going to stop right there and hopefully we can have a good dialogue.

**WILLIAM SCHAMBRA:** As ever, I'm left scrounging for points of disagreement, here. (Laughter.) Nothing comes to mind!

I think it would only be fair to let Rick (Cohen), as the principal author of the report, make a comment or two, and then I'll open it up to a larger discussion. But let me say this about Rick, in fairness: As he pointed out in the beginning, I think one of the virtues of this report is that it suggests – for the first time, really – that school choice isn't simply a device imposed upon the American people from above by a handful of clever, manipulative, wealthy philanthropists, which has been the story line from opponents of school choice for most of its career. Rick does, in fact, refer to a kind of a grassroots and self-governing sensibility to which conservatives appeal, albeit for their own, “nefarious” purposes. But I think it is only fair to point out that, as Rick suggests, school choice as a plot or as manipulation doesn't last very long. As some kind of

reflection of democratic sentiment, some kind of democratic movement, however, it sustains itself even in situations where – as we saw in Milwaukee and in Wisconsin – the party that is opposed to school choice assumes the reins of government. If it were simply a plot, it would be very easy to dismantle immediately and no one would mourn its loss, but as the Democrats understand in Wisconsin, to do that would be to incur the wrath of thousands of low-income parents.

Rick?

RICK COHEN: Thank you, Bill. That was a great set of reactions! It reminds me of when I was an undergraduate at Boston University and I was asked to debate John Silber, if you remember him. John Silber began by saying, let me tell you what Mr. Cohen is going to say and everything that is wrong in his analysis. And I just had a flashback here; it's as if I were talking to John Silber. For anyone who knows him, it's a similar kind of dynamic.

There were a lot of things said here, and I would suggest that everybody just look at the report because much of what was discussed here is explained there in footnotes and in the text. And some things I would have liked to have written differently or even added to the analysis.

I really want to focus on a couple of points. The one issue that particularly Ben (Wildavsky) raised and Les (Lenkowsky) added to is the sense of what they described as intellectual dishonesty. I think it comes primarily from the fact that the lens that was used looked at grantmaking to groups that were talking about vouchers, and the language talks about vouchers, and it doesn't talk about charter schools. I would love to do that analysis because I think Ben is exactly right; a much richer analysis would involve looking not just at vouchers but at the charter school movement as well. If you look at the thinking behind many of the grants and in the organizations that are funded, the thinking is not a line or a barrier that stops at vouchers. It is a discussion of privatization, choice, and complex strategies that are not simply the provision of vouchers. A much richer analysis would have been a discussion not simply of funding for vouchers or funding for essentially another form of vouchers, corporate tax credits, but also to include charters as well.

About the other points, you can look at the report and reach some interesting conclusions one way or another depending on how demonizing you think the report really is. It's funny; I thought the report was actually quite positive and complimentary. It just shows you that where you stand is where you sit. On operating support, the explanation is that if I had actually taken the Walton grants, which I considered to be basically the same thing as general operating support, and moved them into the program category, that would have been a much different perspective. And I also explained in the notes there that I looked at the support for general advocacy in that direction; it's also in that direction.

Secondly, we talked about the grants going to these organizations, and we said very clearly that the grants weren't going necessarily to support their voucher activities; they were going to support an organization. I run an organization. I know how much general support means even if it is not going to the particular activity in which I am engaged, and I made that very clear in the report, but you can read that and interpret that as you see fit, and look at it that way.

And then the part that I think – if we had done the charter piece, I think that this would have probably been a strengthening part of it, and I tried to make it clear but obviously failed because of that dimension: I viewed this as a much more diverse set of perspectives, strains, and motivations than simply a demonizing set of people. I used to work for one of the organizations funded by the Walton Family Foundation; I was a vice president of the Local Initiative Support Corporation (LISC). Actually, I was the person who put together their first financial deal for a charter school. Now I look at that charter school and I wonder what is happening there, and wonder about the use of the money that I put into it. But I’ve actually had concrete experience on that side as well, and I can tell you that there is a great deal to be looked at that says that this is not simply – nor do I say that it was simply – a bunch of ideological conservatives or *troglydites* who were supporting school choice – the way it seems I’ve been portrayed as portraying them.

I wrote that these were quite thoughtful people who were doing things they believed in. They were doing things from a number of different motivations. Some came at it from a free market perspective; others from an individual choice perspective; still others from an anti-government perspective; and still others from a perspective of not particularly liking the unions that may be behind public schools. So I hope that people look at the report, and look at the variety of interpretations one can get from both the charts and text.

BEN WILDAVSKY: We should get to the audience questions, but I’d like to add one thing just to be clear. First of all, Rick (Cohen), thank you for being a good sport about the criticisms. Maybe you can do a new version of the report. But my point about disingenuousness, if you like – it was Les (Lenkowsky) who said that the report seemed “dishonest,” I just said it was disingenuous! (Laughter.)

RICK COHEN: Thank you for that clarification! (Laughter.)

BEN WILDAVSKY: My point is, it wasn’t about not including the charter schools. That’s a choice with which I disagree. But the point was that you have language that is very, very critical of vouchers and tax credits, and you make allegations about their harmful effects on public education, yet at the same time you write that this is a neutral study. That’s the disingenuousness that I was talking about.

LES LENKOWSKY: Rick just repeated something which I did note in the text as an example of this: if you take the Walton grant money and reclassify it as operating support, it changes. As I indicated before, the sole purpose of the two organizations to which the bulk of the Walton grant money is going is to provide scholarships. So a general support grant to such an organization is in fact a program grant.

WILLIAM SCHAMBRA: Before we go to the audience, I’d like to ask Ben and Les if you could address yourself to Leigh (Dingerson)’s question, which is that the school choice movement viewed at the ground level in fact undermines democratic self-government by parents who are energized by a desire to get a better education for their children – that in fact, if I may just add the gloss of an argument one hears frequently about school choice, the parents whom you most want to have in the public school system, the ones who are most politically engaged and active

and most likely to bring about real reform, end up being siphoned off by the school choice movement, and the kids who are left in the schools are marooned. Leigh, can I add that to your argument?

LEIGH DINGERSON: Absolutely.

LES LENKOWSKY: I don't know what communities you are looking at, but I come from Indiana. Indianapolis is almost ground zero for school choice. We're the home of the Milton and Rose Friedman Foundation, and I can tell you that at the grassroots level, school choice in the sense referred to in this report is not an issue. There's a very active charter school program. As mentioned earlier, the former mayor of Indianapolis – a Democrat – was one of its leading proponents. But in terms of vouchers or tax credits, this is simply not an issue. The active parents are much more concerned about other things, to wit: crime in the schools, and – depending on the parent – whether or not the schools are paying sufficient attention to “moral values,” vaguely defined. School choice is just not an issue, and I would submit and subject to a good survey that in most communities in the country, school choice apart from charters is not an issue.

BEN WILDAVSKY: I agree with Les. But also, like a lot of things, I forget who said this but many public policy questions come down to, “it's complicated” or “it depends.” I would make two points. First, Leigh (Dingerson), based upon your story of your daughter's middle school, you could say that school choice leads to overcrowding. But it's dangerous to generalize from something like that in the same way that it would be dangerous to generalize from the fact that I was in New Orleans six or eight months ago and visited a couple of charter schools, and one of them in particular was an amazing school – a KIPP (Knowledge Is Power Program, [www.kipp.org](http://www.kipp.org)) school that is down there. Based on having seen that school, I could say that school choice is an incredible success in New Orleans. But of course, that wouldn't be a reasonable conclusion either, and I wouldn't say that.

I also should say, like Les, that I don't think school choice is a panacea. I have mixed feelings about a number of aspects of it. And one of the things I mentioned earlier, the soul searching that is going on among people who are very supportive of charters about quality, is very real. And one of the concerns that you're seeing is, we might like to think that parents are always going to make good choices, but parents – for example – may be happy with their kids' school because it is a fairly safe environment, but it may not be a school where very much learning is taking place. So, I would say that there are lots of ways in which people are still trying to work out how to combine choice – mostly in the form of charters – with quality. People haven't figured it out yet. But on the contrary, the notion that choice somehow automatically undermines the public school system – I don't think there is any evidence for that at all.

LEIGH DINGERSON: I really came here to hear a dialogue. I didn't say that school choice led to overcrowding. I said that school choice leads to instability in public school systems. Kids in, kids out; teachers in, teachers out; money out, out, out, out, out, money not back in. It's a fluidity and an undermining that comes from instability. It's not overcrowding. But I feel like we've talked enough, and I at least am really anxious to hear from some of the folks who came to contribute.

WILLIAM SCHAMBRA: Good! Okay. I guess I have no choice but to include you, now (looking to audience). (Laughter.) I was going to, of course. Please, questions?

TERRY BOYKIE, Washington Mathematics Science Technology Public Charter High School: The school I work at, Washington Math Science Technology Public Charter High School here in the District of Columbia, is absolutely the most phenomenal thing I've ever seen in public education. We have 100% students from Ward 8. We have a 100% graduation rate, and 98% of our graduates receive scholarships. They're going to college. It's just phenomenal to work there. My question is, how do you break through into foundations that profess to be in favor of whatever you're trying to get money for, yet you cannot get through the gatekeeper for whatever reason? They will not let you in the door. And I think that foundations, if they want to support the public good, should go after and see as many people as possible, as opposed to what was recommended at a panel here last month ("Social Venture Philanthropy at 10," online at [http://www.hudson.org/index.cfm?fuseaction=HUDSON\\_UPCOMING\\_EVENTS&id=475](http://www.hudson.org/index.cfm?fuseaction=HUDSON_UPCOMING_EVENTS&id=475)): Go to the conferences. Get to drink with the foundation people. And then you get to know each other and that's where the money comes from. I'm asking you, how do charter schools or any schools make their way into a foundation in such a way that they'll see what is being accomplished? They're missing the boat at my school, and they're probably missing the boat at a lot of other places.

WILLIAM SCHAMBRA: Just as a point of clarification, how do the sources of funding fall out at your school?

TERRY BOYKIE: When I came on board five months ago, they got their money through the state superintendent's office in the District of Columbia. There is an allocation of an amount of money. That is it. They were also at the bake-sale level. And there are remarkable things going on there just using that money, but they are missing all of those things in an infrastructure that would make a school really superior. We get our students – we are public education. Anyone can go there. And to get those numbers is really astonishing. Yet no one is willing to come and see what's happening there because they don't know us.

LES LENKOWSKY: I'm not going to give you an answer to your question, other than to say that you should hire one of my students, whom we train in fundraising. But it gives me an opportunity to point to one thing which you've just said. Another big trend that is going on in public education is the development of school foundations – not only charter schools but regular old public schools are developing school foundations. This has been underway in Washington, DC, for quite some time. It is partly to supplement things that the school budgets have cut out for better or worse, and partly to build that infrastructure that you are talking about. And some of these have been very successful.

Now again, those who don't like the influence of private money on public education won't like public school foundations, but as more people begin to regard public schools – and charter schools, for that matter – as legitimate objects of philanthropic support, you'll begin to see a change in this. When I first went to work in the philanthropic world, the foundation that employed me had an iron-clad policy not atypical at the time that we would give no money to public universities. None. They are being supported by the taxpayer; they shouldn't get private

philanthropic money. To put it mildly as an employee of a public university, *boy*, has that changed.

LEIGH DINGERSON: I just have one quick thing to add to that. I think one of the glorious things about the school choice movement is that folks who for years have been saying that schools didn't need any more resources, schools didn't need any more money, are now admitting that money matters. So I think that's a lesson that we should all take away. Resources matter. Money matters in public education.

WILLIAM SCHAMBRA: Any further response from the panel?

(Silence.)

RICK COHEN: I'm surprised, because Ben (Wildavsky) is the foundation guy at the table here!

BEN WILDAVSKY: Nobody asked me!

RICK COHEN: I would be curious to hear how you get through to the Kauffman Foundation.

BEN WILDAVSKY: It's like the MacArthur Fellows Program – don't call us, we'll call you. (Laughter.) No – I'm kidding – that's not entirely true. (Laughter.) But I don't think that I want to take up any time with this –

RICK COHEN: Without taking a stance pro or con what you're actually trying to get funded, Terry, I think there's an issue about philanthropy, and it's an awareness of and engagement in the communities. In many cases, if I look at the Foundation Center list, I don't know how many foundations you count but on the main page of the web site they claim that there are 80,000 foundations. Where are these foundations? Who are they supporting? How do you reach them? There's something going on here when we have a sector that has – regardless of how you calculate the payout or who is paying out what – a substantial amount of money that may not be well deployed to address many of the critical issues about which people are concerned.

“Many school districts and schools have started things that go beyond parent-teacher organizations, parent-teacher associations. They have things now called local education foundations in which the contributions of parents to the local schools or school district are tax deductible. The private money thus enhances or is a supplement to the public dollars that flow to the public school. Now, I actually went out and collected some data on this, but you don't really need to think very hard about what the distributional effects of this might be. Local education foundations are predominantly successful in wealthy, suburban communities, and you find that wealthy suburban communities can add one or two or three thousand dollars per child in private funds to supplement the public school budget in those areas. And then if you add the tax deduction to that, they're essentially getting a tax break on worsening the inequality that exists between public school districts.”

- Robert Reich, from the transcript of “Taking Philanthropy Seriously,” a Bradley Center panel discussion with William Damon held at Hudson Institute on March 22, 2007, p. 13

There was a panel here at Hudson Institute with Stanford University's Robert Reich (a March 22, 2007 discussion of William Damon's book *Taking Philanthropy Seriously*, online at [http://www.hudson.org/index.cfm?fuseaction=HUDSON\\_upcoming\\_events&id=378](http://www.hudson.org/index.cfm?fuseaction=HUDSON_upcoming_events&id=378) and excerpted

in the box above), who actually talked about those public school foundations – who is supporting them, and which foundations are attracting money. He also had some questions about major need; in some cases, major cities – difficult cities – are not getting as much money as the public school foundations being established in communities that didn't have as much need. He suggested, if I recall correctly, that there was some imbalance in terms of the way charity is responding to –

LES LENKOWSKY: There is no data on this. This is a concern of his. His data consists of a couple of anecdotes largely from the San Francisco Bay area. I'm sorry to sound like a professor.

RICK COHEN: I don't know what data he has or hasn't. I'd let him take that statement for himself! I think there are issues regarding whether or not foundations are responding to critical needs and how to get through to them. I think there are issues about whether or not foundations are responding to critical needs, and how you get through to them. The question you're raising, Terry, is an issue not about vouchers or charters, it's an issue about philanthropy.

WILLIAM SCHAMBRA: Isn't it easy for philanthropy, especially mainstream philanthropy, to say – as I've heard it said, education should be handled by the government, ergo this is not something we should be doing? Now, obviously conservatives for whatever reason – nefarious or otherwise – ended up deciding that more resources should be brought to public education, broadly understood. Aren't a lot of foundations in the situation of saying, well, that's a government responsibility and we're preserving our entrepreneurial breakthrough dollars for other areas?

LES LENKOWSKY: I think it was more so with regard to elementary and secondary education in the recent past than it is today. What we have seen – I believe it was maybe two or three years ago – is that the percentage of foundations' education spending going to elementary and secondary education first exceeded the percentage going to higher education. Don't hold me fast to the exact year, but I remember when that was one of the leads of the story when the Foundation Center released its annual survey a few years ago. So that has changed a lot.

BEN WILDAVSKY: Bear in mind that if you're looking to make an impact – it depends on what your focus is, but – public schools is where most of the kids are. Nationally, 88 or 89 percent of all kids are in public schools. So, for example, the Kauffman foundation has made a lot of investments in math, science, and technology education in the Kansas City metropolitan area. It's a matter of working with the system. There are some charters, but a lot of the schools we work with are public schools that are getting after-school robotics programs or other kinds of enrichment programs that we think are going to help math and the sciences.

RICK COHEN: I'm sorry, but I think it's a little bit different. We did a study at NCRP a few years ago looking at local and regional advocacy organizations. We classified them by what issues they were looking at. Some of them were looking at education issues – public education issues – and we asked them, how do you get supported by foundations? And they said that if they used the term "public education," they couldn't get the support. So they used the term "youth" – they were able to get funding for youth, but they couldn't get the funding if they said that they were addressing public education. So I dug into that and asked them what they were hearing



from their program officers, and there was a sense that when they talked to foundations, it wasn't that foundations believed that public education was a public issue, but rather it was a little bit of a writing off of the fact that you can actually change public education. I think it's more of an issue of people having perceptions that public education is intractable and unmovable. And actually, I have a kid in the public school system here in DC, too, and I can tell you that the perception is wrong. If you put the right kind of resources and the right kind of support to it, you can change things. But there are perceptions that it can't be changed, and I think that has an impact and it colors the grantmaking of some organizations.

NANCY VAN METER, American Federation of Teachers: I have a question that I'm not sure your report addressed, and obviously I haven't had a chance to read it yet, but one of the fascinating topics out there in terms of philanthropy is that particularly the newer philanthropists are demanding a much more strategic look at what the results are of their approach. I guess I'm interested about whether you feel that this sector is demanding results. Les (Lenkowsky) talked about Chester Finn's recent comments (see page 11 of this transcript) about soul searching among charter school advocates. I'm interested as to whether, since the voucher research to date has been certainly mixed, you looked at that factor.

RICK COHEN: I didn't look at that factor in the study. There is an issue overall in philanthropy – which actually has been another topic of Hudson Institute's Bradley Center – about the outcomes movement in philanthropy (“Measurement Malaise,” October 6, 2005, transcript online at [http://www.hudson.org/index.cfm?fuseaction=HUDSON\\_upcoming\\_events&id=210](http://www.hudson.org/index.cfm?fuseaction=HUDSON_upcoming_events&id=210)). People are questioning whether or not the nominal interest in outcomes is really matched by anything substantive, and whether foundations are really looking at the issues in a concrete way. My report didn't get into that, given time and resources, but it's a worthwhile question to ask.

LES LENKOWSKY: I referred earlier to the pathbreaking book by John Chubb and Terry Moe (see page 17 of this transcript), and their argument was that if you're really interested in accountability, a market-based system, suitably designed – I emphasize that, is much better than what they talked about as a bureaucratic system. Neither of them started out trying to make a case for educational choice. Both of them are scholars of government and government education organizations. They looked at public schooling from that perspective, and their conclusion was that democratic – by which they meant bureaucratic – control of public education was less likely to be effective – and they did have measures of student achievement – than more market-based approaches. So the accountability issue does very much get involved with this.

LEIGH DINGERSON: Part of it depends upon, well, accountable for what? What are the measurable outcomes that you're looking for? One of the things that I see in the choice movement is that the measurable outcome is always stressed in terms of deregulation and unfettered growth. So, for example, when the Center for Education Reform judges charter school laws around the country, the criteria by which they judge them is whether they promote growth within the industry. The measurables are not academic. In fact, Chester Finn, in lamenting the sorry state of the Ohio charter school industry, says that really what we need to do now – the next step is to open up a whole bunch more schools. That is his recommendation.

On the progressive side, the philanthropies that are supporting public schools, public education, the folks who give grants to the groups around the country that I work with, demand measurable academic change in the schools, and that is much, much harder to achieve. It takes years. And that's where this churning of superintendents and the silver bullet of the month is, I think, so damaging, because change in public systems takes some stability and it takes some time. And so I think we've kind of set up this structure where it's very, very difficult for community-based groups working on their public schools to get funding for that. It takes a long time to show results, and they get smashed down every time the principal gets yanked out and a new one gets put in.

**BEN WILDAVSKY:** I think it's commendable that the groups that you're working with are focused on academic growth. But I don't think it's quite right, in my experience, to say that all of the folks in the school choice world are only interested in unfettered growth and deregulation.

**LEIGH DINGERSON:** I just gave two examples. I'm sure it's not across the board.

**BEN WILDAVSKY:** Well, to the extent that one generalizes from the examples, I wouldn't want people to have the impression that that's the broad pattern. I would just think that automatically, having been on a panel at this time last week with Andrew Rotherham, a former Clinton White House education person who is the head of a think tank called Education Sector – he has written a very interesting paper about what he calls “smart charter caps,” which has gotten a lot of interest. The whole notion is that you take this restrictionist movement that aims to prevent charter schools from growing too much, and you make it a conditional movement. You put some carrots in there, so that schools can grow only if they show the kind of academic growth that you're talking about. And I think that he is by no means a lone wolf on that kind of issue. There are a lot of people who are, as I said, really thinking very hard about what to do about academic quality, and I don't think it's just a kind of Wild West. That may have been truer in the earlier days of the charter movement, but I don't think it's the case now.

**MICHAEL GREBE, Bradley Foundation:** As the report notes, we have long been quite generous in supporting the school choice movement. On the subject of outcomes, though, I would say that we are very definitely not part of the outcomes movement in philanthropy. However, with respect to the Milwaukee voucher program, we have long been in favor of a study to determine the educational outcomes of that program. We have long supported a longitudinal study to do just that. For years we were unable to get that accomplished because of the opposition of the teachers' union and their allies in the state legislature. Last year, as part of legislation to increase enrollment in the voucher system, a longitudinal study was approved by the legislature and the governor, and we welcome the outcome of that study.

**WILLIAM SCHAMBRA:** I can say one additional thing, as a former employee of the Bradley Foundation. Shifting the focus of outcomes now, trying to judge the success of school choice as a movement, if we had ever, ever entertained rigorous measurements of the sort that philanthropy is now flirting with, there would never have been the institutionalization of school choice in Milwaukee because the process of funding in the area of public policy is so inherently unmeasurable and there are so many setbacks. And there are so many setbacks that actually turn out to be a step forward – it just didn't look like it at the time – because of the larger political and

cultural context. So that, I dare say, is probably one of the reasons why you don't see the Bradley Foundation proudly listing its expected measurable outcomes when it solicits grant proposals.

LES LENKOWSKY: This highlights what I said earlier – that the conservative funders are by no means monolithic on this point. When I was at Hudson Institute we did a study for the leading CEOs in the state of Indiana designing a statewide school reform plan. This was over a decade ago. And it did include a voucher idea. It included preschool and a variety of other things. But one of the problems we had to wrestle with in Indiana with the voucher idea was what we called around the office the “Bob Knight High School.” That’s the high school that is created for seventh and eighth graders who are six feet tall or better and can do a terrific crossover dribble or dunk. In the state of Indiana, there would be no shortage of parents who would be attracted by such high schools. Such high schools do exist, by the way; they’re usually private schools for kids headed for scholarships playing basketball. In that context, we had to work an outcomes measure in – fully aware of the pitfalls that have been described – that would at least make sure that if you went to the Bob Knight High School, you learned how to read.

BONNIE CAIN: I have a lot of experience here in the District of Columbia in public schools and with policy and so on, and I wanted to make sure that we underscore what you (Leigh Dingserson) are saying. In the District, we’re approaching having 50 percent of our kids in charter schools. We have no cap other than allowing ten charter schools per year to come on board. This is a federal regulation. We also have a situation whereby we have very little public control of the charter schools, so it is very appropriate, the vision that you’re describing.

Secondly, in terms of the longitudinal studies, the comparisons you are talking about, there is unequal funding in charter schools, so when a charter school, for instance, receives the money that the gentleman back here (Terry Boykie) is asking for, it is very difficult to say that it now has this amount of resources and can be compared to that one.

The rate at which we are expanding is very destabilizing. It’s going to be very difficult to know whether our current superintendent is succeeding because of that, or not.

LEIGH DINGERSON: One of the things that I think is going to play out in places like New Orleans and DC that I find very troubling is that at a certain point – I think this is a bit like global warming – I’m not sure you can go back. The public system loses the infrastructure and the ability to provide a decent education for kids as the charter sector takes over, and if that charter sector then implodes as a number of individual schools of course around the country – in fact *a lot* of individual schools – have, the public system may be unable to recover. And if you believe as I believe that a public system will always be necessary, then we’ve got a real dilemma on our hands, potentially a real crisis. And we’ll see if that plays out in some of these places where the sector has gotten so large.

BONNIE CAIN: Let me just follow up on that. The question of foundation giving really is enormous in that.

WILLIAM SCHAMBRA: I know Ben (Wildavsky) and Les (Lenkowsky) both want to say something about that, but let me just add to this question, and I want to underscore a point that

Leigh has made before and sort of rephrase it as a question. Considering the instability that Leigh is talking about in the system that we see today – and I know Frederick Hess has done some research on that (see page 12 of this transcript for another mention of Hess’ work), reform cycles typically run in the public schools every three years. There is a new reform in the schools every three years or so. How important is choice in driving that instability, and if you got rid of choice would that somehow significantly change the instability?

BEN WILDAVSKY: Well, first of all let’s talk about quality. What exactly are these wonderful systems that we’re so worried about disrupting? I think that’s a very, very important point of departure. Both New Orleans and DC sadly do not stack up terribly well among urban school districts around the country. The other thing, of course, by the way, is that charter schools are in fact public schools. I think it’s misleading to talk about the public schools versus the evil charter schools. And I’ll turn it over to Les for anything else.

LES LENKOWSKY: The bulk of funding from foundations for education goes to things other than choice, and it’s very much program driven. I agree with that point, and I think that’s implied in what the report says. That has led to what I used to call the phenomenon of the “charm bracelet superintendent.” You go talk to a superintendent, and he will have the equivalent of a charm bracelet – oh, yeah, I’m doing this reform and that reform and that – and oh, whole language? Yeah, we’ve got that one, too. (Laughter.)

And what’s driving this are two things, I think – one worthwhile and one not so worthwhile. The not-so-worthwhile are the incentives that foundations are offering, coming in and saying, if you want some additional money, here you go; we’re convinced that whole language or phonics or whatever the fad of the week is is the way to go, and we’ll give you lots of money for it. The good thing – and this is true of the best superintendents – is that they are sincerely searching. They understand fully well that whatever it is they’re doing now isn’t producing the results, and so they are going to start working on new things.

LEIGH DINGERSON: I completely and totally agree with that, but I also think that another thing that is driving the superintendents is their recognition that their life span in a particular city is going to be pretty damn short. And so not only are the foundations encouraging you to try the silver bullet of the week, but you also know that you have to make your mark within a couple of years because you’re going to be out the door. And in fact, I think in some of the districts where there has been stability, where there have been long-term superintendents who have been allowed to try some things, to engage in some comprehensive reform and then see it through, those are some of the places where we’re actually seeing some good stuff being implemented.

So, again, no – the choice movement isn’t causing all of the instability, but I think it is exacerbating it hugely, particularly in the places where the sector has gotten to be as large as it has, for example in DC.

AL MILLIKAN, Washington Independent Writers: Does anyone have further observations on the Washington Scholarship Fund here in DC?

BEN WILDAVSKY: As far as I know, they’re still doing the evaluation.

BONNIE CAIN: No – the GAO report that just came out, I think that’s what he is referring to.\*

RICK COHEN: That was an interim report, wasn’t it?

BONNIE CAIN: No, it came out.

BEN WILDAVSKY: But the program is still – I’m sorry. Go ahead.

BONNIE CAIN: The GAO report essentially shows that they’re not able to evaluate whether the kids are performing or not. There are in buildings that don’t meet code. They are operating without licenses. And it is difficult to know whether the kids are being educated or not.

LES LENKOWSKY: I don’t know anything about this particular report, but I do want to just comment on something probably related to it. It is true, and I would criticize this, that the choice approach does put too much of an emphasis on the resources. There are lots of things that good schools can do to improve educational achievement, but one of the oldest, most consistent findings of school research is that the most important factors are first and foremost family, and secondly, peer groups. The third factor is quality teachers. And while there are arrangements within schools that can make a difference in that, and we can make arguments that choice can and other things can, I don’t think that we should lose sight of the fact that we know an awful lot about what affects educational achievement. While resources are not – obviously – unimportant, other things are more important.

WILLIAM SCHAMBRA: Let’s thank our panelists for a great discussion.

(Applause.)

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\* General Accounting Office, *District of Columbia Opportunity Scholarship Program: Additional Policies and Procedures Would Improve Internal Controls and Program Operations: Report to Congressional Requesters* (Washington, DC: U.S. GAO, November 2007), 98 pages. Online at <http://www.gao.gov/new.items/d089.pdf>.