

# Los Angeles and the billionaires' plan to destroy public education

Alan Gilman  
9 January 2019

The struggle of Los Angeles teachers and school workers highlights the ever-increasing and direct role of American oligarchs in shaping US education policy, particularly through their corporate "philanthropies." Their nationally financed and concerted efforts to gut public education and replace it with a privatized for-profit system have now placed LA workers and young people in the city directly in the crosshairs.

On Monday, the United Teachers of Los Angeles (UTLA), which is negotiating a contract covering 33,000 educators, unceremoniously withdrew the union's pro forma opposition to the demands of the district for increased privatization. With a Thursday strike pending, UTLA President Alex Caputo-Pearl announced that he was dropping six of the union's major long-standing demands, including a halt to the expansion of charter schools and an end to unlimited standardized testing as well as other corporate-backed measures. This was done behind the backs of teachers and in blatant defiance of popular sentiment.

Caputo-Pearl explained the union's climbdown by reiterating the position of the LAUSD school board that such critically important issues are "outside of bargaining," an about-face on the union's position for the past eighteen months.

The abject capitulation is hardly surprising. Charter schools have mushroomed throughout the district, growing 150 percent in the state during the last decade, and the unions have failed to lift a finger—except to compete over potential dues income from impoverished charter school teachers.

The struggle unfolding in Los Angeles this week has fundamental implications for the future of American education. Austin Beutner, the superintendent of the Los Angeles Unified School District (LAUSD) and a multi-millionaire and former hedge fund manager, is speaking for Wall Street interests and pressing for a reorganization

of the nation's second largest school district. He played a significant role in a similar capacity as a USAID representative for the Bill Clinton administration in 1993. Beutner's role was to represent US corporate interests in the looting of the assets within the former Soviet Union.

Today he is working in sync with billionaire privatizers, among them Los Angeles-based Eli Broad (worth an estimated \$6.7 billion). Broad, through the Eli and Edythe Broad Foundation, has provided tens of millions of dollars to lobby, support, and finance charter schools nationwide. His Broad Academy, formed in 2002, serves as a leadership development program for urban school system superintendents committed to a corporate agenda. Its alumni have gone on to lead nearly 80 school districts, six have become state superintendents, and a number oversee large charter management organizations. Beutner was installed in his current position by a Broad-controlled school board in May 2018.

The agreement of the UTLA to drop all opposition to the ongoing privatization plans in Los Angeles dovetails with the national policy of the American Federation of Teachers (AFT) and the National Education Association, which have repeatedly called for "school reform with us, not against us." For its own part, the AFT has repeatedly accepted Broad and Gates money, seeking only to expand the union's franchise to charter schools and collect dues money from their teachers, an even more underpaid workforce than those in public schools.

Broad is just one of several multibillionaires seeking to further open the "education market" to for-profit interests. According to education historian Diane Ravitch, the Gates and Walton foundations alone spend more than \$500 million annually—under the guise of "philanthropy" and "educational reform"—to privatize education throughout the United States.

This list includes Microsoft's Bill Gates (The Bill and Melinda Gates Foundation with \$51.6 billion in assets),

Oracle's Larry Ellison (Lawrence Ellison Foundation), industrialist brothers Charles and Davis Koch, the Walmart Walton family (The Walton Family Foundation) and casino billionaire Sheldon Adelson. The Kochs, Waltons and Adelson are well known for their support of the most reactionary policies and programs, and both Gates and Ellison are heavily invested in software technology that is embedded into many educational systems.

In November 2018, Beutner revealed that he was working on a plan to divide LAUSD into 32 networks to facilitate the "portfolio district model." Just like it sounds, "portfolio" school districts take their operational theory from Wall Street's corporate approach, commodifying both teachers and students. It determines the "value" of a school by measuring the worth of its teachers and students based upon their performance. In a stock portfolio, if a stock is low-performing, the portfolio manager sells it and buys others. In the case of schools, this means closing so-called "failing" schools, firing teachers, and opening new schools in a constant churn which conceals the financial interests driving the process.

The portfolio district model is either in effect or in the works in dozens of US cities including New Orleans, Indianapolis, Denver, Atlanta, Cincinnati, New York, Newark and Tulsa. Broad's Great Public School Now group—created after his plan to push 50 percent of LAUSD students into charters was abandoned because of public outcry—is involved in pushing the portfolio model in Los Angeles.

Charter schools are funded by taxpayer dollars but operate independently of the public school system and hence become a privatized asset for those who run them. Charter school chains have become extremely lucrative business enterprises. Their owners obtain perpetual free money from the public to fund their enterprises. They then create endless revenue streams by contracting out various services.

For-profit Educational Management Organizations (EMOs) are paid vast sums to manage these schools. An array of other intertwined companies are then paid to provide these schools with services for transportation, food, maintenance and so forth. Already one of every 10 students in California attend charter schools, which educate some 630,000 children.

Beutner has been awarded a \$3 million discretionary war chest from Broad for the purpose of hiring national privatization figures to assist in establishing a "portfolio" system in Los Angeles and make Los Angeles at least "half charter" by 2023. Beutner has tapped into Broad's

largess to contract with Cami Anderson, the former superintendent of Newark, NJ whose policies led to mass school closures and firings of teachers; Erin McGoldrick Brewster, who worked with the notorious Michelle Rhee in Washington DC; and Rebecca Kockler, who recently stepped down as Beutner's chief of staff, but whose credentials rested on her prior experience in overseeing the massive charterization of New Orleans public schools.

The Broad-Beutner plan to privatize education in Los Angeles is being repeated throughout the country. Although the individuals may change, the goal is the same: the destruction of public education and the plundering of the \$1.3 trillion education "market" by Wall Street. This agenda has been embraced by Democrats and Republicans alike, from Bush's No Child Left Behind to Obama's Race to the Top. Gates and Broad are prominent Democrats, the Waltons traditionally Republican (but they backed Hillary Clinton). In short, parties are deeply invested in and responsible for the ongoing privatization of public education.

The UTLA and its parent unions have once again demonstrated that their only preoccupation is increasing their dues revenues and maintaining their seat at the table. The decision to abandon any fight against punitive testing and charterization, precisely as 40,000 educators are prepared to walk out, marks them as clear-cut enemies of the working class. The defense of jobs, benefits, condition of schools and the right to free, high-quality public education falls to the working class itself. Los Angeles teachers must reach out to workers and young people throughout California and the world and establish their own rank-and-file committees in schools and neighborhoods to wage this political struggle.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**