



# THEMES in the NEWS

IDEA's weekly commentary on education news

*Week of Aug. 22-26, 2011*

## **Does Walton Gift Substitute for Fiscal Reform?**

By UCLA IDEA

This week, the Walton Family Foundation gave the California Charter Schools Association (CCSA) a \$15-million grant to help increase the number of charter students by 100,000—20,000 in Los Angeles—within three years. The gift is the largest ever received by the association and the largest single amount that the Walton Foundation has given to support charters in California.

The association has flexibility in how it can spend the money. CCSA advocates for new startups and supports existing charters. At a time when charters are exempted from some public oversight and many regulations, CCSA has advocated holding under-performing charters accountable.

Fifteen million dollars is a sizeable amount of money—especially if it improves conditions for learning and teaching. However, considering the broad scope of education need in California, the money may not stretch very far. It will add about \$150 per student for those new charter students that Walton and CCSA hope for. Meanwhile, public schools are desperately underfinanced, and the total number of California public school students exceeds 6 million.

More than likely, the money will have its greatest impact via CCSA's lobbying to further its work in Sacramento, to gain political support for charters locally, and try to have charters achieve their still-elusive goal of outperforming traditional public schools. (A 2009 Walton Family Foundation-support study conducted at Stanford University found test scores of most charter schools nationwide to be the same as or lower than traditional public schools.) For example, CCSA has worked with Assemblywoman Julia Brownley on a handful of bills, including ones that would make it more difficult for poor-performing charters to be renewed. Legislation is also being sought to have charter enrollments reflect the demographics of their neighborhoods.

Regardless of the merits of charter schools, and CCSA's strategy to promote and reform them, Californians should pay some attention to Wal-Mart's position in California as a tax-paying, for-profit business. Although the foundation and the retail stores are technically different entities, the philanthropy and the corporation are tightly linked through their boardrooms and the Walton family. According to its website, Wal-Mart (the corporation) paid \$180.3 million in state and local taxes in 2011. Because California's Prop 13 limited how often commercial property could be assessed, businesses on average are taxed at about 60 percent of their current market value. If, as some advocate, commercial property in California was assessed at its true market value, Wal-Mart would owe substantially more taxes. We estimate that Wal-Mart would be required to contribute an additional \$120 million annually to support California public schools and other public services.

Further, as IDEA Director John Rogers offers in a radio discussion with Jed Wallace, CEO of the charter schools association, "focusing on charter schools at this moment diverts attention from the real need in California, which is to invest in our public schools at a level that allows our public schools to be successful for all the young people that are there." CCSA would do well to include in its advocacy agenda fiscal reforms that bring adequate funding to all California public schools.