
PPP Strategy for Charter Schools is Now International

Attn: Foreign Investors! U.S. Permanent Residency for Sale, \$500,000

The EB-5 Immigrant Investor Program provides green cards to non-U.S. investors, if they invest \$1 million or \$500,000 in targeted U.S. developments. EB-5 visas, also, provide such investors and their family permanent U.S. residency, whether they live in the U.S. or abroad.

Charter Schools and EB-5 Visas: On October 12, 2012 Reuters published Stephanie Simon's article, "Charter School Financing Gets You a Green Card? The New U.S. Visa Rush," that included the following:

"Wealthy individuals from as far away as China, Nigeria, Russia and Australia are spending tens of millions of dollars to build classrooms, libraries, basketball courts and science labs for American charter schools." (Emphasis added)

On October 4th, eight days before that startling fact, *MiamiTodayNews.com* reported that Chinese investors had put \$30 million in the state's charter schools program and plan to invest another \$90 million during the next year. The Chinese aquaculture farm, which will grow Pacific white shrimp and sea asparagus, is set for ground-breaking in Central Florida in January.

The Chinese are taking advantage of the federal EB-5 program, which encourages wealthy foreign investors to BUY U.S. visas for themselves and their families by investing as little as \$500,000 in targeted, economically beneficial commercial real estate developments, which formerly funded luxury hotels, ski resorts, etc., but includes investing in charter schools, now.

Foreign investors now view public charter schools as their "goose that laid the golden egg," because charter schools are considered "recession-proof." Since G.H.W. Bush's original Public Private Partnership strategy for charter schools has gone international, I have some questions:

Is global participation in U.S. education an unintended consequence or a well-planned, decades-long strategy to destabilize and globalize the United States?

Should investors (foreign or domestic) build their wealth on tax-funded public education?

The director of international business development for Enterprise Florida, declined to name the charter school investors, but revealed that about 12 other Chinese investors have directed their \$500,000 into a \$16 million aquaculture project on 100 acres in Fellsmere, Florida. Each EB-5 investor of \$500,000 will receive a "green card via red carpet" if the investment will "help secure or create" at least 10 full-time jobs in the U.S.

Chinese investors scramble to get in on the deal. At least 34 *additional* Chinese investors are going through the EB-5 process, although only 32 are needed to raise the \$16 million. The gold at the end of that rainbow is permanent residency in the U.S., where investors and their family may live, work and retire in the U.S. or return to their country, while *retaining* U.S. residency.

ACTION – Vote NO on Amendment No. 1 on the November 6th General Election Ballot.

What Happens if the Charter School Amendment Passes?

On November 6th voters will be asked to answer Amendment No. One, as quoted below:

“Shall the Constitution of Georgia be amended to allow state or local approval of public charter schools upon the request of local communities?”

The question is in response to the 2011 Georgia Supreme Court decision against a Commission on Charter Schools that assumed charter schools were in the “special schools” category, along with schools for blind or deaf students. In that ruling Supreme Court Justice Hunstein stated:

“Labeling a commission charter school ‘special’ does not make it so....”

The Supreme Court further explained that public charter schools cannot be defined as “special” schools because they and traditional public schools enroll from the same pool of students, while “special” schools may enroll specific students only.

Current Status. If Amendment One gets a majority vote on November 6th, H.B. 797 that passed this session will authorize the creation of a new State Charter Schools Commission as a state-level authority of the State Board of Education, both of which are appointed.

H.B. 797 has two parts: *Section 1*, which would govern the new Commission, would be abolished if the referendum fails. *Section 2A* went into effect July 1st. It outlines QBE formula for earnings and grants, is now law and will remain law, regardless of the November 6th vote.

Section 1, provides the following:

- A State Charter Schools Commission of seven appointed members would be established
- Some schools may have a state-wide enrollment zone
- Teachers may or may not be U.S. citizens or U.S. nationals
- Board members of state chartered schools must be Georgia residents and U.S. citizens
- Funding for state charter schools may be from the state or “any” public or private entity
- Applicants for charters may or may not be U.S. citizens or Georgia residents

H.R. 1162 and H.B. 797 define state charter schools as public schools and specify that they may not be private, sectarian, religious or for profit schools or private educational institutions.

A critical point: While charter schools have always been marketed to the public as “providing more parental control,” that has never been the case. The recently passed law to govern state charter schools reveals the truth about their government, which is explained as follows:

“‘Governing board’ means the governing board of the nonprofit organization which is the charter petitioner for a state charter school and which is the same as the governing board of the state charter school which is involved in school-level governance of the state charter school.” – H.B. 797, Lines 36 – 39

The mention of a “nonprofit petitioner” is, especially, important. Initially, existing public schools that became chartered were called “conversion” schools, *i.e.* they “converted” from local school board control to charter control. When new schools were built to be chartered, they became known as “start-up” charter schools. The proposed Commission on Charter Schools will charter “start-up” schools, renew, non-renew, or terminate state charter school petitions and may approve a state charter school petition *before the petitioner has secured space, equipment or personnel, if the petitioner indicates early approval is necessary to raise working capital.*

ACTION – Vote NO on Amendment 1, which is on the November 6th General Election Ballot.

Funding: State Charter Schools vs. Traditional Public Schools

“Under new law, will state send more funds per child to state charter schools than local systems?”

– AJC Article by Maureen Downey, 8-4-12

On August 4th an inter-office memo from Herb Garrett of the Georgia School Superintendent’s Association was published in Maureen Downey’s AJC article with the above title. Garrett used the QBE formula in H.B. 797 to calculate the differences between funding for fifth graders in traditional *public* schools, virtual *public* schools and state special *public* charter schools.

Downey asked DOE spokesman Matt Cardoza to determine whether Garrett’s calculations were correct. Cardoza responded, “I’ve confirmed that those numbers are correct. Our financial review team ran the numbers based on what the legislation says.” The numbers are as follows:

<u>Funding Required by H.B. 797, Effective July 1, 2012 & Thereafter</u>	<u>Per 5th Grader</u>
Traditional public schools receive from the State in STATE DOLLARS	\$2,101.29
A State Special Charter School receives from the State in STATE DOLLARS	\$6,992.28
Virtual (online) schools receive from the State in STATE DOLLARS	\$3,921.25

Out-of-State Money¹ Funds Campaign to Pass Charter Schools Amendment

Out-of-state contributions account for 96 percent of the money used to promote charter schools. On July 25, 2012 Wal-Mart heiress Alice Walton donated \$250,000 to “the Georgia cause.”

On September 15, 2012, Political Insider Jim Galloway outlined the T-SPLOST-like statewide campaign to re-establish state authority to set up local charter schools. The Georgia Charter Schools Association described how \$2.7 million would be used – \$974,000 for a charter schools association Brighter Georgia plan and a \$1.8 million get-out-the-vote campaign by Families for Better Schools, recipient of out-of-state funds totaling \$470,760 from June 14 – September 12.

“Recession Proof” Public Charter Schools: New Money-Maker for Foreign Investors

Reuters reported on October 12, 2012 that foreign investors from China, Nigeria, Russia and Australia are expecting big returns on their investments in U.S. public charter schools

- **Ali Faisal, a Pakistani citizen living in Canada**, eager to expand his business to the U.S. *via* EB-5, toured Arizona charter schools and decided to invest in charter schools.
- **Education Fund of America** was set up in the U.S. two years ago by Greg Wing to connect international investors with charter schools. Now, he is arranging EB-5 funding for 11 schools across North Carolina, Utah and Arizona with four more in the works.
- **Buffalo, New York**. Foreign investors paid for the Health Sciences Charter School to renovate a 19th century orphanage into modern classrooms and computer labs.
- **Florence, Arizona**. Overseas investors are expected to finance a sixth campus for the booming chain of American Leadership Academy Charter Schools.
- **Arizona** educator Holly Johnson runs three charter schools, with plans to open a fourth next year, said she couldn’t believe how easy it was to secure \$4.5 million in funding from abroad.
- **Florida** business development officials say the **Chinese** had invested \$30 million in charter schools and plan to invest \$90 million more in charter schools next year.
- **China**. An investor forum “touted U.S. charter schools as a nearly fool-proof investment because they can count on a steady stream of government funding to stay afloat.”

¹ Research by U.D. Roberts. Available online at: FamiliesForBetterPublicSchools.xls; americansforchildrenga.xls

ACTION – Vote NO on Amendment 1 on the November 6th ballot.

Turkish Charter Schools in Georgia

“If the proposed amendment passes, we’ll have more of them.”

– State School Superintendent Barge, October 18, 2012

The “them” in Superintendent Barge’s statement refers to Gulen public charter schools that are operating at tax-payer expense. The origin of the Gulen movement is Turkey, which has been the destination for student field trips. Gulen charter schools were first created in Texas, which has the largest number of Gulen schools in the U.S. They are operated by the Cosmos Foundation, Inc. with its 30-member board, 25 of whom are from Turkey.

Although Cosmos Foundation founded the three Gulen charter schools in Alpharetta – Fulton Science Academy elementary, middle and high schools – they are now operated by the Grace Institute. However, the middle school lost its charter in December 2011.

Turks and public schools. The charter school movement of Fethullah Gulen, a Turkish Imam, is larger than any other charter group in the U.S. Gulen schools annually enroll 45,000 students in the U.S. and thousands more in their world-wide network. No other country funds Gulen schools with taxes, but the 125+ Gulen schools in the U.S. cost taxpayers millions every year.

Fulton Science Academy Middle School was named a “Model United Nations” school. In December, when the Middle school was denied a renewal charter, the Fulton County Legislative Delegation urged the Board to reverse its decision. In that letter, the Delegation reminded the Board, “The school is a nationally recognized Blue-Ribbon institution,” but failed to add that the Middle School was also named a *Model United Nations School*. After losing its charter in December 2011, the Middle school became a private school.

I don’t want to believe it, but just have to ask: Did out-of-state campaign contributions¹ influence our legislators to support charter schools? For Primaries, run-offs, special elections and General Elections in 2010, 2011 and 2012, many candidates received substantial donations from the foundation of Betsy DeVos, billionaire wife of Amway founder Richard DeVos.

In 2010 her American Federation for Children (AFC) sent \$272,000 to its Georgia PAC as “action funds” for the 2010 Primary and General Election.

In 2011 her foundation sent the Georgia PAC an additional \$15,000 for a special election. For the 2012 Primary AFC sent \$185,000 and an additional \$73,000 for the 2012 General Election. AFC funding to Georgia totaled \$618,450 for 2010, 2011 and 2012.

American Federation for Children (AFC), founded in Milwaukee in 1998 as the American Education Reform Foundation, was renamed Advocates for School Choice, Inc. in 2004 and moved to Phoenix, Arizona. Later, the headquarters moved to Washington, D.C. and its name changed to AFC in 2009.

AFC works alongside the American Legislative Exchange Council (ALEC) to draft and support model legislation promoting “school choice” and tax reform for schools. Both ALEC and AFC want to expand funding for charter schools while defunding public schools.

ACTION – Vote NO on Amendment 1 on the November 6th ballot.

¹ Contributions in 2010, 2011, & 2012 to specific campaigns range from a high total of \$7,200 to a minimum of \$100. Research by U.D. Roberts. Available online at: FamiliesForBetterPublicSchools.xls; americansforchildrenga.xls

