



Polishing the Apple

**Examining Political
Spending in New York
to Influence Education
Policy**



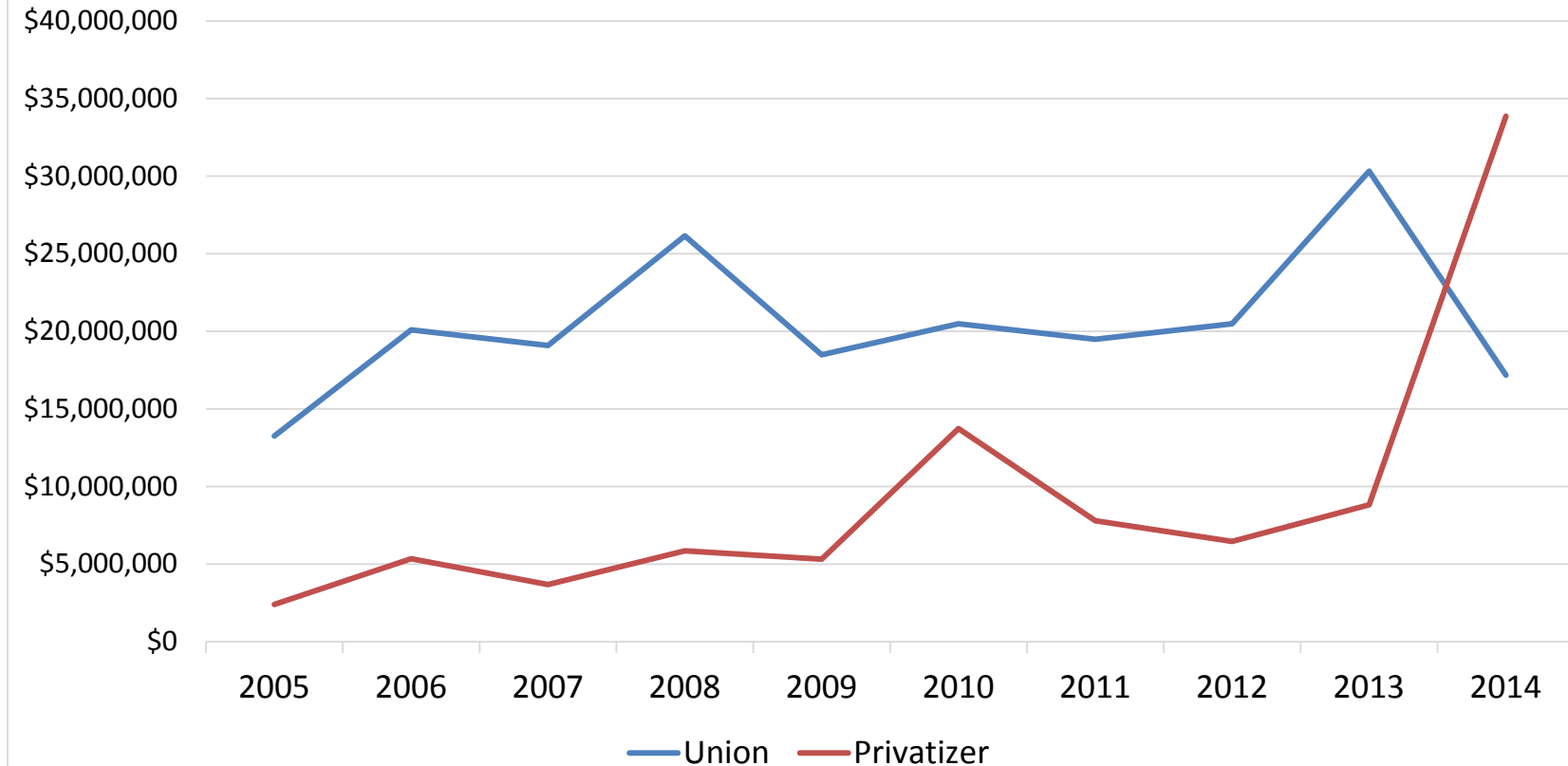
This report shows how political spending around education issues has spiraled in New York State, making it virtually impossible for everyday New Yorkers not already aligned with either side of the issue to obtain objective information or have their voices heard

2014: A watershed year for political spending on education issues in New York State

- For the first time, privatization interests' total political spending exceeded the combined spending of education unions **by over \$16.8 million**
- Privatizer contributions averaged \$3.9 million annually until 2014, when the amount of campaign contributions **jumped to \$11.2 million**

AGGREGATE POLITICAL SPENDING 2005 - 2014		
Year	Union	Privatizer
2005	\$13,255,981	\$2,400,993
2006	\$20,100,541	\$5,349,215
2007	\$19,088,418	\$3,685,620
2008	\$26,155,643	\$5,856,499
2009	\$18,488,491	\$5,314,191
2010	\$20,491,209	\$13,735,246
2011	\$19,489,288	\$7,791,433
2012	\$20,491,990	\$6,465,509
2013	\$30,327,524	\$8,823,643
2014	\$17,180,063	\$33,863,558
Total	\$205,069,148	\$93,285,906

Aggregate Education Political Spending from 2005 - 2014

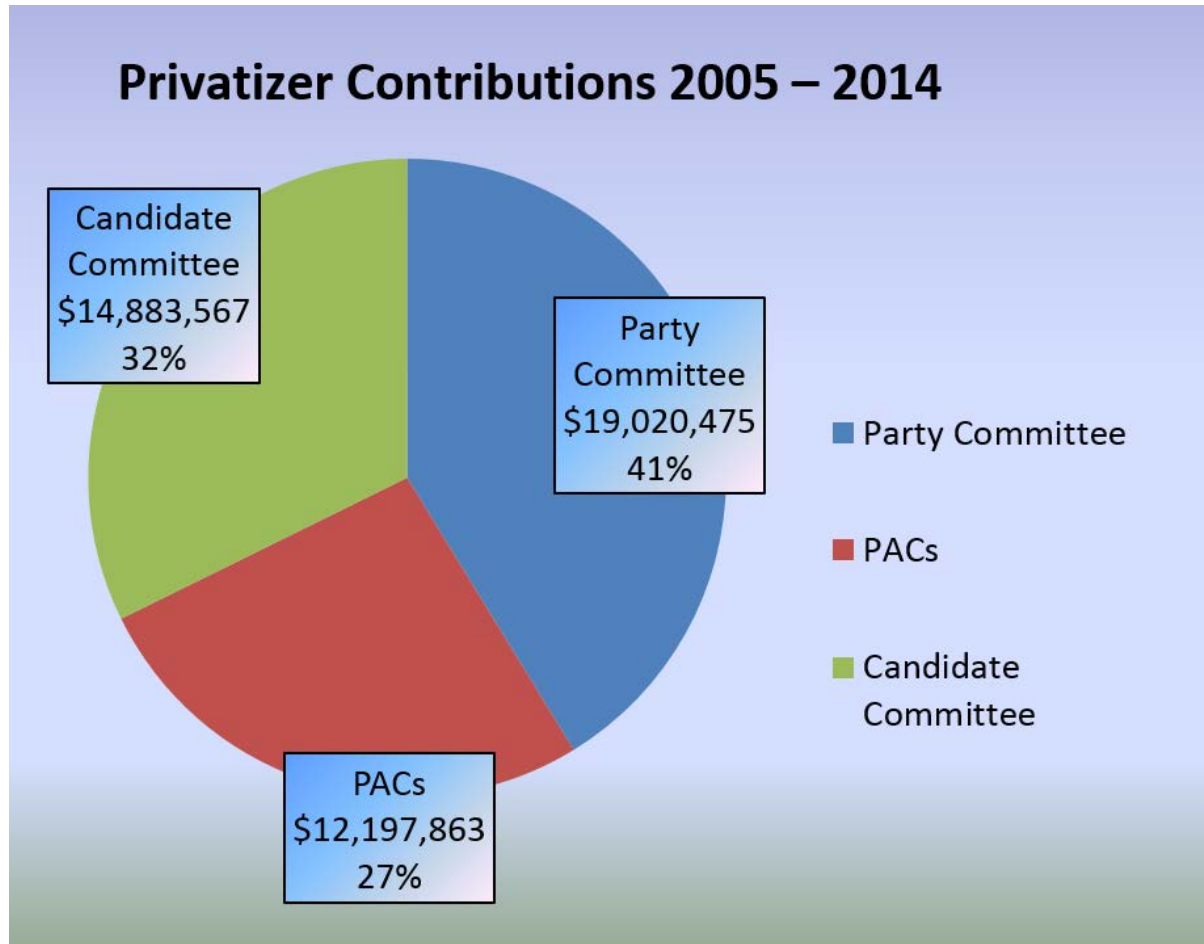


- Education privatizers' political spending (campaign contributions, independent expenditures, and lobbying) totaled **\$93.3 million**
- Education unions spent **\$205 million** during the same period.

2 Sides Raise Their Money differently

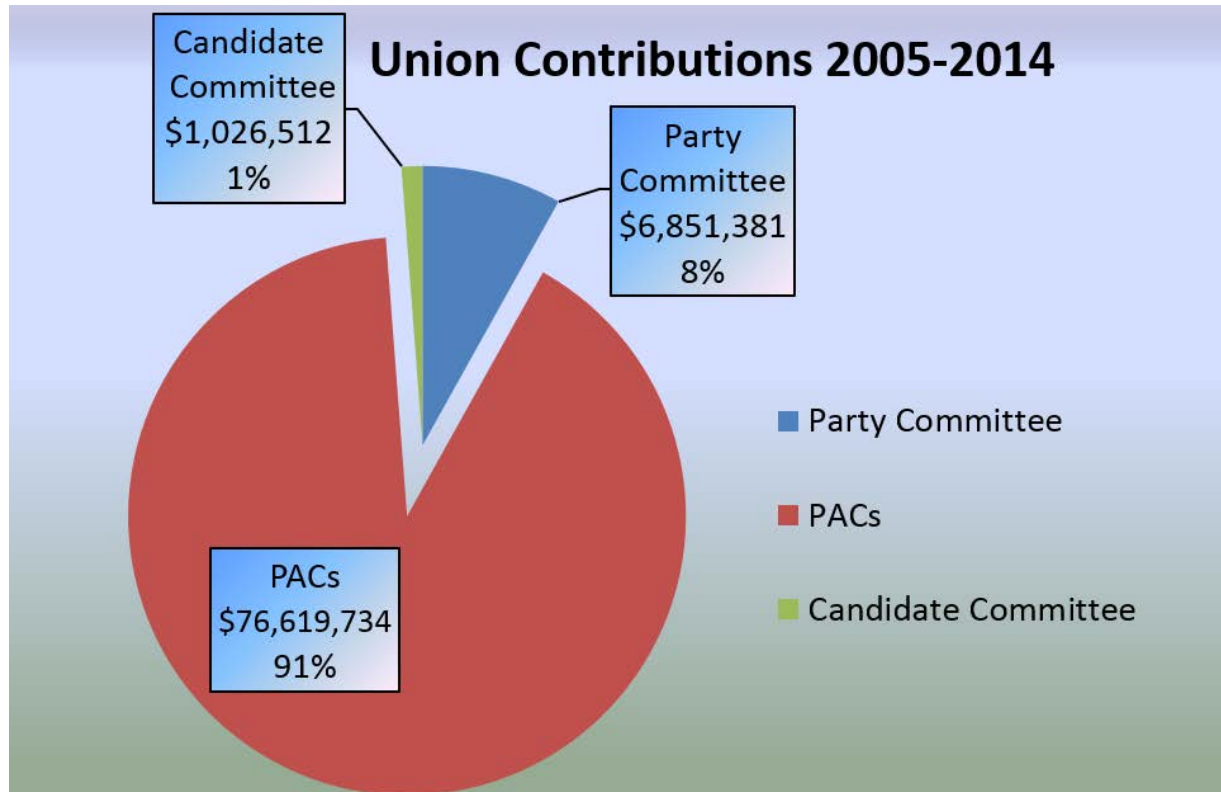
- **Pro-privatization** campaign contributions totaled \$46.1 million raised through 5,700 contributions from less than 400 wealthy individuals
- **Union** campaign contributions totaled \$87.6 million raised through at least 75,000 contributions to Union PACS from well over an estimated 18,000 individuals

Different Tactics in Contribution Spending



- Privatizers directly increase the campaign coffers of NYS candidate committees and committees.
- **Over \$33.9 million - 74%** - of all privatizer campaign contributions have been spent directly on candidates and parties to influence the state's elected officials from 2005-2014

Different Tactics in Contribution Spending



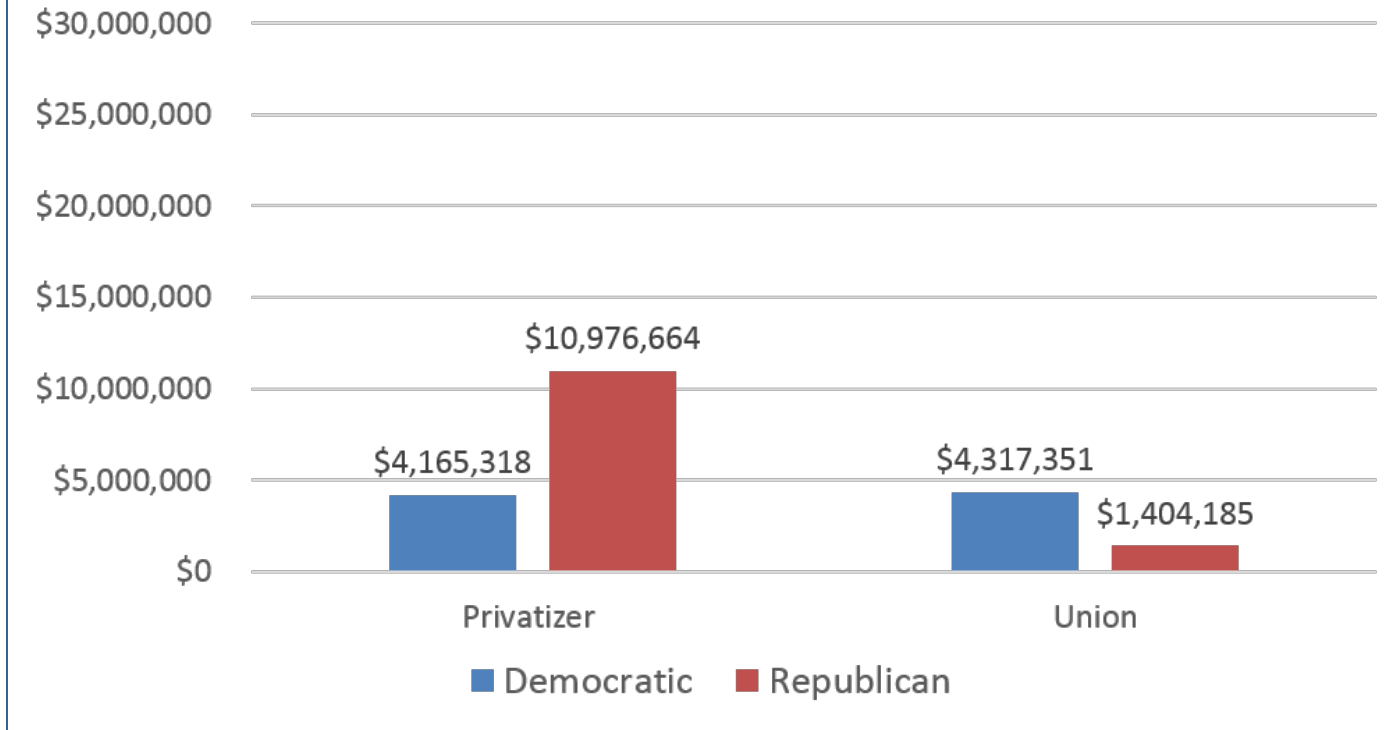
- Union spending focuses on grassroots mobilization, lobbying, and issue-ad campaigns to educate and move public opinion to persuade voters on the issues.
- Only \$7.8 million - **9%** of their total \$87 million in campaign contributions – are spent on candidate and party committee accounts. Most of the money went to the VOTE-COPE PAC.

Total Contributions to Candidate and Party Committees: 2005-2014



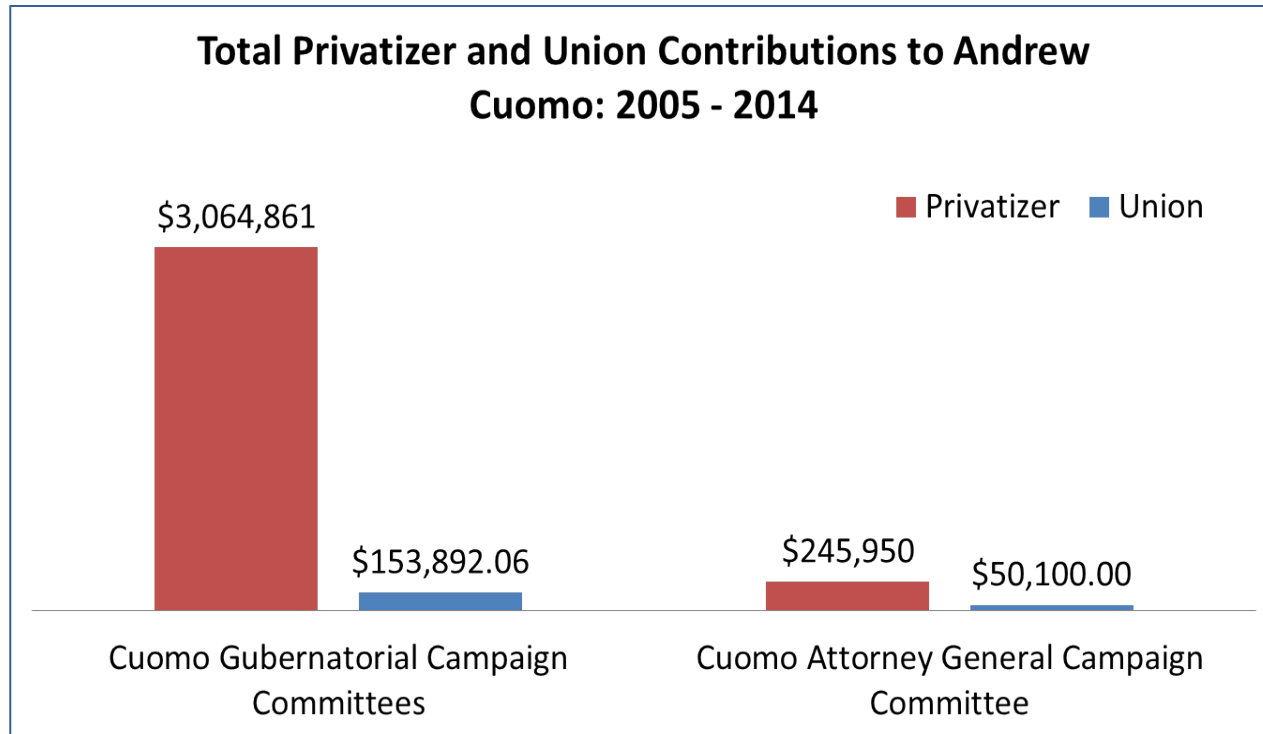
Privatizers give the majority of their dollars to authorized candidate and party committees

Education Policy Giving to Party Committees: 2005 - 2014

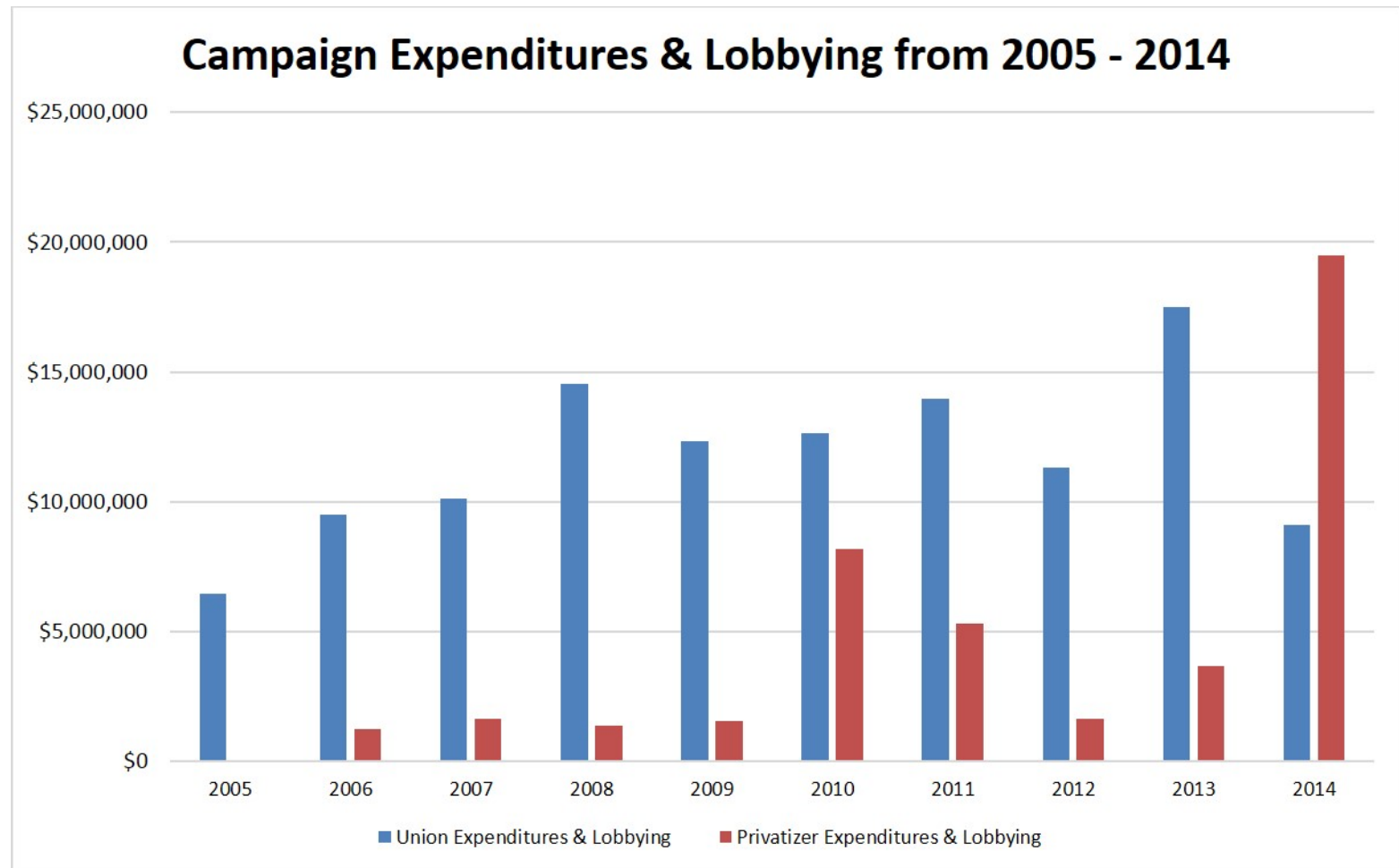


Privatizer dollars favor Republican Campaign Committees

Andrew Cuomo and Privatizer Dollars



In May 2010, Attorney General Andrew Cuomo announced his candidacy for Governor. His press conference was capped by the release of highlights from a soon to be released platform, which included a freeze of corporate taxes and an increase in the charter school cap.



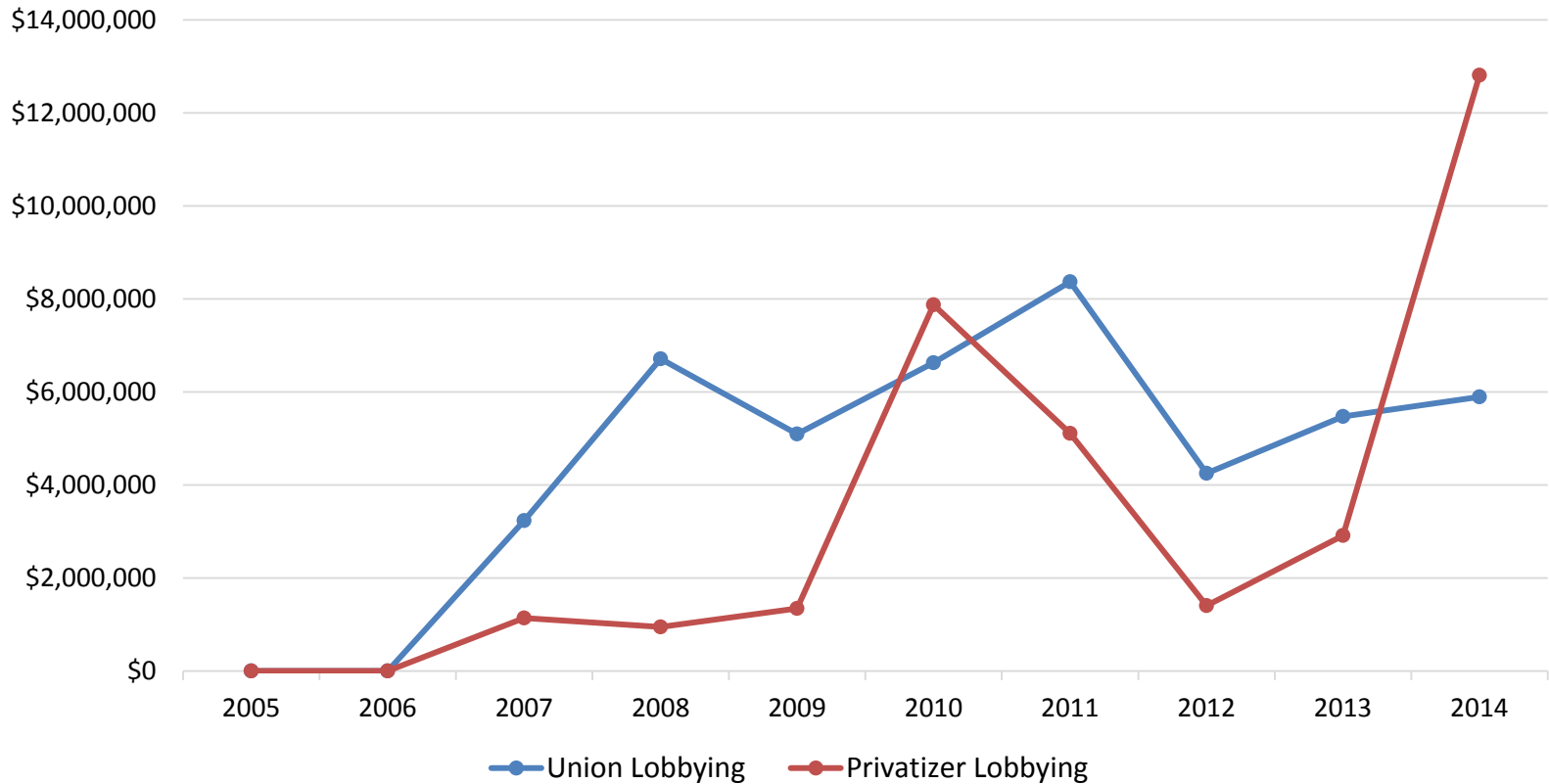
- **Education unions and allies spent \$117.4 million in lobbying** and non-candidate expenditures from 2005 through 2014
- **Pro-privatizers spent \$44 million** during the same period.



October 2014 FES rally

- **In 2014**, Families for Excellent Schools, an organization with ties to hedge fund billionaires, spent **\$9,670,372 on lobbying**
- FES's lobbying expenditures eclipsed all other organizations in every industry, **placing it at the top of the JCOPE annual list of entities ranked by total lobbying expenditures.**

Lobbying from 2005 - 2014



- Pro-privatization lobbying and non-candidate spending **exceeded union and allies spending by \$6.9 million in 2014.**
- This tidal wave of money was directly aimed at the 2014 NYS budget

A Contrast in Disclosure Practices

- Union finances, including political spending, are governed by extensive federal regulation, requiring regular and highly detailed reporting, with significant penalties for misreporting.
- In contrast, the decision-making structure and finances of pro-privatizer organizations and foundations are opaque. Often, all that can be learned are the names of the members of their boards of directors.

WHO IS GIVING THE MONEY?

Total Giving to NYS Committees from 2005-2014

Top 10 Privatizer Contributors	Total Amount	State	Forbes 400 Ranking
Michael R. Bloomberg	\$9,203,195	NY	#8
James Simons	\$3,007,350	NY	#32
Paul Singer	\$2,202,770	NY	#358
Daniel Loeb	\$1,941,367	NY	#269
David Koch	\$1,609,627	NY	#4
Paul T. Jones II	\$1,547,750	CT	#120
Bruce Kovner	\$1,445,100	NY	#104
Roger Hertog	\$1,445,735	NY	Not on the list
Julian H. Robertson, Jr.	\$1,113,477	NY	#183
Thomas Mcinerney	\$914,691	NY	Not on the list

THE INTERTWINING OF FOUNDATIONS AND POLITICAL SPENDING

- Funding research to support education privatization goals was a crucial and early step in the “education reform” movement.
- Bolstered by their many state-level successes, dozens of national-level advocacy organizations and Political Action Committees (PACs) have incorporated within the last seven years, including **StudentsFirst**, and **Democrats for Education Reform**
- Their visibility and muscle is an unprecedented counterweight to the teachers’ unions, and their bipartisan support signifies a changing of the guard

Top Privatizer organizations (and affiliated/intertwining organizations)

Privatizer affiliated organization contribution amounts: 2005 - 2014			
Organization(s)	Total Contributions	Top Contributor PAC	Top Contributor Individual
Fund for Public Schools	\$9,265,969	N/A	Michael R. Bloomberg
Studentsfirst	\$8,019,371	New Yorkers For A Balanced Albany	Paul Singer
Brighter Choice / Opportunity in Ed /ED FUND/ Charter PAC / Public Charter / School Choice Scholarships / Alliance for School Choice	\$7,612,767	Educational Fund	Bruce Kovner
Dems for Education Reform / Ed Reform Now	\$4,083,836	Democrats For Education Reform	Ravenel Boykin Curry IV
Center for Educational Innovation	\$3,155,710	N/A	James Simons
Robin Hood Foundation	\$2,625,160	Tudor Investment Corp. Pac For Responsible Govnt	Paul T. Jones II

Top Privatizer organizations (and affiliated/intertwining organizations)

Privatizer affiliated organization contribution amounts: 2005 - 2014			
Organization(s)	Total Contributions	Top Contributor PAC	Top Contributor Individual
Success Academy / Great Public Schools PAC	\$2,528,758	Great Public Schools Pac	Joel M. Greenblatt
Bill of Rights Institute	\$1,609,627	N/A	David Koch
ED VOTERS/NY EDPAC	\$1,032,878	NY Ed Pac	Lilo Leeds
50CAN/NYCAN	\$768,045	N/A	Leo J. Hindery
American Principles Project	\$716,628	N/A	Sean Fieler
Harlem Children's Zone	\$685,527	N/A	Stanley F. Druckenmiller

Top Privatizer organizations (and affiliated/intertwining organizations)

Privatizer affiliated organization contribution amounts: 2005 - 2014			
Organization(s)	Total Contributions	Top Contributor PAC	Top Contributor Individual
Families for Excellent Schools / Public Prep	\$536,142	Families For Excellent Schools PAC	BRYAN LAWRENCE
Icahn Charter School	\$446,550	N/A	Carl Icahn
National Heritage Academies	\$421,995	N/A	J.C. Huizenga
Harlem RBI	\$415,628	N/A	Vincent Viola
Children's Scholarship Fund / Buffalo Scholarship Fund	\$314,291	N/A	Carl Montante
KIPP	\$230,220	N/A	Philippe Dauman

National Trends Evident in NY



- **The pro-privatization bills** introduced in New York are based on bills developed by the American Legislative Exchange Council as **part of its national education agenda.**
- The major pro-privatization donors in New York are also political contributors to education privatization efforts in other states.
- Pro-privatization lobbying includes “dark money” contributed through c4 advocacy organizations and foundations.

Education Investment Tax Credit

- Top 2 recipients of contributions from privatizers (Senate Republicans and Gov. Cuomo) have introduced more extreme versions of education tax credits than those in other states.
- Proposals would benefit affluent tax payers and scholarship recipients over low and middle class New Yorkers
- Difficult for everyday New Yorkers to access credits
- New York's proposals have unusually high income eligibility for scholarships
- No caps on private school tuition costs (can top \$40,000/yr)
- No oversight and accountability measures (unlike AZ, FL, GA, even in ALEC model bills)

A 2015 Mailer in Support of the Education Tax Credit

Assembly Member Fahy voted to give herself a raise, but did **NOT** support the Education Tax Credit.

This year, Albany Assembly Members struck a sweet deal¹ to give themselves pay raises without a vote. Assembly Members already make \$80,000 for a part-time job. Enough is enough.

Albany Assembly Members need to get their priorities straight and pass the Education Tax Credit to help our kids and schools.

The Education Tax Credit will provide \$150 million in tax credits annually to:

- Reimburse public school teachers \$200 for paying out of their own pockets for classroom supplies.
- Encourage donations to critical school programs such as pre-k and after-school programs like art, music, and tutoring.
- Provide a \$500 tax credit to families with incomes below \$60,000 who send their children to religious or private schools.
- Encourage donations to pay for scholarships for low- and middle-income students who attend public or private schools.

Tell your Assembly Member:

Albany politicians don't need our help. Our schools do.

Assembly Member Patricia Fahy, AD-109 | 518-455-4178 | FahyP@assembly.state.ny.us

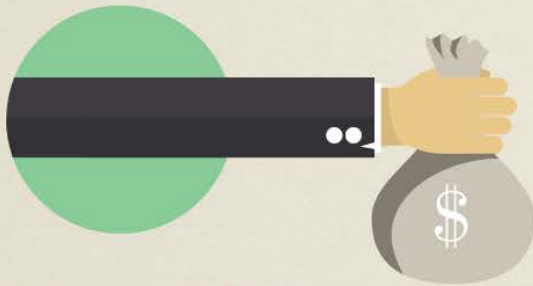
CHECK THE FACTS: 1.) A.6721-A (Part E), 4/01/15.



A 2015 Mailer Opposing the Education Tax Credit

YOUR SCHOOL DISTRICT IS STILL OWED \$59,366,608

Tell Assemblymember John McDonald to Oppose Albany's New Tax Giveaway



A SHADY GIVEAWAY

Wealthy special interests are pushing the Governor's so-called Parental Choice in Education Act—a shady new tax giveaway.



FOR WALL STREET & THE WEALTHY

The Governor's tax giveaway would reimburse wealthy donors trying to transfer large sums of money to private schools—and take away \$150 million yearly from public schools, services and programs.



Call Assemblymember MCDONALD

Ask why he supports diverting money due our public schools and giving it to private schools and the Governor's billionaire friends.

**CALL 518-455-4474
TODAY.**

NYSUT-2015-1002-108

Top 10 Lobbying Entities (Total Expenditures) for January through June 2015

In the first six months of 2015, the top three education privatizer lobbyists spent a combined total of almost \$11 million compared to NYSUT's \$3.8 million.

ORGANIZATION	COMPENSATION & EXPENSES
COALITION FOR OPPORTUNITY IN EDUCATION	\$5,006,146
NEW YORK STATE UNITED TEACHERS	\$3,812,692
NEW YORK CITY AND VICINITY CARPENTERS LABOR MGMT. CORP.	\$3,060,953
STUDENTSFIRST NEW YORK ADVOCACY, INC.	\$2,264,724
PUTTING NEW YORKERS TO WORK	\$1,877,542
FAMILIES FOR EXCELLENT SCHOOLS ADVOCACY, INC.	\$1,744,442
FAMILIES FOR EXCELLENT SCHOOLS, INC.	\$1,636,526
GREATER NY HOSPITAL ASSOCIATION	\$1,433,435
UNITED UNIVERSITY PROFESSIONS	\$1,356,707
GREATER NY LABORERS-EMPLOYERS COOP. AND EDUCATION TRUST	\$1,278,069