

PRIVATE ENTERPRISE IN AMERICAN EDUCATION



AMERICAN ENTERPRISE INSTITUTE

SPECIAL REPORT 2

More Than Meets the Eye

The Politics of For-Profits in Education

Andrew P. Kelly | July 2011

Foreword

For decades, for-profit educational provision has been tolerated, often grudgingly. In the world of charter schooling, for-profit providers are lambasted and sometimes prohibited. In higher education, for-profit institutions have grown rapidly, enrolling millions of nontraditional students and earning enmity, suspicion, and now investigative and regulatory actions in Washington. When it comes to student lending, teacher quality, and school turnarounds, there is a profound preference for nonprofit or public alternatives. All of this is too familiar to be remarkable.

The problem is that K–12 and higher education desperately need the innovative thinking and nimble adaptation that for-profits can provide in the presence of healthy markets and well-designed incentives. As critics have noted, for-profits do indeed have incentives to cut corners, aggressively pursue customers, and seek profits. But these traits are the flip side of valuable characteristics—the inclination to grow rapidly, readily tap capital and talent, maximize cost-effectiveness, and accommodate customer needs. Alongside nonprofit and public providers, for-profits have a crucial role to play in meeting America’s twenty-first-century educational challenges cost-effectively and at scale.

However, we rarely address for-profit provision in this fashion. Most statutory and regulatory discussion focuses on how to rein in for-profit providers. There is little discussion of what it would take to harness the potential of such providers, while erecting the incentives and accountability measures that can ensure a level, dynamic, and performance-oriented playing field.

AEI’s new *Private Enterprise in American Education* series is designed to pivot away from the tendency to reflexively demonize or celebrate for-profits and instead understand what it takes for for-profits to promote quality and cost-effectiveness at scale. In the second installment of the series, AEI resident fellow Andrew P. Kelly evaluates the political landscape surrounding for-profits in education—and why the traditional divides between Republicans and Democrats fail to capture both the public’s and Washington’s stance on the issue. Through voting data, public opinion polling, and politicians’ own words, Kelly demonstrates that the politics of for-profit involvement in K–12 and higher education are more nuanced than they seem at first glance.

As Kelly writes, “The traditional Left-Right ideological continuum fails to capture the ways policymakers and the public confront questions about for-profit involvement in education. Instead, government policy and public opinion are built on an underlying set of distinctions that we might miss if we focus only on the high-profile partisan battles that occupy the headlines.” In particular, Kelly points out that the Democratic position on for-profit involvement in K–12 and higher education is far from monolithic and argues that both policymakers and the public are quite comfortable with for-profit companies providing “peripheral” or supplemental education services. The paper concludes with a new framework for thinking about the politics of for-profit education.

Given the heightened focus on cost-effective provision due to the budget crunch and the fiery debates over gainful employment, the role private enterprise could and should play in American education needs to be brought to the forefront of reform discussions. I am confident you will find Kelly’s piece as eye-opening and informative as I have. For further information on the paper, Andrew Kelly can be reached at andrew.kelly@aei.org. For other AEI working papers, please visit www.aei.org/futureofeducation. For additional information on the activities of AEI’s education policy program, please visit www.aei.org/hess or contact Jenna Schuette at jenna.schuette@aei.org.

—FREDERICK M. HESS
 Director of Education Policy Studies
 American Enterprise Institute

Executive Summary

In the aftermath of President Barack Obama’s education-heavy State of the Union address in February 2011, one savvy education policy observer declared that we are on the verge of a new “Washington consensus.” A Democratic president has pushed for charter schools, teacher incentives, and innovative models of schooling. Democratic- and Republican-led states have signed on to the Common Core standards. The “college completion agenda” has mobilized Republican and Democratic governors, and states across the country are adopting performance-funding measures that reward campuses for courses and degrees completed rather than enrollment.

Beneath this cheery consensus, however, a serious fissure remains over what role, if any, private, for-profit organizations should play in providing education. At both the K–12 and higher education levels, the Obama administration and congressional Democrats have made it clear in word and deed that they are skeptical of for-profit providers. Recent high-profile debates about for-profit involvement in education have divided liberals and conservatives. However, while these traditional ideological fights have garnered the headlines, there is significantly more to these debates than the typical political caricature lets on. The public, too, seems to have mixed feelings toward the role of for-profits in providing education.

Washington Politics: Traditional Divisions, with a Twist. While many of the recent debates about for-profits in education have reflected traditional divisions between skeptical Democratic lawmakers and Republicans who are philosophically comfortable with privatization, these lines in the sand are far from constant, particularly when it comes to the Democratic position. In elementary and secondary education, Democrats have been more amenable to for-profit involvement that stops short of traditional school management on policies like supplemental education services (SES) and school turnarounds. At the higher education level, a surprising coalition of Democrats broke from the rank and file to express concerns about the proposed gainful-employment regulations and the administration’s singular focus on for-profits.

Public Opinion on For-Profits. At the K–12 level, the public is generally supportive of for-profit contracting for peripheral services, but much less comfortable with for-profit management of entire school sites and instruction.

Data are more limited at the higher education level, but results suggest that majorities approve of for-profit colleges and universities, though they consistently see them as lower quality than public or nonprofit institutions. Interestingly, these patterns are quite consistent across Democrats and Republicans in the electorate, suggesting that the public is far less polarized on the for-profit question than Washington lawmakers.

What Should We Make of These Politics? For-profit providers are the most controversial when involved in *in loco parentis* arrangements with families and become less controversial as the service becomes more peripheral or the age of the student increases. As the public opinion data suggest, Americans are quite risk averse when it comes to for-profit management of K–12 schools, support private management of peripheral school services, and generally approve of for-profit colleges. In terms of real or perceived social costs, a failed tutoring provider is not as grave as a failed for-profit K–12 school. At the higher education level, the public is more tolerant of “adult” students taking on the risk of investing in a college education. As a political question, limiting for-profit involvement in K–12 to peripheral services or a small subset of schools has avoided a direct challenge to traditional Democratic interest groups while providing extra services to constituents, a net win for elected Democrats.

This dynamic suggests that government efforts to prohibit or heavily regulate for-profit providers will resonate more at the K–12 level, where the public is already skeptical, than at the higher education level, where the public is more accepting of the risk that individuals take in pursuing a postsecondary degree. The interesting question is how the vocal criticism of for-profit colleges and low visibility of for-profit providers in recent competitive grant programs will affect policymaking and public opinion going forward. Public skepticism of for-profit schools and damaging media coverage can lead policymakers to be timid in pushing for policies that encourage for-profit entry, and restrictive policies can in turn reinforce the public’s conception of what constitutes the “appropriate” role for for-profits. If for-profit schools and colleges remain outside the emerging “Washington consensus” on education, we are unlikely to see a large-scale shift in the prominence of for-profit providers or the way the public feels about them.

More Than Meets the Eye

The Politics of For-Profits in Education

By Andrew P. Kelly

Introduction

In the aftermath of President Barack Obama's "education-obsessed" State of the Union address in February 2011, one savvy education policy observer declared that we are on the verge of a new "Washington consensus."¹ In some ways, it certainly feels like it. A Democratic president has pushed for charter schools, teacher incentives, and innovative models of schooling. The secretary of education has bluntly told educators and established interests that they will have to adapt to a "new normal" by cutting costs and rethinking business as usual. Democratic- and Republican-led states have signed on to the Common Core standards.

At the higher education level, the president and prominent foundations have set ambitious goals to raise college attainment and have focused attention on productivity, cost cutting, and accountability for results. This "college completion agenda" has mobilized Republican and Democratic governors, and states across the country are adopting performance-funding measures that reward campuses for courses and degrees completed rather than enrollment.

Beneath this cheery consensus, however, a serious fissure remains over what role, if any, private, for-profit organizations should play in providing education. Recent policy developments have widened these divisions. At both the K–12 and higher education levels, the Obama administration and congressional Democrats have made it clear in word and deed that they are skeptical of for-profit providers. In K–12, the Democratic majority in Congress explicitly barred for-profit providers from individually applying to the administration's high-profile Investing in Innovation (i3) competition. Eligibility for the administration's Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools was also limited to nonprofit charter management organizations.² These limits on for-profit involvement have prompted vocal protests from providers and sympathetic observers. In higher education, Democrats

have successfully phased out private student lending, pushed for new "gainful employment" regulations that will hold for-profit colleges responsible for the debt-to-income ratios of their graduates, and led a highly visible investigation of recruiting and financial aid abuses at for-profit institutions. Republicans in Congress have criticized the Democrats' single-minded focus on for-profits and have threatened the administration's new regulations through legislation.

This report argues that while the current debate about for-profits in education reflects basic philosophical differences between liberals and conservatives, there are important nuances that are critical to understanding politics and policy. A closer look reveals that even policy-makers and citizens who are skeptical of for-profits in education are not opposed to for-profit involvement across the board, but are quite supportive of for-profits acting in particular roles. At the K–12 level, for instance, while congressional Democrats successfully thwarted Republican attempts to create voucher programs for private schools, they assented to federal Title I dollars flowing to for-profit providers of SES under No Child Left Behind. Shortly after Congress barred for-profits from applying to i3, Secretary of Education Arne Duncan urged for-profit providers to join in the turnaround efforts of the School Improvement Grants (SIG) program. And in spite of the recent rhetoric about for-profit colleges and universities, there are significant divisions within the Democratic caucus over the issue, with many Democrats from urban districts voicing serious reservations about the effects that regulating for-profit colleges will have on access to higher education for their constituents.

These crosscutting political dynamics—easily missed in the heated partisan rhetoric that often surrounds the for-profit question—mirror public ambivalence about the role of for-profit providers in education. On the one hand, the public is skeptical of for-profit companies running public K–12 schools. This skepticism is shared by Democrats and Republicans alike. On the other hand, large majorities approve of private contracting with for-profit providers for peripheral services

Andrew P. Kelly (andrew.kelly@aei.org) is a research fellow at AEI.

such as transportation, food, and facilities management. Superintendents report a similar position.

Americans are more comfortable with for-profit colleges and universities than they are with for-profit K–12 schools. Overall, data suggest that a majority of the public approves of for-profit colleges and universities and believes they serve an important role in the system. But respondents also see for-profit colleges as lower quality than public or private nonprofit institutions. Support of for-profits is particularly strong when they are cast as institutions that provide access to traditionally underrepresented groups, and African Americans and Latinos are quite supportive of for-profit colleges.

The Democratic defections on the Kline amendment, along with the vocal opposition of prominent Democrats, reveal that for-profit higher education is a crosscutting issue for the party.

Washington Politics: Traditional Divisions, with a Twist

Recent high-profile debates about for-profit involvement in education have divided liberals and conservatives. The Obama administration and Democrats in Congress ruffled feathers by pursuing education policies that target for-profit providers for additional regulation or limit their ability to participate in new programs. In higher education, the administration and Democratic members of the Senate Committee on Health, Education, Labor, and Pensions (HELP) launched aggressive efforts to investigate and regulate for-profit colleges. These moves prompted conservative critics to argue that Obama had declared a “war on for-profits” in education and to liken the Senate investigation to a “witch hunt.”³

These fights have garnered the headlines, and they follow the traditional political/ideological script. But I argue below that there is significantly more to these debates than the typical political caricature lets on.

Democratic policymakers often voice concerns about the “privatization” of public education and the inherent tension between profit motive and providing high-quality service. Republicans, meanwhile, typically call for more market competition in public services, which has made them natural proponents of for-profit providers in education.

Many recent policy debates have reflected these traditional divisions. When Congress decided to bar for-profits from being lead applicants in the i3 competition, Jim Shelton, the head of the Department of Education’s Office of Innovation and Improvement, explained: “The reason there is an additional caution there is that a for-profit, by definition, has a different part to its mission than just serving the children. . . . Every time there is a competing mission, you have to be sure that it’s aligned with the service of the children.”⁴ When congressional Democrats initiated a series of hearings on for-profit colleges, Senator Dick Durbin (D-IL) told a National Press Club audience, “We need to consider whether it is wise for corporations that are more beholden to their shareholders than to their students to profit so lavishly from taxpayer dollars.”⁵ Senator Tom Harkin (D-IA), the other prominent Democrat in the for-profit skirmish, struck a similar chord in late December 2010, suggesting that for-profit colleges, by their nature, will put serving investors ahead of serving students:

The result [of investor ownership] is that the vast majority of for-profit schools have prioritized growth over education in order to satisfy the demands of their investors. In fact, growth and return on investment for shareholders is their legal obligation. So it should not surprise us that educating students is taking a backseat to just getting more bodies in the door.⁶

The assumption underlying these arguments is that any educational organization motivated by profit will have a difficult time pursuing both goals simultaneously. When they conflict, for-profits will privilege profit margins over the interests of their students.

In other words, Democratic skepticism toward for-profit providers goes beyond the “few bad apples” variety. To be sure, this characterization does not apply across the board; in the debate about regulating for-profit colleges, Duncan and others at the Department of Education have been careful to justify gainful employment on the need to root out bad actors. But the congressional debates have rarely been as nuanced. As one journalist argued in the summer of 2010, once the for-profit question was taken



up by Congress, the tone of the inquiry changed, with congressional Democrats “[appearing] more willing to question the quality and performance of the entire sector in a dramatic way.”⁷ According to Harkin, the abuses revealed at his committee hearings are not the result of a few bad actors but are an inherent outgrowth of profit motive. In reference to the Government Accountability Office’s (GAO) controversial “secret shopper” study of fifteen for-profit colleges, Harkin argued:

GAO’s findings . . . make it disturbingly clear that abuses in for-profit recruiting are not limited to a few rogue recruiters or even a few schools with lax oversight. To the contrary, the evidence points to a problem that is systemic to the for-profit industry: a recruitment process specifically designed to do whatever it takes to drive up enrollment numbers, more often than not to the disadvantage of students.⁸

As I discuss below, not all Democrats agree with this blanket indictment of for-profit providers, or with the administration’s aggressive attempts to regulate the sector. But the most prominent voices on the Democratic side have certainly signaled an anti-for-profit position.

Republicans have always been philosophically comfortable with the role private firms play in fostering a market for public goods, and a number of existing education policies reflect this openness to for-profit involvement. The effort to reconfigure the program-integrity regulations (of which gainful employment is a part) is largely a response to the relaxation of many regulations related to for-profit colleges in the late 1990s and early 2000s. As a result, conservative commentators and Republican leaders have bemoaned the administration’s efforts in higher education as an ideologically driven strategy to tear down the entire sector. In the first of Harkin’s hearings on for-profit colleges, for instance, ranking member Mike Enzi (R-WY) urged federal regulators to use a “scalpel and not a machete” in removing bad actors from the for-profit sector, calling them an “essential part” of preparing our workforce.⁹ Enzi and his fellow Republicans have also argued that looking at for-profit performance in a vacuum ignores the problems present across the higher education system. On the House side, Representative John Kline (R-MN), chair of the House Committee on Education and the Workforce, has made it clear that he will use the legislative tools at his disposal to halt the implementation of the Department of Education’s gainful-employment regulations. Kline sponsored such an amendment in mid-February, and it passed by

an overwhelming margin, garnering almost sixty Democratic votes.¹⁰

The series of Harkin hearings in the summer and fall of 2010 exacerbated the divisions between Democrats and Republicans. In September, Enzi denounced the for-profit investigation, telling Harkin, “I’ll leave you to go ahead and beat up on the for-profit schools” before walking out of the chamber.¹¹ At the same hearing, Senator John McCain (R-AZ) expressed “regret that this debate has exemplified the sharp division between our two parties and philosophies” and criticized Harkin for focusing on the for-profit college question “ad nauseam.”¹² In April 2011, the Republicans on the HELP committee sent a letter to Harkin condemning the “disorganized and prejudicial hearings” on the subject. In May, Enzi urged the Securities and Exchange Commission to review whether there was improper contact between Wall Street “short sellers” and the Department of Education on the gainful-employment rule. Enzi and others have alleged that Department of Education regulators were in close contact with investors looking to profit from the negative impact that the new regulations would have on the stock prices of for-profit firms.¹³

More Than Just “Politics as Usual”

The highly politicized debate of the past two years should not obscure important wrinkles in the Democratic position on for-profits in education. Indeed, at both the K–12 and higher education levels, there are important departures from politics as usual. In elementary and secondary education, Democrats have been much more amenable to for-profit involvement that stops short of traditional school management or is limited to a subset of schools (a pattern also seen among the public). At the higher education level, a surprising coalition of Democrats broke from the rank and file to express concerns about the proposed gainful-employment regulations and the administration’s singular focus on for-profits.

The Curious Politics of Supplemental Services and School Turnarounds. In his study of the birth and implementation of No Child Left Behind’s SES provision, Jeffrey R. Henig argues that SES should have fallen directly on the fault lines described above. “In a time when privatization of public services has become the scrimmage line for partisan battles between the right and left,” Henig writes, “SES is an apparent endorsement of the notion that for-profit providers may hold answers that direct

public provision does not.”¹⁴ Given the traditional division between the parties on this issue, it is particularly interesting that Democrats, including the reliably liberal Ted Kennedy, have approved of for-profit eligibility in SES from the start. Indeed, while there was considerable back-and-forth on how money would flow from Title I to tutoring providers, there was not significant debate about whether for-profits should be eligible to participate.¹⁵ Those familiar with the negotiations suggest that Kennedy and other Democrats were not pushed to accept private providers in SES but legitimately believed that SES was a worthwhile alternative to publicly funded vouchers.

Indeed, as Henig points out, Democrats had already signaled their support for public funding of private tutoring for students in failing schools. In 2000, Senator Joe Lieberman (I-CT) proposed an amendment resembling the SES provision that would come later; the proposal would have freed up federal money for tutoring children in failing schools, with for-profit companies eligible to serve as providers. The amendment, tacked to an education bill offered by centrist New Democrats, failed to pass but garnered thirteen Democratic votes.¹⁶ Two years before the Lieberman amendment, Republicans and Democrats overwhelmingly passed the Reading Excellence Act of 1998, which set up a program of “tutorial assistance” subgrants that later served as the model for the SES provision.¹⁷ Private, for-profit tutoring providers were eligible to participate, and this participation was not a point of contention. The law passed under suspension of the rules in the House and unanimous consent in the Senate with the support of President Bill Clinton.

More recently, the Obama administration has welcomed for-profit providers in its efforts to turn around failing schools. In a June 2009 speech, Duncan implored a broad array of providers to get involved in the turnaround game: “We need everyone who cares about public education to . . . get in the business of turning around our lowest-performing schools. That includes states, districts, nonprofits, for-profits, universities, unions, and charter organizations.”¹⁸ For-profit organizations are eligible to receive federal funds through the SIG program—the administration’s turnaround program created as part of the stimulus bill. Under the “restart” turnaround model, districts can contract with for-profit education management organizations (EMOs) to provide “‘whole school operation’ services.”¹⁹ According to the grant’s final instructions, for-profit EMOs can also provide “technical assistance” to schools that pursue the “transformation model.”²⁰

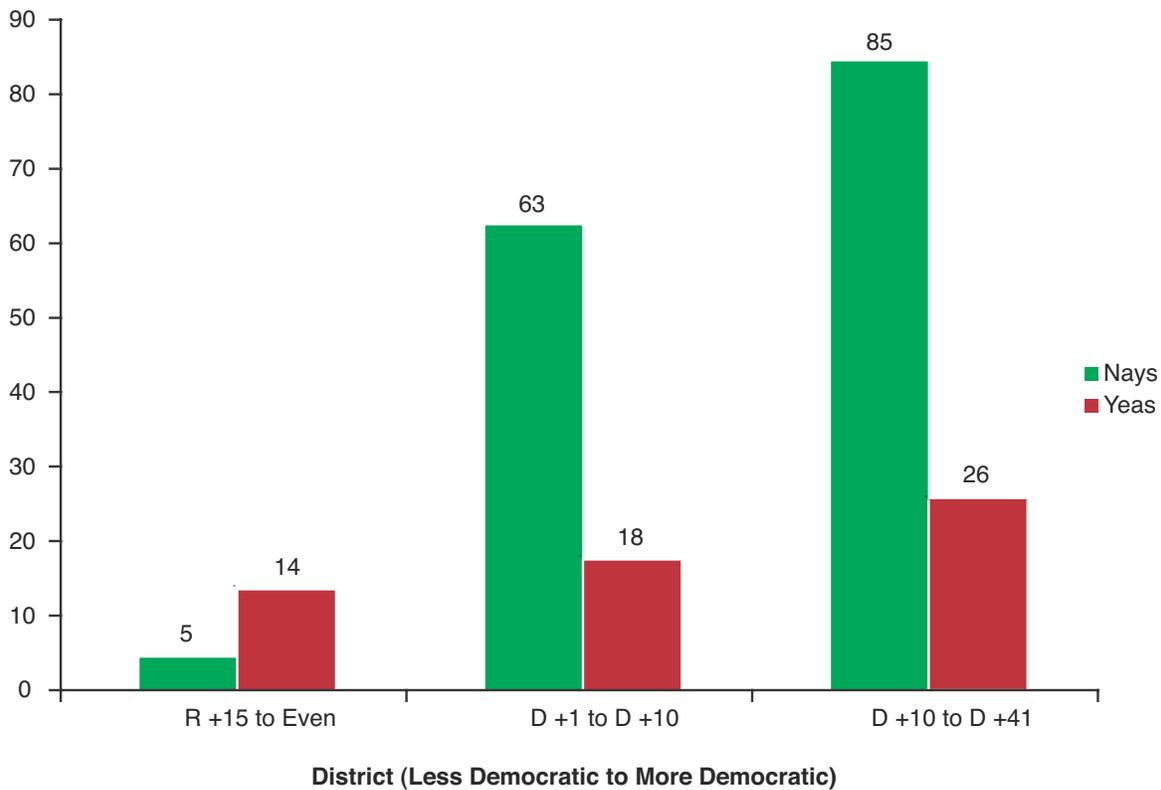
In light of concerns about the tension between profit motive and educational quality, it is interesting that Democrats would be willing to support and create programs that enable private providers to profit from federal education dollars. If Democrats object to the idea of private investors and shareholders earning a “lavish profit” from taxpayer dollars, the idea that firms are earning this money through after-school tutoring rather than running public schools should be irrelevant. As Henig’s analysis suggests, this distinction—between school management and tutoring—is partly rooted in basic interest-group politics. Because supplemental services are, by definition, “add-ons,” they do not “present a head-on challenge” to public school jobs and the powerful unions that protect them.²¹ A similar logic applies to EMO participation in the SIG program’s “restart” model. Unlike the “turnaround model,” which explicitly requires schools to fire the principal and replace at least half the staff, the restart model does not require a particular amount of staff turnover.²²

Whether or not it constitutes a “head-on” challenge, unions are vocally opposed to the privatization of *any* support services.²³ But even if the for-profit role in these peripheral programs ruffled union feathers, it is worth noting that SES and (to a lesser extent) turnaround efforts also pit one traditional Democratic constituency (low-income and minority voters) against another (unions). By limiting for-profit involvement to peripheral services or a small group of schools, Democrats have avoided a direct challenge to the unions while providing extra services to constituents, a net win for Democratic policymakers. Suffice it to say that rather than a knee-jerk, ideological aversion to any for-profit involvement in federally funded K–12 education programs, Democratic policymakers are more discerning, assessing the for-profit question according to whether it would threaten the interests of supportive stakeholder groups.

Dissension in the Democratic Ranks. It is no secret that for-profit colleges and universities disproportionately enroll students from underrepresented groups, particularly in urban areas, where demand for community colleges often outstrips capacity. Because they serve traditionally Democratic constituencies—low-income and minority voters—for-profit colleges have become a crosscutting issue for congressional Democrats.

As of fall 2010 (before the midterm election), the Coalition for Educational Success (a for-profit advocacy group) counted forty-six Democratic members of Congress who had expressed concerns about the Department

FIGURE 1
DEMOCRATIC VOTING ON THE GAINFUL-EMPLOYMENT AMENDMENT



SOURCE: Author's calculations based on the Cook Partisan Voting Index.

of Education's proposed gainful-employment regulations.²⁴ The opposition was not limited to moderate and conservative Democrats, who are now quite rare in the House. On the contrary, included in that number were twelve of the thirty-nine voting members of the Congressional Black Caucus, three of the four African American members then on the House Committee on Education and Labor, and four members of the Hispanic Caucus.²⁵ Some of the most liberal Democrats in the House, those from majority-minority districts, have expressed concern that the proposed regulations would lead to a decline in access for students who would not otherwise be enrolled in postsecondary education.

The opposition to gainful employment came to a head in February 2011, when Republicans proposed an amendment to a spending resolution that would prohibit the Department of Education from using appropriated funds to enforce gainful employment. The amendment passed overwhelmingly, 289–136; fifty-eight Democrats broke rank and voted with Republicans to stop the

enforcement of gainful employment. Figure 1 illustrates how Democrats from different types of districts voted on the amendment. I divide them according to the Partisan Voting Index of their district: Republican-leaning to evenly split (R + 15 to even), Democratic (D + 1 to D + 10), and heavily Democratic (D + 10 to D + 41).²⁶ The figure reveals that the small number of moderate Democrats representing Republican districts voted overwhelmingly in favor of the amendment (fourteen of nineteen voted in favor). But even among Democrats from the most liberal districts, twenty-six members voted in favor of the amendment. The twenty-six votes included veteran African American Democrats like Alcee Hastings (FL), Edolphus Towns (NY), and Donald Payne (NJ). Even former speaker Nancy Pelosi (CA), the most steadfast of Democrats, voted in favor of the Kline amendment.

The point is not to overstate the divisions among Democrats, as the majority are certainly skeptical of for-profit colleges. But the Democratic defections on the Kline amendment, along with the vocal opposition of

prominent Democrats, reveal that for-profit higher education is a crosscutting issue for the party. Even some of the most progressive interest groups were at odds over the regulation. While the reliably liberal Americans for Democratic Action announced its opposition to the proposed rule in April 2011, other groups like Campus Progress (the student-organizing arm of the Center for American Progress) have consistently argued in favor of tougher regulations.²⁷

There is evidence that the administration's push to regulate for-profits is turning off the most steadfast supporters of public and nonprofit higher education. In fall 2010, Representative Tim Bishop (D-NY), a former college provost who has urged the GAO to investigate for-profits in the past, suggested that the push to regulate for-profits is too narrow. Asked whether it was right to "single out" for-profits, Bishop responded: "I'm very open-minded on that. I don't necessarily believe that we should be disproportionately targeting the for-profit sector. . . . We all have an obligation to conduct ourselves in a fashion that can withstand any form of scrutiny."²⁸ Despite these concerns, Bishop voted against the February gainful-employment amendment. But his misgivings about singling out for-profits are apparently shared by a sizable number of Democrats and some of their interest-group allies.

In short, contemporary debates about for-profit colleges have divided the Democratic Party. Electoral concerns and policy preferences shape individual positions on the issue, resulting in considerable heterogeneity within the ranks. Members with an interest in ensuring that their constituents continue to have access to for-profit institutions—many representing urban and majority-minority districts—have an incentive to keep those pathways open, even if it means breaking with the party. Democrats representing purple districts, many of whom lost in November, feel compelled to adopt more centrist positions on divisive questions.²⁹

At both the K–12 and higher education levels, the Democratic position on for-profits is much less monolithic than the conventional wisdom might suggest. As we will see below, the public's views are also far from uniform.

Republican Support

Conservative policymakers and advocates have perennially promoted school vouchers and expanded school choice as top education priorities. But Republican leaders have rarely made an explicit, proactive case for allowing

and encouraging for-profit providers in K–12 education, choosing instead to focus more broadly on school choice writ large. A look back at the last three Republican Party platforms (2000, 2004, and 2008) shows a heavy emphasis on vouchers for sectarian and other "nonpublic" schools and calls for more charter schools, but no explicit mention of the role private companies could play in fostering an educational market. Republicans have certainly not been hostile toward for-profit schools, but the push for "choice" has rarely translated to calls for more for-profit providers.

Republicans have actively promoted policies favorable to for-profit colleges, however. In 1998, the Republican-controlled Congress relaxed the "85-15 rule," replacing it with the current "90-10 rule," which allows for-profit colleges to receive up to 90 percent of their revenue from federal student aid. In 2002, George W. Bush's Department of Education softened the rules on incentive compensation for recruiters at for-profit schools, creating a number of "safe harbors" that would allow companies to provide bonuses to employees based on their performance. Bush's choice to head the Office of Postsecondary Education, Sally Stroup, was regarded as an ally of for-profit colleges, having served as a lobbyist for the University of Phoenix.³⁰

Republican gains in the 2010 election created a counterpoint to the Democratic push for increased regulation. House Republicans voted overwhelmingly to prevent the Department of Education from spending appropriated funds to enforce the proposed gainful-employment rules. And Representative Virginia Foxx (R-NC), the new chair of the House Subcommittee on Higher Education and Workforce Training, promised to hold hearings on the student-loan reform that phased out private lenders from federal loan programs.³¹

Republicans have also become increasingly proactive in making an economic case for for-profit colleges in their criticism of the regulatory process. In June 2011, Enzi drew a direct link between the administration's efforts to regulate for-profit colleges and the nation's economic and human-capital challenges:

This entire 436 page rule focuses on the issue of gainful employment, yet this Administration continues to strangle the job creators in this country. The Administration should instead take a closer look at how its burdensome rules and overregulation have hurt our nation's economy and the millions of unemployed Americans. Many of these affected schools provide important training for those who choose to become mechanics, plumbers, and electricians. This rule

uses a heavy hand against these schools and makes it more difficult for Americans to access educational opportunities.³²

Though earlier critiques argued that a focus on for-profits ignores broader issues in postsecondary education and lambasted the investigative hearings and regulatory process, the shifting political tides seem to have emboldened Republicans. For instance, before the November election, the Coalition for Educational Success listed just twenty-nine Republican House members and five Republican senators as having signaled their opposition to the proposed rule (compared with forty-six Democrats).³³ On the Kline amendment three months later, Republican opposition to the Department of Education's regulation was nearly unanimous.

Clearly, it would be wrong to suggest that Republicans are skeptical of for-profit involvement in education. When provided with opportunities to encourage for-profits, especially in higher education, Republicans have done so. But in K-12, choice advocates on the right have been so singularly focused on vouchers for sectarian and other nonpublic schools that they have rarely identified the creation and encouragement of for-profit schools and providers as a priority. In the effort to promote choice, advocates have focused on institutions that, because of their long history in American education and considerable goodwill in urban communities, are likely to be more politically palatable than for-profit providers.

Public Opinion on For-Profits

The American public's attitudes toward for-profit involvement in education are mixed. At the K-12 level, Americans are skeptical about for-profit management of public schools, but they support for-profit contracting on noninstructional matters. Data are more limited at the higher education level, but results suggest that the public approves of for-profit colleges and universities, though they consistently see them as lower quality than public or nonprofit institutions.

K-12: Tough Sell on School Management, Support for Segmented Contracting. Public opinion data over the past ten to fifteen years reveal a relatively consistent picture: Americans are skeptical about for-profit management of K-12 schools. I searched the public opinion database at the Roper Center for Public Opinion Research for surveys that included items about for-profit schools over the past twenty years. The annual Phi Delta Kappa

(PDK)/Gallup poll has asked a variety of for-profit questions since the early 1990s, and a handful of other surveys have done the same.

The public is generally supportive of for-profit contracting for peripheral services, but much less comfortable with for-profit management of entire school sites and instruction.

A 2009 CBS News poll asked respondents whether they approve of school districts hiring "private companies that specialize in education" whose goal is to "provide quality education and make a profit." Just 12 percent reported that they "strongly favor" this idea, while 27 percent strongly opposed it. When including those who felt less intensely about the issue, the divide narrows somewhat, with 41 percent somewhat or strongly supporting the idea and 49 percent somewhat or strongly opposed (about 10 percent were unsure). When asked whether they would consider sending their children to such a school, 14 percent of parents said they would "definitely do so," while 18 percent would "definitely not." Overall, 46 percent suggested they would seriously consider it, while 49 percent would not.³⁴

The PDK/Gallup poll has regularly asked about the for-profit issue since the mid-1990s, though the question wording has varied. In 1994 and 1999, the poll asked respondents whether they approved of an idea "being tested in a couple of cities" of private contracting with for-profit firms to operate schools. Though more respondents were opposed to the idea, in each year a sizable minority favored it (45 percent in favor, 54 percent opposed in 1994; 41 percent in favor, 47 percent opposed in 1999).

The public was less enthusiastic when asked about for-profit schools operating in their own community. In 2002, 2006, and 2007, the PDK survey asked whether respondents approved of the school board contracting with "private profit-making corporations" to run "the entire operations of the public schools in [their] community." Table 1 reveals that each year, less than one-third

TABLE 1
PUBLIC OPINION ON PRIVATE, FOR-PROFIT FIRMS
MANAGING LOCAL PUBLIC SCHOOLS

Question: *Would you favor or oppose a plan in which your local school board would contract with private profit-making corporations to run the entire operations of the public schools in your community?*³⁵

Year	Favor	Oppose	Don't Know
2007	31%	66%	3%
2006	24%	69%	7%
2002	31%	65%	4%

SOURCE: Phi Delta Kappa/Gallup poll, selected years.

of respondents approved of for-profit involvement, while about two-thirds were opposed.

The differences in support across these two items are probably due to the question wording: in the same way that Americans are more likely to think their local schools are doing a good job while national schools are mediocre, they are more supportive of an idea being tested in a handful of districts than they are of for-profits operating in their own district.³⁶

In 2001 and 1996, the PDK poll also asked about for-profit contracting in different segments of schooling, ranging from transportation and food services to whole school management. These questions provide a sense of where the public draws the line on for-profit contracting. The items asked about support for “the school board in your community contracting with local businesses” for transportation, facilities management, food service, and

“managing the entire school operation.” The results, displayed in table 2, are striking: Americans are extremely supportive of for-profit contracting for peripheral services, but decidedly less comfortable with for-profits running entire schools. In both years, at least 75 percent of respondents favored contracting with for-profit firms for transportation, food, and facilities management. When it comes to “running the whole school operation,” these ratios are essentially reversed, with about 25–35 percent of respondents supporting the idea.

The public’s distinction between peripheral and core services mirrors how school superintendents feel about for-profits. In a 2003 survey of superintendents, Belfield and Wooten found that while 80 percent of superintendents reported private contracting of some kind, just 17 percent of districts reported contracting with for-profits on “instructional delivery.”³⁷ In contrast, about 40 percent reported private contracting on capital improvements, 32 percent on transportation, and 27 percent on health and counseling services. Fully 91 percent of superintendents reported that they had “never considered” contracting with a for-profit entity to “manage an entire school site.” Just 2 percent had given it serious consideration. Urban superintendents and those earlier in their careers were more supportive of for-profit contracting.

Superintendents sense the public’s reluctance to embrace for-profit school management, or at least recognize the risk of public opposition. When asked whether particular groups would support or oppose for-profit management of instruction, sizable majorities of superintendents reported that unions, school boards, district personnel, parents, and the local community would all be opposed to the idea. Just 4 percent of superintendents thought parents and the community would be supportive.

TABLE 2
PUBLIC OPINION ON LOCAL BUSINESSES PROVIDING SCHOOL SERVICES

Question: *Are you in favor [of] or opposed to the school board in your community contracting with local businesses to provide the following: school bus and other transportation services, school building and facilities maintenance, food services, running the entire school operation.*

	Year: 2001			Year: 1996		
	Favor	Oppose	Don't Know	Favor	Oppose	Don't Know
School bus and other transportation services	75%	23%	2%	75%	20%	5%
School building and facilities maintenance	75%	23%	2%	79%	17%	4%
Food services	75%	22%	3%	81%	15%	4%
Running the entire school operation	26%	72%	2%	34%	59%	7%

SOURCE: Phi Delta Kappa/Gallup poll, selected years.

There are some gaps across respondents with different backgrounds and party identification, but they are rarely so large that majority support of for-profit school management emerges. On the 2002 PDK survey, urban respondents and those under age thirty were more supportive of for-profit contracting than their suburban and older peers. However, even among more sympathetic groups, support remained at about 42 percent—hardly a resounding vote of confidence.³⁸ The results are similar if we divide respondents according to how they view the quality of their local public schools (see table 3). PDK always asks respondents to assign a letter grade to the public schools in their communities. Among those who gave their local schools a grade of C or worse on the 2001 PDK survey, support for for-profit school management is just below 30 percent. Not surprisingly, those who gave local schools an A or B are less supportive—just 23 percent favor for-profit management. But even among respondents who are most dissatisfied with their local public schools, for-profit management is still a tough sell.

Nor does support of for-profit schools reach a majority among self-identified Republicans. In 2001, 21 percent of Democrats expressed support for for-profit management of schools in the community. A larger proportion of Republicans were in favor of the idea (30 percent), but support still failed to reach a plurality (see table 3).³⁹ In the 2009 CBS poll, just 13 percent of Republicans were strongly in favor of for-profit schools, compared to 11 percent of Democrats; 27 percent of Republicans and 29 percent of Democrats were strongly opposed to the idea. Including the lukewarm responses, 46 percent of Republicans strongly or somewhat favored for-profit schools, compared to 37 percent of Democrats. This gap is expected, but it still means that a majority of Republicans were either opposed to or unsure of for-profit school management.

TABLE 3
SUPPORT FOR FOR-PROFIT FIRMS “RUNNING THE ENTIRE SCHOOL OPERATION,” BY GROUPS, 2001

Local School Grade	Favor	Oppose
A or B	23%	75%
C or below	29%	69%
Party Identification	Favor	Oppose
Democrats	21%	78%
Republicans	30%	68%

SOURCE: Author’s calculations based on Phi Delta Kappa, 2001.

To summarize, the public is generally supportive of for-profit contracting for peripheral services, but much less comfortable with for-profit management of entire school sites and instruction. Public opinion is more evenly divided when the polls ask about testing an idea in a handful of districts than when the polls ask about their own local schools, which dovetails with existing research on how people feel about local versus national public schools. While Republicans are somewhat more supportive than Democrats, majorities of both are typically opposed to for-profit management of public schools.

Public Support of For-Profit Colleges. In general, the public is more comfortable with for-profit colleges than with for-profit K–12 schools, though it rates for-profit colleges less favorably than other types of institutions. For example, a September 2010 poll by the Associated Press and Stanford University asked respondents to rate the “quality of education” offered by various types of institutions and found that 66 percent of respondents rated for-profit colleges and universities excellent or

TABLE 4
PUBLIC OPINION ON SCHOOL QUALITY

Question: In general, how would you rate the quality of education offered by the following in your state?

Type	Excellent	Good	Fair	Poor	Very Poor
Nonprofit Four-Year	25%	45%	14%	2%	1%
Public Four-Year	22%	52%	19%	3%	1%
Public Two-Year	18%	51%	21%	3%	2%
For-Profit	24%	42%	16%	5%	2%
For-Profit Trade Schools	16%	42%	19%	5%	1%

SOURCE: Associated Press and Stanford University, “AP-Stanford University Education Poll,” December 14, 2010, <http://surveys.ap.org/data%5CSRBI%5CAP-National%20Education%20Poll%20Topline%20100110.pdf> (accessed June 29, 2011).

good; just 7 percent rated them poor or very poor (see table 4). Fifty-eight percent gave positive ratings to for-profit trade schools, and 6 percent rated them poor or very poor. These ratings lagged behind those for other institutions, but not by a large margin (69 percent positive rating for public two-year schools and 74 percent for public four-year schools). Moreover, roughly the same percentage of respondents (about 25 percent) rated for-profits, public four-years, and nonprofit four-years as “excellent.”

The most in-depth survey of attitudes toward for-profit colleges was, oddly enough, conducted by the Americans for Democratic Action, a liberal advocacy group.⁴⁰ The survey was fielded in 2009, largely predating the latest controversy, but the results mirror the Stanford poll. Overall, 58 percent of respondents had a favorable view of for-profit colleges and universities, while 20 percent had an unfavorable view. Almost as many had “no opinion” (19 percent), suggesting that public attitudes toward for-profits are still underdeveloped. This level of public support lagged further behind other types of institutions than in the Stanford poll; community colleges and state four-years topped the list, respectively, with 86 percent and 84 percent of respondents having a very favorable or somewhat favorable view. Private nonprofits came in at 75 percent favorable. Just 49 percent of respondents felt favorably toward colleges that “only offer online courses.”

Respondents recognized differences in quality across different types of institutions; while 62 percent of respondents reported that “traditional state or private universities” do an excellent or good job of “giving students the knowledge and skills they need to be competitive,” 50 percent said the same about for-profits (18 percent did not know enough to have an opinion). When asked to directly compare traditional colleges and for-profits, however, respondents were split, with just about half (49 percent) reporting that the education at for-profits was of higher or about the same quality as that at state or nonprofit colleges and universities.

The study also found that most Americans do not believe that for-profits are “exploiting” their students; when asked to choose which statement came closest to their views, just 22 percent of respondents chose the statement that “for-profit, accredited universities exploit their students into taking more and more loans, and then never graduate them,” while 57 percent chose “[for-profits] play an important role in higher education and should be encouraged to grow.” Six in ten people disagreed with the idea that “for-profit university growth should be stopped.”

African Americans and Latinos were somewhat more supportive of for-profits than whites. For instance, 65 percent of African Americans and 64 percent of Latinos had a favorable view of for-profits, compared to just 52 percent of low-income whites. The same is true for online colleges: 58 percent of African Americans and 60 percent of Latinos felt favorably toward these institutions, while just 40 percent of low-income whites did. In terms of party identification, Republicans were about as supportive of for-profit expansion as Democrats (67 percent of Democrats in favor versus 64 percent of Republicans).

The picture was not entirely rosy for for-profit colleges. In spite of this generic support, the public was more closely divided on questions about profits versus quality. When asked if “by their very nature, for-profit universities will exploit their students because they will sacrifice quality for increased profits,” 42 percent of respondents disagreed, while 48 percent agreed. When asked whether these for-profit universities are “diploma mills’ that produce students without real skills,” 46 percent disagreed, while 42 percent agreed.

In my survey of one thousand parents of high-school-age students in the five most populous states, I found that a majority of respondents supported providing federal student aid to a hypothetical student enrolled in a for-profit university. The survey items asked respondents whether they thought various types of students should be eligible for federal student aid (grants or loans). Table 5 displays the results. In general, the public was quite supportive of providing federal aid to “a twenty-five-year-old high school graduate at a for-profit university,” as 63 percent of parents believed such students should be eligible for federal grants, and 75 percent believed they should be eligible for federal loans. As with the surveys discussed above, these levels of support lag behind those for other types of students, and it is worth noting that more than 35 percent of parents opposed federal grant aid to students at for-profits. But majorities still believed that a student at a for-profit college should be eligible for both forms of federal aid.

In sum, the public approves of for-profit colleges, especially compared with the meager levels of support for for-profit management of K–12 schools. Support for for-profit colleges stands in stark contrast to the contemporary debate and corresponding media coverage, which have typically focused on for-profit abuses and fraud. Whether the tone of media coverage of for-profits will have a longer-term impact on public opinion is a question I return to below.

TABLE 5
PUBLIC OPINION ON FEDERAL GRANT AND LOAN ELIGIBILITY

Question: *Should these students be eligible for federal grants and loans?*

Hypothetical Student	Federal Grants		Federal Loans	
	Should be eligible	Should not	Should be eligible	Should not
25-year-old high school graduate at for-profit college	63%	36%	75%	23%
Middle-aged housewife	80%	19%	89%	10%
High school dropout with GED	77%	22%	84%	15%

SOURCE: AEI Survey of Parents (2010).

NOTE: One-half of the sample was asked about grants, and one-half was asked about loans. Some percentages do not sum to 100 because some respondents skipped the question.

Is Education “Different”?

Debates about privatization and the role of for-profits have raged across many different policy areas. A quick look at the libertarian Reason Foundation’s exhaustive coverage of privatization efforts⁴¹ or the liberal Privatizationwatch.org reveals that the privatization of everything from trash collection to highways to international armed conflict has been hotly debated in recent years. How does the public feel about for-profit involvement in other areas, and how does that compare with for-profits in public education?

There is a large body of research on American attitudes toward privatization, far too much to summarize here. One issue is that advocacy groups often run their own polls on privatization topics, producing results that are typically in line with their policy goals. Given the source, these polls are less credible than those conducted by independent polling organizations or academic groups.

In general, though, Americans are more comfortable with privatization in other policy areas. In 1996, the General Social Survey asked Americans whether banks, hospitals, and electric power should be provided by the government or private companies. Almost 80 percent of Americans favored private ownership of both electric power and banks, while 74 percent favored private ownership of hospitals. When compared with their international peers (the same questions were on the 1996 International Social Survey Programme), Americans are more comfortable with private ownership in these areas.⁴² Unfortunately, because the survey did not ask about schools, we cannot directly compare these results.

Hospitals may be the closest analogue to schools, and researchers have paid considerable attention to the

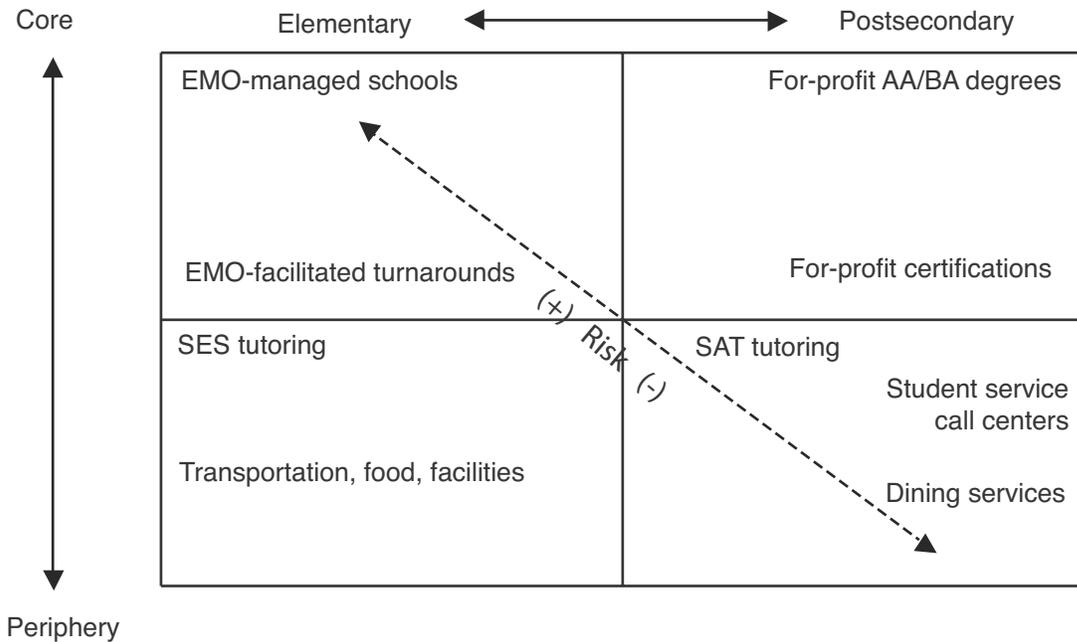
nonprofit/for-profit divide in health care. A 2004 review of the survey research found that Americans feel that for-profit versus nonprofit ownership of hospitals and insurance companies “matters,” and that the sectors have different strengths.⁴³ During the late 1990s, a plurality of respondents consistently reported that the growth of for-profit involvement was a “bad thing” (ranging from 42 to 54 percent), while just one in five thought it was a “good thing.” The authors found that the public sees nonprofit hospitals and insurance providers as more trustworthy, more humane, and less costly. But respondents also felt that for-profits delivered higher-quality care and were more efficient than nonprofits. As in education, public attitudes toward for-profit hospitals and health insurance plans are clearly mixed and multidimensional. But the perception that for-profit hospitals are of equal or higher quality contrasts with much of the data on for-profits in K–12 and postsecondary education explored above.

What Should We Make of These Politics?

The traditional Left-Right ideological continuum fails to capture the ways policymakers and the public confront questions about for-profit involvement in education. Instead, government policy and public opinion are built on an underlying set of distinctions that we might miss if we focus only on the high-profile partisan battles that occupy the headlines.

At the risk of oversimplifying, the evidence suggests that the politics of for-profits can be summarized using the two-by-two in figure 2. The vertical axis corresponds to the peripheral/core business dimension discussed

FIGURE 2
CONTINUUM OF FOR-PROFIT INVOLVEMENT IN EDUCATION



SOURCE: Created by author.

above—on the bottom are peripheral services like transportation, facilities, and food services, with tutoring and textbooks in the middle, and management of school operations at the top. The horizontal axis corresponds to the age of those receiving the service—ranging from elementary school students to adult postsecondary learners.

The diagonal from the top left to bottom right tracks the degree of risk involved in these services for policymakers and families. The top left corner is where for-profit providers are the most controversial; it involves direct, *in loco parentis* arrangements between for-profit firms and families and enlists for-profits in providing a distinctly “public” good. As the public opinion data suggest, Americans are quite risk averse in this form of for-profit involvement. Meanwhile, tutoring by private firms like Sylvan, Kaplan, and Princeton Review has been a distinctly private good available to affluent parents for decades, and SES provides lower-income families with access to these proven providers. In terms of real or perceived social costs, a failed tutoring provider is not as grave as a failed for-profit school.⁴⁴

At the postsecondary level, the participants are adults, and an argument can be made that postsecondary

education is a private good. Indeed, a typical defense of the for-profit postsecondary sector is that its customers are adults making rational decisions about their future rather than being duped into a bad investment. In some sense, the public has tolerated, and even encouraged, individuals to take on this personal risk since the country expanded higher education access. Survey data suggest that Americans overwhelmingly blame students for college dropout rates, and they still believe that higher education opportunity should be expanded.⁴⁵ Associate’s degree-completion rates hover around 25–30 percent and bachelor’s degree completion under 60 percent, but Americans are comfortable with the tradeoff between individual opportunity and risk inherent in investing in higher education. This acceptance of the risk involved in pursuing a college degree seems to shape the way policymakers and the public think about for-profit colleges.

It is reasonable to suggest that we will continue to see more for-profit involvement in education as we move away from the top left corner of figure 2. The figure also suggests that government efforts to prohibit or heavily regulate for-profit providers will resonate more at the K–12 level, where the public is already skeptical, than at

the higher education level, where the public is more accepting of risk.

Are the Lines in the Sand Likely to Change? The interesting policy question is whether the lines in the sand are likely to change as for-profit EMOs become more ubiquitous. In his annual report, noted for-profit critic Alex Molnar documented the growth of for-profit EMOs over the last twelve years, finding that EMOs have grown in both number and reach (the number of schools operated and students enrolled) since the late 1990s.⁴⁶ In spite of this growth (or maybe because of it), the PDK data suggest that public opinion about for-profit school management has not changed much since the mid-1990s.

By limiting for-profit involvement to peripheral services or a small group of schools, Democrats have avoided a direct challenge to the unions while providing extra services to constituents.

Part of the explanation may lie in how federal policy incentives shape the supply side. In the same way that the public's and policymakers' opinions have carved out a niche for for-profits in federal programs, some firms have responded to these incentives by developing segments of their business that can benefit from federal funds—tutoring, curriculum, and professional development. Molnar highlights EdisonLearning as one company that has undergone such “diversification” in recent years. The incentive to develop tutoring programs, coupled with the skepticism of school management that is often built into other federal policies, may make SES a more attractive business proposition than managing entire schools. The latter business plan is fraught with political obstacles and lacks the clear-cut incentives that federal and state policies have created in the former. In this way, the growth of for-profit providers in response to incentives (shifting toward peripheral services and away from

school management) may reinforce, rather than change, the lines that the public and policymakers have drawn on this question.

We will have to wait and see whether the recent firestorm around for-profit colleges has a long-term effect on public support. The September 2010 Associated Press/Stanford survey suggests that support is still relatively high, but it is still too early to tell.

Asymmetries in the Visibility of Success and Failure.

Part of the reason that the risk/reward is skewed against for-profit involvement in any public-service sector is that the visibility of failure is likely to be much higher than the visibility of success. Though I have not collected systematic data on news coverage, anecdotal evidence suggests that stories about for-profit abuses and failed privatization efforts are more likely to make the news than stories about for-profit success.

This has two effects: first, it reinforces public skepticism; and second, it makes policymakers even more gun-shy about pursuing policies that involve for-profit firms. These asymmetries limit for-profit involvement to safe and accepted niches, reinforcing the public's view of where for-profit involvement is appropriate. Future research should test this hypothesis systematically.

Good Idea for Some, But Not for My Kids. Some evidence suggests that Americans are more comfortable with for-profit schools as an experiment in a few districts than they are with for-profits operating in their communities or serving their children. Similarly, the public supports for-profit colleges in the abstract, particularly as an option for underrepresented students. But they readily admit that proprietary colleges are lower quality and allege that these companies will sacrifice quality to make a profit. In other words, for-profit colleges are a good option for traditionally underrepresented students, but they should not be a mainstream option.

The contours of opinion are likely to cap the potential market for firms, as more sophisticated and affluent customers remain skeptical of for-profits involved in the core business of teaching and learning. Skepticism could in turn limit the extent to which for-profit providers generate competitive pressure in either the K–12 or post-secondary markets. This is particularly true in the case of for-profit colleges: demographics suggest that proprietary schools are not serving the traditional bachelor's degree-seeking student, and it is unclear whether they are competing with community colleges for the same marginal students. Without a shift in the way the public perceives

the quality of these institutions, it is unlikely that for-profit colleges will drive traditional institutions—many of which easily fill their incoming classes—to fundamentally change.

Conclusion

These dynamics are linked in what political scientists call “policy feedback,” whereby policies shape politics, and political dynamics in turn constrain public policy choices. Public skepticism of for-profit schools leads policymakers to be timid in pushing for policies that encourage for-profit entry, and the limited policies reinforce the public’s conception of what constitutes the “appropriate” role for for-profits. In the areas where for-profits are free to operate, instances of abuse often garner significant media coverage, which can sour public opinion, leaving policymakers with little incentive to promote for-profit involvement in education.

The recent opposition to the Democrats’ for-profit college agenda may ensure that public approval of these institutions remains relatively buoyant. However, the failure to provide for-profit EMOs with charter school grants or the imprimatur of high-profile programs like i3 will do little to legitimize the role of for-profits in K–12 education reform in the eyes of the public. As long as for-profit schools and colleges remain outside the emerging “Washington consensus,” we are unlikely to see a large-scale shift in the prominence of for-profit providers or the way the public feels about them.

Notes

1. Mike Petrilli, “A New Washington Consensus Is Born,” *Education Next*, January 28, 2011, <http://educationnext.org/a-new-washington-consensus-is-born> (accessed June 29, 2011).
2. US Department of Education, “Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools: Eligibility,” www2.ed.gov/programs/charter-rehqcs/eligibility.html (accessed July 6, 2011).
3. See, for example, Alex Altman, “A Senate Spat over For-Profit Education,” *Time’s* Swampland blog, September 30, 2010, <http://swampland.blogs.time.com/2010/09/30/a-senate-spat-over-for-profit-education> (accessed June 29, 2011).
4. Quoted in Eliza Krigman, “Learning from Charter Schools,” *National Journal*, June 8, 2010.
5. Dick Durbin, “For-Profit Colleges and Federal Student Aid: Preventing Financial Abuses” (speech, Washington, DC, June 30, 2010), <http://durbin.senate.gov/public/index.cfm/statementscommentary?ID=2f8e0201-e43d-4dae-8013-f668e2fdb7c4> (accessed July 6, 2011).
6. Tom Harkin, “For-Profit Education Investigation” (speech, US Senate, Washington, DC, December 14, 2010), <http://higheredwatch.newamerica.net/sites/newamerica.net/files/articles/Harkin%20Floor%20Speech%202012%2014%2010.pdf> (accessed June 29, 2011).

20Speech%202012%2014%2010.pdf (accessed June 29, 2011).

7. Jennifer Epstein, “Bad Apples or Something More?” *Inside Higher Education*, June 24, 2010.
8. Senator Tom Harkin’s Office, “Statement of Chairman Tom Harkin (D-IA) at the HELP Committee Hearing ‘For-Profit Schools: The Student Recruitment Experience,’” news release, August 4, 2010, <http://harkin.senate.gov/press/release.cfm?i=326942> (accessed June 30, 2011).
9. *Emerging Risk? An Overview of the Federal Investment in For-Profit Education, Before the Senate Committee on Health, Education, Labor, and Pensions*, 111th Cong. (June 24, 2010) (statement of Senator Michael B. Enzi).
10. US House of Representatives, Office of the Clerk, “Final Vote Results for Roll Call 92,” <http://clerk.house.gov/evs/2011/roll092.xml> (accessed June 29, 2011).
11. John Lauerman, “For-Profit Colleges Singled Out Unfairly, Republicans Say,” *Bloomberg Businessweek*, September 30, 2010, www.businessweek.com/news/2010-09-30/for-profit-colleges-singled-out-unfairly-republicans-say.html (accessed June 29, 2011).
12. Caralee Adams, “Debate over For-Profit Colleges Turns Partisan,” *Education Week’s* College Bound blog, September 30, 2010, http://blogs.edweek.org/edweek/college_bound/2010/09/debate_over_for-profits_intensifies_and_turns_partisan.html (accessed June 29, 2011).
13. Adam Zagorin, “Did Education Department Officials Leak Market-Sensitive Info to Stock Traders?” Project On Government Oversight, June 13, 2011, <http://pogoblog.typepad.com/pogo/2011/06/did-education-department-officials-leak-market-sensitive-info-to-stock-traders.html> (accessed July 6, 2011).
14. Jeffrey R. Henig, “The Political Economy of Supplemental Educational Services,” in *No Remedy Left Behind: Lessons from a Half Decade of NCLB*, ed. Frederick M. Hess and Chester E. Finn Jr. (Washington, DC: AEI Press, 2007), www.aei.org/book/902.
15. See Siobhan Gorman, “The Invisible Hand of NCLB,” in *Leaving No Child Behind? Options for Kids in Failing Schools*, ed. Frederick M. Hess and Chester E. Finn Jr. (New York: Palgrave Macmillan, 2004), 37–62.
16. Jeffrey R. Henig, “The Political Economy of Supplemental Educational Services,” 73.
17. Siobhan Gorman, “The Invisible Hand of NCLB.”
18. US Department of Education, “Turning Around the Bottom Five Percent: Secretary Arne Duncan’s Remarks at the National Alliance for Public Charter Schools Conference,” news release, June 22, 2009, www.ed.gov/news/speeches/turning-around-bottom-five-percent (accessed July 6, 2011).
19. US Department of Education, “Final Requirements for School Improvement Grants, as Amended in January 2010,” www2.ed.gov/programs/sif/finalreq20100128.doc (accessed June 29, 2011).
20. *Ibid.*, 8.
21. Jeffrey R. Henig, “The Political Economy of Supplemental Educational Services,” 75.
22. Indeed, the example cited on the department’s website is Green Dot’s “restart” of Locke Senior High School in Los Angeles, a school where teachers operate under the local union contract. See US Department of Education, “What’s Possible: Turning Around America’s Lowest-Achieving Schools,” ED.gov blog, March 5, 2010, www.ed.gov/blog/2010/03/whats-possible-turning-around-americas-lowest-achieving-schools (accessed June 29, 2011).
23. See, for example, National Education Association, “The Case against Privatizing School Support Services,” <http://hin.nea.org/home/29420.htm> (accessed February 19, 2011).

24. The list has since been updated to reflect electoral results, so the number of House Democrats has changed to forty-eight members and the number of Senate Republicans to three. For an updated list, see Coalition for Educational Success, "List of Members of Congress Registering Concerns," www.ed-success.org/list-of-members-of-congress-registering-concerns.php (accessed June 29, 2011).

25. See Kenneth J. Cooper, "Minority Leaders Oppose 'Gainful Employment' Rules for For-Profit Colleges," *Diverse Issues in Higher Education*, September 20, 2010, <http://diverseeducation.com/article/14154> (accessed June 29, 2011).

26. The Cook Partisan Voting Index uses each congressional district's past presidential vote to calculate a basic measure of how Democratic or Republican a given district is compared to the national average. See Cook Political Report, www.cookpolitical.com/node/4201 (accessed June 29, 2011).

27. Reuters, "Americans for Democratic Action Opposes US Department of Education Proposed Gainful Employment Rule," April 28, 2011, www.reuters.com/article/2011/04/28/idUS333017+28-Apr-2011+PRN20110428 (accessed June 29, 2011); and Campus Progress, "About Campus Progress' Initiative on For-Profit Colleges," http://campusprogress.org/campaigns/issues/screw_u_for-profit_colleges_scramming_students_and_taxpayers_out_of_the (accessed June 29, 2011).

28. Doug Lederman, "Washington Wrapup: Budget and Bishop," *Inside Higher Education*, December 9, 2010, www.insidehighered.com/news/2010/12/09/washington (accessed June 29, 2011).

29. Andrew P. Kelly, "What the Republican Surge Means for Education Policy," *Teachers College Record*, November 9, 2010, www.tcrecord.org/content.asp?contentid=16225 (accessed June 29, 2011).

30. On the relaxing of regulations under the George W. Bush Department of Education, see Stephen Burd, "The Subprime Student Loan Racket," *Washington Monthly* (November/December 2009).

31. Doug Lederman, "The House's New Higher Ed Leader," *Inside Higher Ed*, January 14, 2011, www.insidehighered.com/news/2011/01/14/interview_with_virginia_foxx_new_head_of_house_higher_education_subcommittee (accessed June 29, 2011).

32. Senate HELP Committee, "Enzi Says DOE Rule Is One More Example of Heavy Handed Regulation Harming America's Economy," news release, June 3, 2011, <http://help.senate.gov/newsroom/press/release/?id=9075d027-0a90-44da-93dd-8cbea94336e4> (accessed July 6, 2011).

33. The list has since been updated to reflect electoral results, so the number of House Democrats has changed to forty-eight members and the number of Senate Republicans to three. For an updated list, see Coalition for Educational Success, "List of Members of Congress Registering Concerns."

34. CBS News, "CBS News Poll: Satisfaction with Life/Parenthood," December 17–22, 2009 (accessed through the Roper Center for Public Opinion Research). Percentages reflect author's calculations.

35. Lowell C. Rose and Alec M. Gallup, "The 39th Annual Phi Delta Kappa/Gallup Poll of the Public's Attitudes toward the

Public Schools," *Phi Delta Kappan*, September 2007. The results of past polls are available at Phi Delta Kappa International, "PDK/Gallup Past Polls," www.pdkintl.org/kappan/pastpolls.htm (accessed June 29, 2011).

36. For a snapshot of this historical trend, see Shane J. Lopez, "Americans' Views of Public Schools Still Far Worse Than Parents'," Gallup, August 25, 2010, www.gallup.com/poll/142658/americans-views-public-schools-far-worse-parents.aspx (accessed June 29, 2011).

37. Clive Belfield and Amy L. Wooten, "Education Privatization: The Attitudes and Experiences of Superintendents" (Occasional Paper No. 70, National Center for the Study of Privatization in Education, New York, NY, January 2003).

38. Linda Lyons, "Can Education Be for Kids and For-Profit?" Gallup, November 19, 2002, www.gallup.com/poll/7228/Can-Education-Kids-ForProfit.aspx (accessed June 29, 2011).

39. The gap between Republicans and Democrats was similarly small in 1996, though both groups were somewhat more supportive in that year: 32 percent of Democrats supported for-profit management of school operations, compared to 40 percent of Republicans.

40. See Lake Research Partners, *Research on American Institutions of Higher Education* (Washington, DC: Lake Research Partners, 2009), www.adaction.org/media/09pres%20educationpoll%20d5.pdf (accessed June 29, 2011); and Americans for Democratic Action, *Rationale for Research* (Washington, DC, 2009), www.adaction.org/media/Report%20Summary.pdf (accessed July 6, 2011).

41. For more, see Leonard Gilroy, "Annual Privatization Report 2010," Reason Foundation, February 10, 2011, <http://reason.org/news/show/annual-privatization-report-2010> (accessed June 20, 2011).

42. On international comparisons, see R. Paul Battaglio Jr., "Privatization and Citizen Preferences: A Cross-National Analysis of Demand for Private versus Public Provision of Services in Three Industries," *Administration and Society* 41, no. 1 (March 2009): 38–66.

43. Mark Schlesinger, Shannon Mitchell, and Bradford H. Gray, "Public Expectations of Nonprofit and For-Profit Ownership in American Medicine: Clarifications and Implications," *Health Affairs* 23, no. 6 (2004): 181–91.

44. The two-by-two raises the question of where early childhood education falls on the continuum. Early childhood has a large for-profit presence, which may seem to contradict the "age" dimension. However, I would argue that pre-K education is considered peripheral; it is noncompulsory, and federal money does not flow to for-profit providers. In states where public money does fund for-profit early childhood providers, however, these policies have been quite controversial, which fits with the general argument laid out here.

45. Associated Press and Stanford University, "AP-Stanford University Education Poll."

46. Alex Molnar, Gary Miron, and Jessica L. Urschel, *Profiles of For-Profit Education Management Organizations: Twelfth Annual Report, 2009–2010* (Boulder, CO: National Education Policy Center, December, 2010), <http://nepc.colorado.edu/publication/EMO-FP-09-10> (accessed June 29, 2011).