

No Student Left Unsold

THE SIXTH ANNUAL REPORT ON SCHOOLHOUSE COMMERCIALISM TRENDS

2002-2003

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Executive Summary

No Student Left Unsold, the Education Policy Studies Laboratory's 2002-03 report on schoolhouse commercialism trends finds that commercialism remains firmly entrenched in schools. The laboratory's Commercialism in Education Research Unit (CERU) tracked eight categories of schoolhouse commercialism in media references from July 1, 2002-June 30, 2003. All but two of the eight categories have more references this period than the last period (July 1, 2001-June 30, 2002). References were identified by searching news databases using a series of search terms related to schools and commercialism.

Viewed against previous analyses of schoolhouse commercialism trends since 1990 conducted by CERU and its predecessor, the Center of the Analysis of Commercialism in Education at the University of Wisconsin-Milwaukee, the 2002-03 study shows that some categories are rebounding after having declined in past years.

The increase in commercialism in schools is taking place as schools confront tight budgets. Because schools across the country face budget shortfalls, they have taken such steps as holding a fundraising telethon (in Jefferson Parish, LA) and hiring full-time fundraisers (in Grapevine, TX), along with a variety of other cost-cutting and revenue-enhancing strategies.

The eight categories CERU tracks are below. Each category has its number of 2002-03 media references and the percent increase or decrease from 2001-02.

- **Corporate Sponsorship of School Programs and Activities:** 1,206 citations, up 1%.
- **Exclusive Agreements** (Agreements giving marketers exclusive rights to sell a product or a service on school or district grounds): 252 citations, up 65%.
- **Incentive Programs** (The use of commercial products or services as rewards for achieving an academic goal): 354 citations, up 87%.
- **Appropriation of Space** (The selling of naming rights or advertising space on school premises or property): 326 citations, up 196%.
- **Corporately Sponsored Educational Materials:** 310 references, up 313%.
- **Electronic Marketing** (The use of electronic media, including radio, television, and Internet, to target students through schools): 276 references, up 11%.
- **Privatization** (Private management of public schools, public charter schools, and private, for-profit school involvement in voucher programs): 1,570 references, down 15%.
- **Fundraising:** 970 references, up 17%.

The report also finds:

- An increasingly vocal resistance to commercializing activities, reflected both in citizen action and in the introduction of legislation seeking to rein in such activities.

- Foreign newspapers are continuing to report on commercializing activity in their home countries.
- Despite extensive coverage of commercializing activities in the mainstream U.S. press, the education press continues to pay scant attention to the issue. In contrast to 5,188 references to commercialism in popular, business, and advertising and marketing presses, the education press showed only 76 references in the study period.

The report concludes that schoolhouse commercialism is a reflection of larger economic, social, cultural, and political forces. Whether or not schools and their students are subordinated to the market place will depend in large measure on society's understanding of childhood and its assessment of the proper relationship between adults and children.

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Introduction

In an era when adults often complain that teenagers lack initiative, Andrea Boyes was trying to do things right. The 15-year-old Oregon student wanted to raise money for the cheerleading squad to which she belonged. She showed entrepreneurial spunk, devising a plan to resell bottled water at a dollar a bottle, and managed a deal that allowed the squad to net 55 cents of that. She got creative, designing her own label featuring the school's logo for the fundraiser bottles.¹ And she showed compassion – privately hoping to harvest enough profits to create a scholarship program that would allow teenagers at her school who could not afford the cost of cheerleading uniforms or tryouts to be able to join the squad.² It was the sort of moxie that might be expected to win the student extra praise from principals, teachers, or the PTA.

Instead, she got the boot. A Pepsi Cola exclusive contract at West Salem High School where Andrea Boyes was enrolled blocked her from selling the water on school grounds – or indeed, anyone from selling any beverage not made by Pepsi.³ For Gary Boyes, Andrea's father, the incident was a wake-up call that raised questions about “the actual rights of the contracting parties to inhibit student rights and modify accepted uses of publicly owned properties.”⁴

It was that and more. In her brief brush with entrepreneurial charity, Andrea Boyes ran headfirst into the clout that giant corporations wield today in the nation's schools. It is an influence that, as the 2002-03 review of Trends in School Commercialism shows, remains firmly entrenched.

Commercialism References Rise

The Commercialism in Education Research Unit (CERU) of the Education Policy Studies Laboratory at Arizona State University has been monitoring media references to schoolhouse commercialism for more than a decade. For the July 1, 2002-June 30, 2003 period, in all but two of eight categories that CERU tracks, media references were up. Examination of those references shows that in-school commercialism and corporate activities designed to boost company profits, directly or indirectly, are as firmly entrenched as at anytime since CERU and its predecessor, the Center for the Analysis of Commercialism in Education (CACE) at the University of Wisconsin-Milwaukee, began its monitoring.

**Combined Total Hits of All Eight Categories of Commercialization
and Four Presses, 1990-2003**

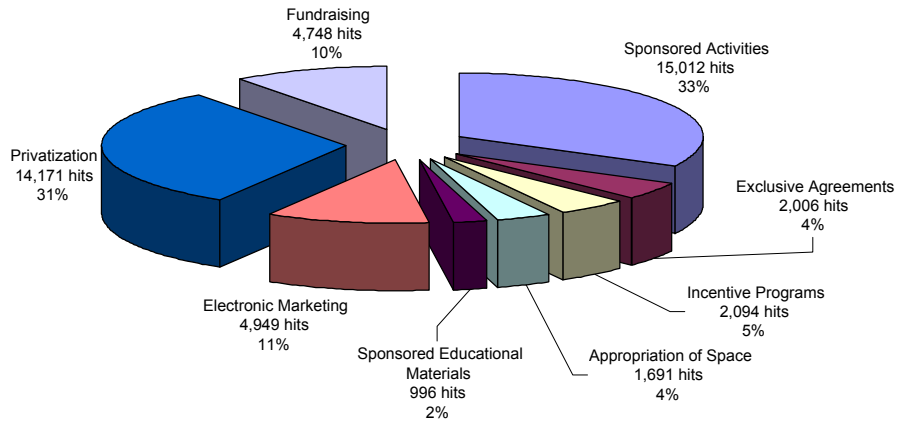
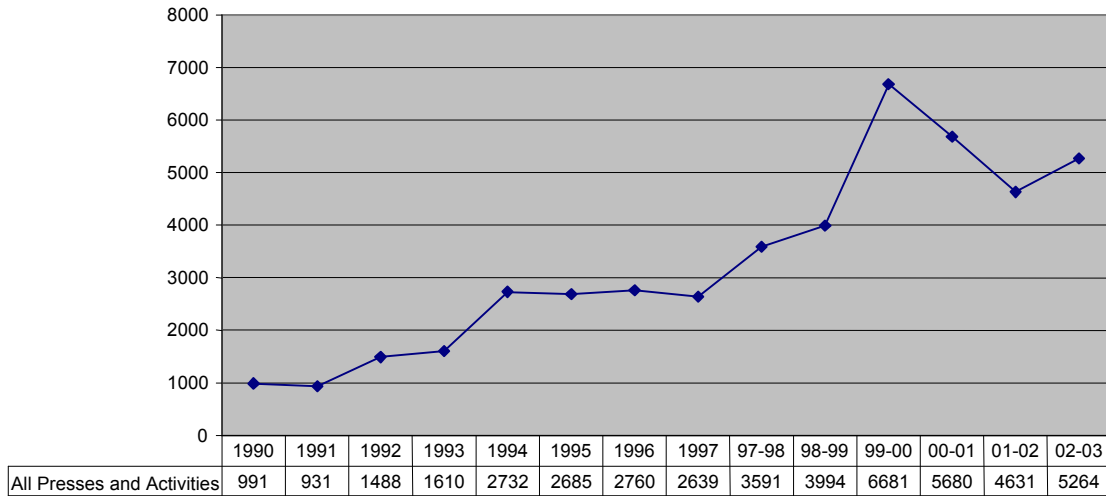
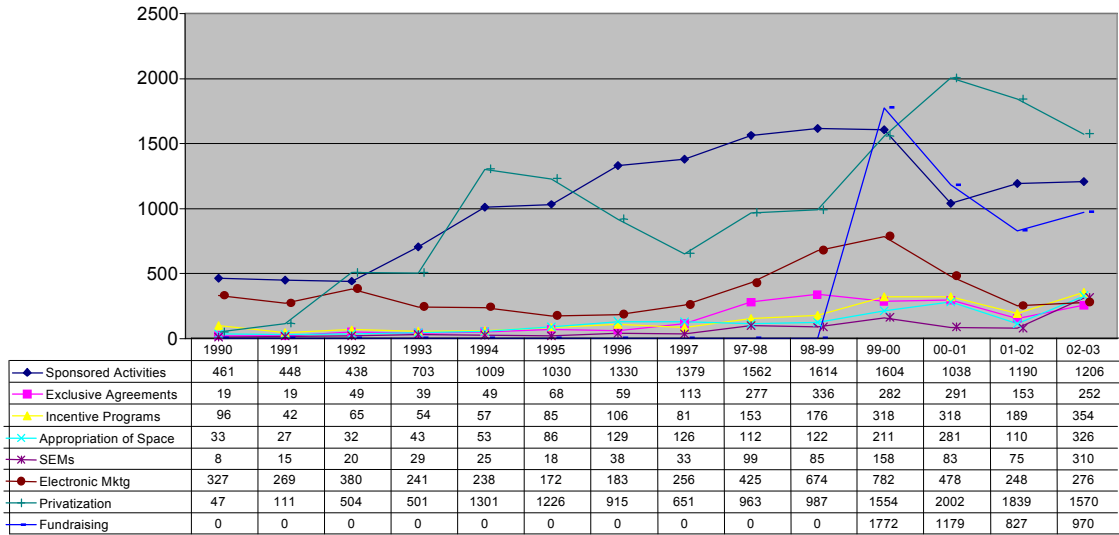


Figure 1: Combined Total Citations, All Types of Commercializing Activity, By Year



When placed in the context of 13 years worth of schoolhouse commercialism trend analysis by CERU and CACE, the 2002-03 study shows that some categories are rebounding after having declined for a period of time.

Figure 2: Overall Trend, By Commercializing Activity, All Presses 1990-2003



Hard numbers about the extent, depth, and breath of corporate money-making activities in schools remain difficult to ascertain. One industry group favoring corporate involvement in schools reports that schools receive \$2.4 billion a year from what the organization, the Council on Corporate and School Partnerships, calls “business relationships” with corporations.⁵ According to the council, nearly 70% of school districts engage in so-called “business partnerships” and nearly all educators in a survey planned to continue those relationships.⁶ The council’s news release stated that in the eyes of business leaders, “school partnerships benefit business and educators in four key areas: human capital development, community development, student achievement, and financial impact in terms of earning revenue for the business and providing needed funding for schools.”⁷ How those numbers should be interpreted, however, is not entirely clear in the absence of a generally agreed upon set of definitions.

Strapped Schools

What is clear is why schools turn to private sources for funds. One need look no further than Jefferson Parish, Louisiana. There, public schools were desperate – strapped for cash and unable to pass a \$34 million referendum that would have raised sales taxes in the community by half a penny on the dollar. So in January school board members took a leaf from Jerry’s Kids and public television: they held a telethon.⁸ In the end, the school district netted more than \$278,000 – and promises from callers who said they’d work more than 17,000 volunteer hours for the school.⁹ The telethon’s corporate sponsor, BellSouth, donated \$10,000; the local sheriff’s office \$60,000, and other corporations – banks, energy suppliers, and Coca-Cola, \$10,000 each.¹⁰

In March, the Riverside, California, school board wrestled with the prospect of enlarging class sizes – only a few years after the state embarked on a major class-size *reduction* plan – and laying off teachers in order to cut \$8 million to \$16 million from the school district’s \$270 million budget. Among the alternatives under consideration was seeking corporate sponsorship of sports stadiums in the district.¹¹ In schools across the country, sports programs and extracurricular activities are being cut, or their cost transferred to corporate sponsors. Plano, Texas, school board members considered requiring students to pay up to \$125 each to participate in middle and high school athletics – offsetting \$300,000 of the district’s \$1 million athletic budget.¹² In Eugene, Oregon, parents raised \$8,000 selling blood plasma, hoping to cover the \$73,000 cost of salary and benefits for a teacher threatened with layoff due to budget cuts.¹³

Board members in Kanawha County, West Virginia, cutting \$4 million from their \$195 million budget, planned to eliminate an Americorps tutoring program in place at a

dozen low-income elementary schools in order to save about \$52,000 – and sought out corporate sponsors to avoid the cut.¹⁴ Even wealthy districts weren't immune. Because under Texas law wealthy school districts are required to send some of their tax revenue to poorer ones, the Grapevine-Colleyville school district began looking for a full-time fundraiser, to be paid a salary plus a commission.¹⁵ Two other Texas districts undertook the same task, and one considered selling naming rights for its stadium for \$10 million.¹⁶

“As student numbers swell and needs increase, schools are turning more and more to outside initiatives to fund innovative programs,” reported the *Atlanta Journal and Constitution*. “The result: School budgets are often peppered with a patchwork of sources such as corporate sponsors, community members, and even parents...”¹⁷ Indeed, in some quarters there is rising demand for *more* corporate involvement. *The Denver Post* editorialized against a school district cutting its soda contract.¹⁸ In suburban Chicago and in St. Louis, school board candidates suggested doing more to involve big business in school operations.^{19, 20}

Corporate America's Purpose

Corporate links to schools usually carry the gloss of charity, a gloss that tends to obscure just what corporations get out of those connections. On rare occasions, though, Corporate America itself acknowledges its self-serving purposes for commercializing classrooms. One such acknowledgement turned up in *Promo*, an advertising and marketing magazine published by Primedia, which (coincidentally) also operates the in-class commercial television network Channel One. The article reported on current trends and practices for marketing to schoolchildren, which today is “far more sophisticated

than the old days of book covers and posters. Brands are learning to create curriculum-based programs when possible or appropriate, bring mobile tours to schools, infiltrate locker rooms and sports fields, and sample, sample, sample.”²¹ Summarizing the advice of consultants and companies that have succeeded at it, the article counseled marketers to “avoid controversial subjects,” but it also notes that schools are becoming more receptive to corporate marketing. “Tight budgets opened doors. School leaders ‘are becoming more open to commercialism and thinking about how they can reduce budgetary problems,’” said the article, quoting Derek White, executive vice president of Alloy, a New York City marketing consultancy, and general manager of Alloy's Cranbury, NJ-based youth-marketing division 360 Youth..²² Among the examples it cites: Unilever Best Foods sent home Ragu brand microwave-ready pasta dishes with students, anticipating students would consume them as after-school snacks.²³

The holy grail of marketing in schools, the article suggests, is to get products placed in the curriculum – generally a tough task. “Brands with an obvious education connection often can integrate into curriculum – if they win over the teacher. ... But most brands aren't suited to a curriculum pitch.”²⁴ That doesn't deter some companies. Procter & Gamble and Safeway “target schoolkids through health and fitness messages,”²⁵ the article reports.

Evidence of a Backlash

This year's review also finds strong evidence of a backlash against corporate-school match-ups. Critics are threatening lawsuits, charging that by tying school districts' hands, certain sponsorship programs interfere with school operations,

instruction, or children’s health. School districts have banned certain corporate relationships such as exclusive agreements with soft drink bottlers, parents are speaking out against the relentless marketing to their children, and public health and legislators have, in some instances taken up the cause.

Measuring Schoolhouse Commercialism Trends

No database exists to allow the direct measurement of schoolhouse commercialism. The Commercialism in Education Research Unit tracks media references to eight categories of schoolhouse commercializing activity, monitoring each category through a series of searches on Lexis-Nexis and Education Index and counting the number of citations each search produces. (See Appendix A and B for the search terms and criteria used to define each category.)

Table 1: Average Percent Changes in the Number of Media Hits for the Past Year and Cumulatively Since 1990

Category	Total Hits 2002	Total Hits 2003	Percent Change 2002-2003		Average Percent Change ²⁶ 1990-2003	
Sponsorship	1,190	1,206	1	↑	143	↑
Exclusive Agreements	153	252	65	↑	705	↑
Incentive Programs	189	354	87	↑	60	↑
Appropriation of Space	110	326	196	↑	288	↑
Educational Materials	75	310	313	↑	850	↑
Electronic Marketing	248	276	11	↑	9	↑
Privatization	1,839	1,570	-15	↓	2,211	↑
Fundraising*	827	970	17	↑	n/a	
				Near-Term Change		Long-Term Change

*CERU began tracking fundraising in 1999-2000

Only two categories – corporate sponsorship of programs and activities and privatization – did not show a marked increase from the 2001-02 Trends Report.

(Sponsorship references rose by 1%; privatization references fell by 15%.)

Schoolhouse Commercialism by Category

The remainder of this report summarizes, by category of commercial activity, media reports produced during the 2002-03 school year of that activity, and characterizes the trends that emerge from those accounts.

Category 1: Sponsorship of Programs and Activities

Although the number of citations in this category was up just 1% from last year, the category as a whole generated the second largest number of media references in the 2002-03 study period: 1,206 total citations. Sponsorship of Programs and Activities is the category where most of the traditional business-school relationships turn up. For years, businesses have quietly and with great fanfare donated money to pay for everything from essay contests to scholarships to academic competitions. At one extreme, the Siemens Westinghouse Competition in Math, Science and Technology awards scholarships of \$100,000 to one high school student and \$50,000 to two others for scientific projects.²⁷ A more prosaic example is the story of a group of cheerleaders from Clay High School in Florida. By selling hot dogs, sodas, and snacks, cheering for Wal-Mart in the store's parking lot, posing for pictures with a display of Coca-Cola and Nabisco products, and producing a video that they sent to their corporate sponsors, the

squad received \$5,000 for new uniforms and equipment from the Hometown High School Challenge sponsored by Coke and Wal-Mart.²⁸

Grants, Teams, and Contests

Another source of traditional sponsorship references are grant programs. For example, Exxon Mobil Corp. reported it had given \$2 million to schools through its Educational Alliance program; examples included 155 grants totaling \$77,500 to schools in Tennessee that were nominated by local Exxon Mobil service stations.²⁹ General Electric made a \$1 million grant to an Atlanta high school for which it has been a continuing “supporter and corporate partner.” The money was to be used to implement a program to double the school’s percentage of college-bound graduates by 2007.³⁰

Corporate sponsors often help pay for teams to take part in the problem-solving competition Odyssey of the Mind.³¹ Giants such as Bechtel, General Motors, IBM and Texas Instruments help sponsor the National Science Bowl, an annual competition and science fair event administered by the U.S. Department of Energy.³² Corporations sponsor some 1,100 scholarships for high school seniors under the National Merit Scholarship program.³³ Shell Oil Co. donated \$15,000 to a state reading promotion program in Ohio.³⁴ In Pittsburgh, Pennsylvania, locally based Bayer Corp. seeks to stimulate interest in classical music with a program that is supposed to help high school students plan, put on, and sell tickets for symphony concerts.³⁵

With tight budgets increasingly threatening programs in art, music, and athletics especially, the drive to seek corporate sponsorship is intensifying. So it was that the Fountain Valley School District in California turned to Hyundai Motor America: When the automobile importer asked school officials “how it could help the entire district,”

district officials pinpointed threatened music programs. The car company responded with a matching grant program of up to \$50,000 – using one of its cars, an aptly named Hyundai Sonata, as the collection bank.³⁶

Sponsorship programs are often tied to the sponsor's own industry. Banks and other financial institutions sponsor classes on personal financial management.³⁷ In Oak Ridge, Tennessee, Pro2Serve, an engineering firm, took on sponsorship in 2001 of a mathematics scholarship in conjunction with the University of Tennessee-Knoxville for scorers in the top 10 of a special math test. The company's sponsorship, begun in 2001, opened the scholarship to more students – and got the firm recognition by attaching its name to the program.³⁸

'Wave of the Future'

Reviewing coverage for July 1, 2002-June 30 2003, it is clear that the discussion of corporate sponsorship has moved further into the open, and that it is no longer as little noticed as it may have once been. Corporate sponsorship “is the wave of the future,” said Vernon Hills football coach Tony Monken, whose school sold naming rights to its stadium. “Everyone wants to reduce taxes and it's hard to get referendums passed sometimes. Yet the cost of running a program at the high school level keeps going up. So anything you can do to raise funds for your school, you should do it.”³⁹

Rarely, however, do those discussions seriously weigh the relative benefits of sponsorship to the sponsors as well as the schools that are the purported beneficiaries. “Cause-marketing” that links large corporations with some form of public good has become, plain and simple, a corporate strategy to boost image and profits. “Corporate revenue grows in tandem with contributions,” wrote Rebecca Samuels for

CBS.MarketWatch.com.⁴⁰ A market strategist told Samuels: “Americans are willing to reward good corporate citizens, so companies that integrate their social commitments into business strategy can reap the benefits of ‘positive activism.’”⁴¹ The speaker, Carol Cone, conducted a survey in which 84% of the respondents said that, price and quality being equal, they would probably switch to a brand associated with a good cause.⁴²

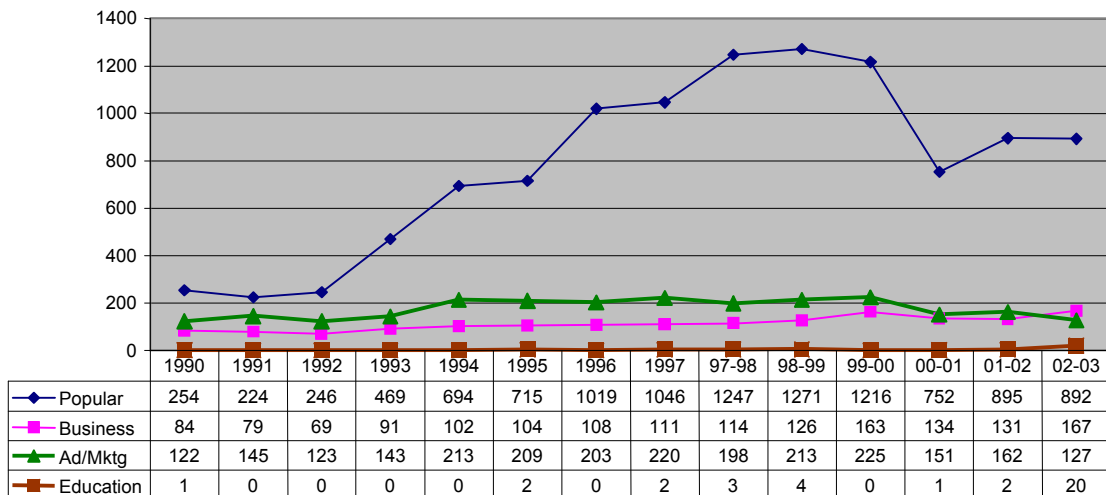
A sponsorship program too nakedly self-serving draws criticism. That’s what happened in the case of a Los Angeles weather forecaster. It’s common for local broadcasting celebrities to appear at assemblies or other events in their community’s public schools, promoting their news programs and television stations in the process. A no-holds-barred magazine profile disclosed how forecaster Christopher Nance went over the line. Nance “has been a fixture of Southern California elementary schools, urging children to study hard and believe in their dreams,”⁴³ the article noted. He videotapes his visits and airs the footage during his forecasts. “What viewers are never told is that Nance is running a business” – and as a condition of appearing at a school, allegedly pressures principals or PTAs to buy a minimum order of 100 of Nance’s self-published children’s books at \$18 each – or \$1,800.⁴⁴ “Nance is not only profiting from his position but also using airtime ... to reward his customers,” the article’s author wrote.⁴⁵

Such baldly unethical opportunism may be easily questioned, but few question the subtler self-interest in other forms of corporate sponsorship. One who does is Martha White, of Rockport, Maine. Writing in *The Christian Science Monitor*, White described her weariness with the way marketers ply her children from dawn to dusk, and her anger at the role schools play in letting it happen. She recounted the story of a skiing program

for fifth-, sixth-, and seventh-graders sponsored by the local power company, advertised in a flier with her electric bill:

Their (my?) generosity is being funneled through a nonprofit organization led by the marketing directors from the ski areas. More than 53,000 school kids will spend up to half a school day each to hear about free ski-lift tickets. Why? Purportedly it's all in the name of physical fitness ... In our school, however, there was already an all-inclusive fourth-grade, four-lesson, learn-to-ski program, with free lift tickets at the local slopes – no strings attached. *The power company program, on the other hand, extends only to those with a fully paying adult to accompany every two kids.* [Emphasis added.] File this sales gimmick under Math for Marketers, not Phys. Ed.⁴⁶

Graph 1: Sponsored Programs and Activities



Category 2: Exclusive Agreements

References to agreements that give marketers exclusive rights to sell a product or a service on school or district grounds and to exclude competitors were up by 65%, to 252 citations from 153 in 2002-03. The increases are the result in part of such agreements coming under attack. On the one hand, there were a number of reports from around the country on new contracts between schools and marketers, usually soft drink companies. On the other, the problems with such agreements, particularly their potential

for harm to children's nutrition, drew increasingly critical scrutiny. In some communities or states, schools, school boards, or legislators enacted or sought limits on such agreements.

In Florida, marketers vying for exclusive school contracts were out for blood – literally. Competing blood banks wanting exclusive rights to conduct blood drives at high schools in Palm Beach, Broward, and Miami-Dade counties offered \$20 per pint collected, with the money going to scholarship funds.⁴⁷ A third blood bank charged the payments violated state law and federal guidelines, and critics also complained that the payments would undermine voluntarism in blood donation and raise the cost of blood for hospitals, insurers, and patients.⁴⁸

Still, that was an unusual case. Most agreements that drew media attention involved soda companies. Some agreements passed without a ripple, such as one for \$10 million over five years granting Coca-Cola exclusive rights to supply drinks and sponsor certain programs in DeKalb County, Georgia, schools.⁴⁹

Soft-drink Deals Persist

In Charleston, South Carolina, the county school district agreed to an \$8.1 million, five-year contract with the Pepsi Bottling Group to change all school vending machines over to Pepsi products.⁵⁰ The contract included a \$1 million signing payment, which the district applied to its 2001 budget to offset state funding cuts, and a \$50,000 annual payment from Pepsi after that, plus a 40-43% cut of machine revenues. Another nearby county reached a \$7.2 million, five-year Pepsi deal. In the Charleston contract, Pepsi agreed to offer \$1,000 scholarships in district high schools and to assist booster clubs with concession sales and fund-raising programs. The company also includes

incentives to drive up sales, such as free movie, concert, or sporting-event tickets, and offers schools that install more machines a slightly higher share of the profits. Even so, the agreement brought criticism, such as from a parent who observed that the agreement “puts people in the unfortunate position of encouraging students to drink soda so the school can fund things.”⁵¹ Citing the soda-linked problems of obesity, childhood diabetes, and weak bones, the parent, nurse Kate Young, added: “We really recognize that the district is under enormous financial strain... But do we want [students’] health to be what is used to make up for the budget shortfall?”⁵² Parents subsequently considered challenging the agreement.⁵³

Similar objections arose in Norfolk, Virginia, where schools agreed to sell only Coca-Cola products under a \$3.2 million contract over five years.⁵⁴ As Pepsi did in Charleston, Coke agreed to pay Norfolk schools more if they sold more of the 20-ounce bottles.⁵⁵ Hillsborough, Florida, the nation’s 11th-largest school district, negotiated a sweeping exclusive contract with Pepsi. The agreement guaranteed the district \$50 million over 12 years that “spells out plans to expel competition.”^{56, 57} The only non-Pepsi beverages that could be sold in the district’s schools were those, such as milk, for which Pepsi was unable to provide a comparable product.⁵⁸ The Sherwood School District in Oregon signed a new 12-year agreement to keep Coke its only beverage provider, in a deal worth about \$400,000, plus commissions, shared by the district and the city.⁵⁹

The Backlash Against Sugar

Increasingly, however, exclusive soft-drink agreements prompted outcry as more and more attention focused on problems of childhood obesity and the fears that diets

heavy in sugary snacks may contribute to Type 2 diabetes. *US News & World Report* cited Center of Disease Control (CDC) studies showing that 73.9% of middle and junior high schools, and 98.2% of high schools, have vending machines or snack bars selling high-calorie snacks and soft drinks.⁶⁰ “Even Education Secretary Roderick Paige negotiated a \$5 million exclusive contract with Coca-Cola in 2000 when he headed the Houston school district,” the magazine noted.⁶¹

Bans began cropping up. Paul Vallas, the Philadelphia schools’ chief executive officer, sought a ban on soda in schools.⁶² New York City schools banned soda, sweet snacks and candy from vending machines.⁶³ The Texas Education Agency directed districts as of the fall of 2002 to stop selling “foods of minimal nutritional value” in cafeterias, hallways, or common areas.⁶⁴ California legislation set standards for food sold in elementary schools that would shut out sodas, high-fat foods, and high-sugar, low-juice fruit drinks.⁶⁵ Separately, the state Senate in 2003 passed a ban on soda sales in California schools, a year after a similar ban was defeated.⁶⁶ The Los Angeles school district banned soft drink sales during school hours, effective in 2004 – while principals and students worried about how to fund the field trips, dances, and athletic programs the vending machine money had paid for.⁶⁷ The district’s action drew worldwide attention. Capistrano Unified School District in South Orange County, California, went further, banning not only sodas but also junk foods from vending machines.⁶⁸

As many as a dozen states were reported considering legislation “to curb sweets and fatty snacks in schools,” and George Washington University law professor John Banzhaf – who was among those leading the fray to sue tobacco companies – predicted lawsuits against soda makers and school boards.⁶⁹

Even without bans, soda agreements drew criticism. A *San Diego Union-Tribune* writer charged a local school board had “compromised the health of children in exchange for cash” when agreeing to a five-year, \$800,000 Pepsi agreement.⁷⁰ The school district’s contract, columnist Logan Jenkins wrote, would “make it more likely that the students under its charge will be fat, diabetic and wired.”⁷¹ An Alaska public health physician editorialized in favor of banning soda from schools and compared that effort with “the struggle to ban smoking from schools 20 years ago.”⁷² In Minnesota, high school coaches joined in condemnation of soft drinks and “are advising athletes to lay off the pop if they want to stay healthy and competitive.”⁷³ One coach unplugged pop machines during practice; others posted signs warning machines were off limits at summer football camp.⁷⁴ In their opposition, these coaches followed in the footsteps of dentists, who had lobbied Minnesota’s legislature unsuccessfully to ban soda sales during school hours.⁷⁵

Competitive and Constitutional Challenges

Concern about the negative impact of soft drink consumption on children’s health was a primary source of criticism of such agreements, but it was not the only one. In Utah, a local water bottler complained that exclusive Pepsi and Coke contracts at universities and high schools in the state kept his products out.⁷⁶ In New York, the Quality Beverage Association, joined by individual taxpayers and residents, filed a lawsuit challenging exclusive soft drink agreements on the grounds that the New York Education Commissioner, in authorizing such agreements, violated state law concerning the after-hours use of school property, the state constitutional prohibition on using public property for the benefit of a private corporation, the state law governing competitive

bidding of public contracts, and the regulation prohibiting commercialism on school property.⁷⁷

In California, the National Institutes of Health funded a \$50,000 study, to run for three years, comparing the outcomes at four schools – two of them removing sodas and two controls.⁷⁸ One of the soda-free schools was midway through a contract with Coca-Cola, which agreed to supply other beverages during the study period.⁷⁹

Defending Exclusive Agreements

Yet the effort to rein in exclusive agreements remains contentious. The California Teachers Association joined the food industry in blocking a California bill in 2002 to end soft-drink sales in all schools, complaining that the schools needed the revenue.⁸⁰ Pasco County, Florida, schools considered relaxing rules so that soda would be available any time of day in the high schools, rather than just at the end of the day.⁸¹ An Ohio reporter's article on the sodas-in-schools controversy noted that soda was an overwhelming preference of students, who rejected milk and water in favor of soft drinks.⁸² When Denver Public Schools considered ending an agreement with Pepsi that was up for renewal, the *Denver Post* editorialized against doing so. "With a down economy and extremely tight budgets everywhere, it's not the time to kiss off millions of private dollars," the newspaper said.⁸³ (It did advocate giving students "healthier options" at the same prices as soda.)

Still other districts sought compromise. At Redlands East Valley High School in California proposed an agreement with Coke that would ensure a wider range of non-carbonated – and therefore presumed to be healthier – drinks.⁸⁴ Buffalo, New York, schools agreed to a 10-year, \$4 million snack vending machine contract that excluded

carbonated beverages. “District officials say the deal is both a substantial money-maker and a healthier option for children, because it will exclude carbonated beverages,” the *Buffalo News* reported.⁸⁵ One board member wasn’t convinced, voting against the agreement and having earlier complained of “the high sugar content and low nutritional value” of the products that would be sold.⁸⁶

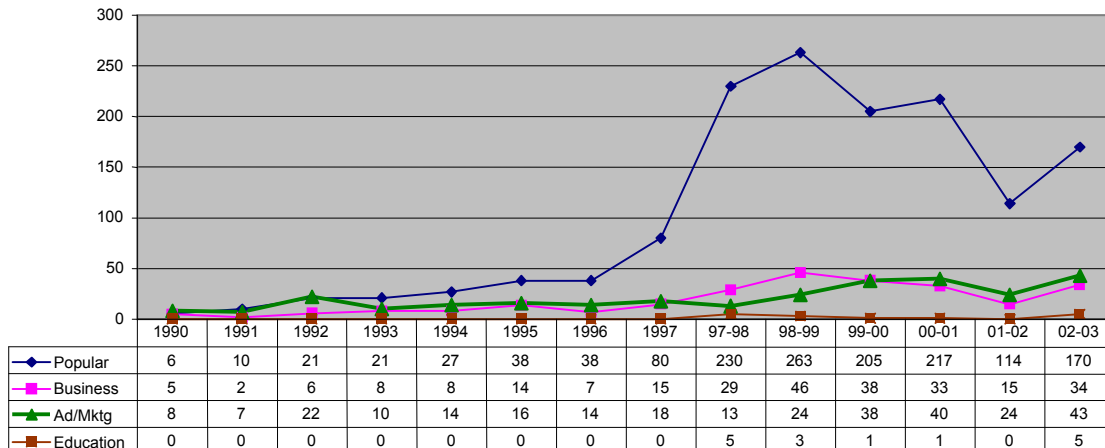
Building Brand Loyalty

While giving ground on such incremental items, the soft drink and junk food industries showed no signs of retreating from their hold on public schools as simply one more marketplace. The industry began circulating claims that the average middle- and high-school student consumed on average only one 16 ounce soda a week at school,⁸⁷ and formed a lobbying group to combat soda bans, the Center for Consumer Freedom – an ironic title given the fact that by their nature exclusive agreements deprive some consumers the freedom to choose what they might buy. On business pages, however, Coke was frank about the real goals underlying exclusive deals, and they weren’t consumer freedom. “The school system is where you build brand loyalty,” said John Alm, president and chief operating officer of Coca-Cola Enterprises (a national bottling firm affiliated with the soft-drink maker), in a remark reported by the *Atlanta Journal and Constitution*.⁸⁸

Meanwhile, Coca-Cola founded the Council for Corporate and School Partnerships in 2001. In 2002-03 the council enlisted former U.S. education secretaries Lamar Alexander and Richard Riley to promote the council’s commercialism guidelines, proffered to advise schools and businesses alike on “structuring these relationships to meet student needs.”⁸⁹ Responding to the council’s announcement, the Center for

Science in the Public Interest, which has been campaigning to remove sodas from schools for health reasons, asserted, “Corporate-school partnerships bolster corporate profits at the expense of kids’ health and education.”⁹⁰

Graph 2: Exclusive Agreements



Category 3: Incentive Programs

Incentive programs provide some sort of reward in the form of a commercial product or service in return for students who achieve an ostensibly academic goal, such as perfect attendance or increased reading. Media references to them increased by 87% over the 2001-02 survey, to 354 citations from 189.

Pizza Hut’s “Book It!” program remains a venerable example in the world of corporate incentive programs, enrolling students in 875,000 classrooms in 50,000 public and private schools.⁹¹ A school in Ft. Lauderdale, Florida, won \$10,000 and a visit by First Lady Laura Bush for enrolling every student in the program and then entering a random drawing sponsored by the company.⁹² In testimony on Capitol Hill October 8,

Pizza Hut president Mike Rawlings called it “a literacy partnership that ‘works’” and promoted the programs for bringing “more fun to reading.”⁹³

But Pizza Hut has gone beyond that. In a corporate first, the company gave \$50,000 to sponsor the Dallas Junior League’s state literacy programs. The chain, noted *The Dallas Morning News*, “will thereby ‘own’ [the league’s] Education Issue Area.”⁹⁴ The company also joined up with a second corporate entity, AOL Time Warner, enlisting teachers to encourage children to read the magazine *Time for Kids* to help meet the Book It! program’s goals.⁹⁵

Reading, Writing – and Marketing

The publisher Scholastic Inc. sponsored a national contest to write 500-word essays on “My Dream for a Better World.” The seven finalists were flown to Los Angeles, where they met with basketball star Shaquille O’Neal and Ruby Bridges, who was the first black student to enroll in a whites-only elementary school in New Orleans in 1960. Scholastic assembled 3,000 entries in the contest into a display book (not for publication) to circulate to finalists’ home communities and prompt local discussion about children’s issues.⁹⁶ The National Basketball Association, for whom signing up Chinese center Yao Ming reaped fresh publicity badly needed since Michael Jordan retired, swiftly incorporated the new NBA star in its continuing reading incentive program.⁹⁷

Jostens, the company that sells class rings and yearbooks, sponsors the Renaissance Program, which provides plastic cards in the colors gold, silver, and bronze and resembling credit cards that are awarded for attendance, good grades, and exemplary discipline. The cards can be redeemed for benefits such as free admission to a school

dance, meals at McDonald's, or perks such as a choice of school parking spaces or lockers. A parallel program rewards teachers for spending extra time with students. It's not clear what Jostens' "sponsorship" role amounts to other than guaranteeing it exposure for the corporate name, as the Renaissance Program, in 1,400 districts nationally, charges fees for supplies for schools to take part.⁹⁸

Verizon Communications conducted a contest for Los Angeles high school students to write rap lyrics promoting reading. The winner performed his composition at a Verizon-sponsored music festival.⁹⁹ Verizon, the regional Bell telephone company serving the Mid-Atlantic States and New England as well as a national cellular phone service provider, also sponsored through its foundation a program to give schools incentives to establish school-to-work programs. The firm also announced the seventh year of its EdLink program and a competition for grants of up to \$20,000 each to fund "proposals that link classroom instruction and workplace or community-based learning opportunities for students in grades 7-12."¹⁰⁰ The company said it planned to give a total of \$400,000 in grants.¹⁰¹

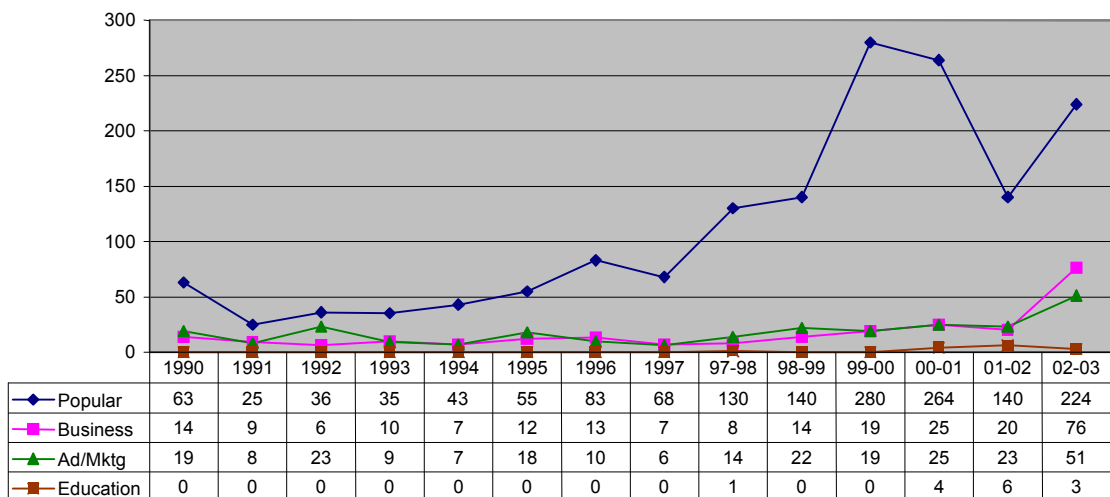
Targeting Teen Telephones

Altruism isn't the sole motivator. For Verizon and other telecommunications firms, brand name recognition is important in wooing new consumers. In an industry trade magazine, a telecommunications lobbyist wrote candidly about how telecom firms try to build their business by targeting children through schools. The writer, Julie Allardyce, education assistant at the National Telecommunications Association, notes that for many teens, "wireless telephones are a valuable communication tool" that "could translate into a considerable amount of income" for telecom companies.¹⁰² Allardyce

lists a variety of strategies. A telephone company's scholarship program in North Dakota required students to write an essay answering the question, "How would your life change if you had no form of communication for one month?"¹⁰³ The same company goes into schools to teach students about its services, sending home an advertising flier with students; then donates \$25 to the school of the parent's choice when a parent buys from the firm.¹⁰⁴ A marketing manager for a New Mexico phone company "said he begins instilling name recognition for his telco as early as elementary school," the article reported.¹⁰⁵ Starting by "getting the students to become familiar with our name, we want to nurture them into adulthood," one marketing manager told the writer.¹⁰⁶

Local examples abound. Citizens Bank in Pittsburgh sponsored a contest for students to write 30-second public service announcements on Martin Luther King, Jr.'s "I have a dream" speech. Seventeen winners received all-expense paid trips to the Gettysburg battlefield, and eight elementary students were awarded \$100 savings bonds.¹⁰⁷ In Hartford, Connecticut, students with perfect attendance were to be rewarded with free admission to a local theme park and free ice cream at McDonald's.¹⁰⁸ In Los Angeles, the Little Caesar's pizza chain awarded free pizza to a school selected for its participation in an anti-graffiti campaign sponsored by the county; Keebler donated cookies to students who completed homework books as part of the program.¹⁰⁹

Graph 3: Incentive Programs



Category 4: Appropriation of Space

In spring 2003, San Francisco newspaper columnist C.W. Nevius decried budget cuts that would lead to teacher layoffs and suggested that schools sell naming rights for school buildings. “It is a little late to take the high road when the current moneymaker for education is the lottery – which used to be known as the ‘numbers racket’ back in the days when it was run by the mob,” Nevius observed. It is time for “some radical thinking,” the writer concluded. “How radical? I’m thinking Victoria’s Secret High School.”¹¹⁰

That final jape suggests that Nevius wrote the column with tongue planted firmly in Swiftian cheek. Yet if satire was the intent, reality already was doing the writer one better. In February 2003, the Belmont-Redwood Shores School District in suburban San Francisco, starved for funds, proposed selling naming rights not only for school buildings and classrooms, but for the entire district. “In the near future, 2,500 students could be attending the Belmont-Redwood Shores School District sponsored by Oracle or Apple,”

reported the *San Francisco Chronicle*. “And they might also be a student in Mrs. Smith’s 5th grade class sponsored by Safeway.”¹¹¹ The culprit: a shortfall amounting to one-fifth of the district’s annual \$20 million budget. The district’s board was willing to draw a line: no deals with companies associated with tobacco, alcohol, sex, or violence. “This is Silicon Valley,” said a district parent who helped draw up the proposal. “This is the home of innovation.”¹¹²

Schools by Any Name

Discussions of naming rights – the practice of naming public facilities for corporate sponsors in return for a cash payment – continued in the 2002-03 study period, helping to nearly triple the number of references in the category of Appropriation of Space – the use of school property to promote individual corporations through mechanisms such as naming rights or general advertising. References in this category rose by 196%, to 326 from 110.

New York City Public Schools’ Chancellor Joel Klein revived a program to sell sponsorships of schools’ “name, facilities, and other appropriate goods and services,” hiring a Manhattan firm Growth Through Sports Marketing. The plan was similar to one proposed by Klein’s predecessor but killed by the board of education; terms of Klein’s proposal called for paying the agent 25% of the first \$10 million and 35% if the revenue exceeded \$50 million.¹¹³

The Chicago suburb of Vernon Hills, Illinois, named its high school stadium for local company Rust-Oleum, in return for \$100,000, and a computer company sponsored the scoreboard for another \$80,000.¹¹⁴ Newburyport, Massachusetts, created a Newburyport Education Foundation to raise money for local schools primarily by selling

naming rights for everything from offices to buildings, dedication plaques, and auditorium seats.¹¹⁵ Beverly, Massachusetts, became the first community in Massachusetts to approve school bus advertising, with one school board member proclaiming: “If it saves us from cutting a teacher or two, it’s worth it.”¹¹⁶

This Space for Sale

St. Charles Parish, Louisiana, superintendent Rodney Lafon opposed a school board member’s suggestion that the district’s school sell advertising space on its web site, but Lafon supported a plan for 35-foot-high scrolling marquee signs containing information and advertising in front of two district high schools.¹¹⁷ In return for constructing the sign at no charge to the school, Coogan-Crawford & Associates, Metairie, would collect ad revenues from it totaling \$140,000 over 10 years.¹¹⁸ In South Carolina, a school district allowed the Children’s Medicaid Dental Clinic in Columbia to put advertising banners in 16 middle and high schools, in stadiums, and on a district maintenance truck for a \$10,000 fee.¹¹⁹

Sponsorship programs can come in much smaller scale as well. Ralston High School in Nebraska sold sponsorships to update technology in its industrial technology lab for \$3,000 to \$5,000 each.¹²⁰ Firms were encouraged to donate on the grounds that their sponsorship would gain them entrée to the school to talk about themselves as potential workplaces; companies also agreed to donate leftover building materials and other supplies to the program.¹²¹

An entire industry now revolves around the brokering of naming rights and similar commercial relationships with schools. In Midland, Texas, a Cleveland marketing firm, The Superlative Group, announced its handling of a \$1.2 million

transaction that named a city-owned high school sports stadium for Grande Communications.¹²² The agreement is worth \$48,000 a year over a period of 25 years. “Corporate sponsorship opportunities are an ideal way to raise funds without having to raise fees or taxes,” Superlative’s CEO said in the firm’s press release.¹²³

Heart Attacks and Commercial Pitches

In-school advertising constitutes another form of appropriation of space. The New York City school board agreed to distribute to more than a half-million students a 144-page student planner “that contains useful tips on how to organize their schoolwork – and up to 30 pages of national advertising.”¹²⁴ In Texas, the University Interscholastic League considered a program to place free defibrillators (machines to deliver a shock to the heart in order to combat a heart attack) in each of the state’s 1,300 high schools for free – with advertising space to defray the \$2,000 to \$3,000 cost of each machine and to generate funds for the schools.¹²⁵ The program is marketed by LifeSignsAmerica, a Maryland company that casts itself as a fundraiser.¹²⁶

In Raleigh, North Carolina, Wake County school officials considered advertising, a school-district-wide athletic shoe contract, and naming rights to help raise \$56 million the board projected it would need over four years to raise student achievement – even as county commissioners won elections on vows to cut spending.¹²⁷

Parents’ Night at the Store

Sometimes commercial ventures don’t appropriate the physical space of the school, but rather the relationship between schools and the families whose children attend them. An Apple Computer store in Short Hills, New Jersey, hosted school nights on its premises. Instead of families going to the usual fall school open house to see their

students' work, they went to the store, which also offered parents and teachers \$50 off a computer and for every computer purchased granted the local school district a \$50 credit towards the purchase of Apple products.¹²⁸ The events locally were part of a national program the computer maker launched in January 2003 that had signed up 176 schools by early 2003.¹²⁹

The story of how a Pepsi contract in Salem, Oregon, blunted Andrea Boyes' effort to raise funds for her cheerleading squad shows how corporate connections can undermine student initiative. A court case in Utah suggests in a more chilling way how such connections can undermine fundamental rights.¹³⁰ In January 2002, protesters from People for the Ethical Treatment of Animals staged a peaceful demonstration on a sidewalk outside a Taylorsville junior high school to protest the school's flying the flag of McDonald's, its corporate sponsor. Threatened with arrest under a state law banning "interference with school activities," the protesters disbanded, then later sued. A federal judge dismissed their lawsuit, siding with the police who had threatened the arrest. Months after the incident, an appeals court panel later reversed the judge's ruling, saying that police had misapplied the statute.¹³¹

Efforts to rein in schoolhouse commercialism have had mixed success. In Seattle, a citizen's group criticized what it said was lack of progress by the school district and superintendent in carrying out a policy enacted in 2001 to rid the school of advertising on school property.¹³² The policy included phasing out Channel One, the commercialized television news broadcasting program aimed at classrooms, and the district won an award in June 2002 from Commercial Alert, an advocacy group opposed to schoolhouse commercialism. In December of 2002, however, when volunteers from the Citizens'

Campaign for Commercial-Free Schools visited 11 Seattle middle schools, they found “advertising directed toward students, students involved with sponsors, students used as advertisers, and vending machines promoting corporations.”¹³³

Cover for Scams

The fact that many schools permit advertising to raise funds has even helped spawn spin-off scams. In Florida, a company operating under the name of Universal Adcom hired telemarketers to pose as students and make calls to local businesses to sell ads for bogus athletic schedules, promising the funds would support a local high school.¹³⁴ A Better Business Bureau file on the company reported it operated under at least 17 names from addresses in Texas and that it had been the subject of complaints from authorities in Alabama and Georgia.¹³⁵ In Illinois, Chicago school children were given advertising fliers to take home encouraging families to buy computers from Educational Corp. of America, but the company’s alleged practices – selling off-brand computers, charging interest rates of 28%, and ignoring consumers’ cancellation requests – drew criticism from parents and from the city’s Department of Consumer Services.¹³⁶ A published report gave no indication that the school received any compensation for the ad.¹³⁷

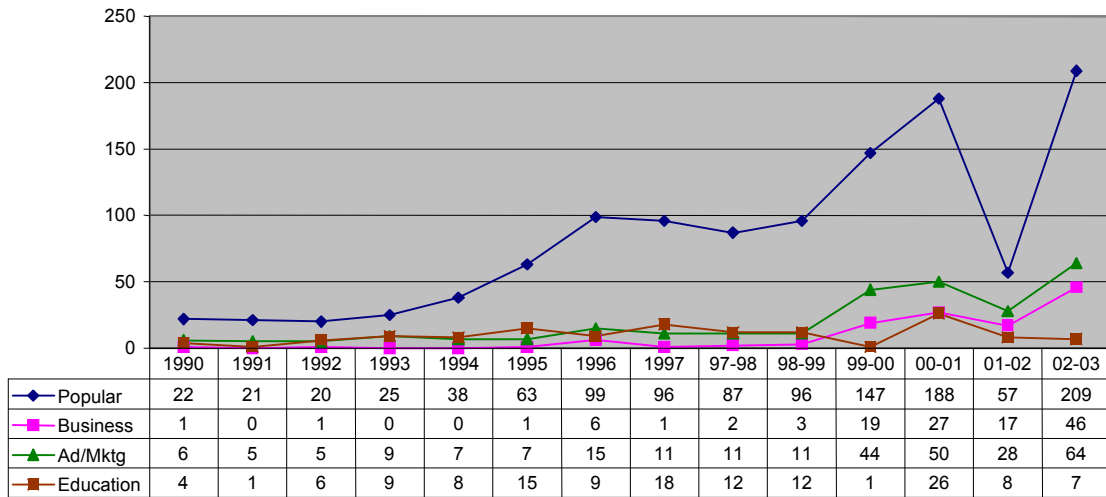
A Recording Act Promotion

The line between such outright scams and purportedly legitimate practices often seems blurry at best. This is reflected in the way a recording industry promotional program managed to get free exposure in schools under the guise of a public service campaign against drugs. *Billboard* magazine, trade paper of the radio and recording industry, reported that a firm called 12 to 20, which specializes in marketing to teenagers,

got exposure for the musical groups it represents by sponsoring *mandatory* school assemblies using its newly signed acts. The assemblies featured a token anti-drug message delivered by the performers.¹³⁸ The management firm also secured sponsorship of the music tours from the federal Office of National Drug Control Policy and from Hawaiian Punch Candy. In doing so, 12 to 20 enables record companies to offload their own costs of marketing new recording acts – and garnered captive school audiences in the process.¹³⁹

While the program would seem to blend the agendas of public-service campaigns against drugs and the private profit of recording companies, the evidence suggests the companies receive the lion's share of the benefit. The campaign appears to give short shrift to the anti-drug message helping to foot the bill – spending “just a small amount of time” on it, school principal George Jacobs acknowledged.¹⁴⁰ Moreover, it also may be undermining schools' efforts to encourage middle-school students to dress more modestly than current fashion dictates. Jacobs told *Billboard* that at one show his school hosted, the performers would be wearing “stuff you tell kids not to wear.”¹⁴¹ In apparent resignation, however, he added: “But this is what you see the kids wearing at the malls.”¹⁴²

Graph 4: Appropriation of Space



Category 5: Sponsored Educational Materials

Sponsored Educational Materials are those curriculum materials that are produced largely by an outside corporate entity. Such materials may be thinly disguised advertising plugs for particular products, or may be subtly disguised propaganda for policy positions that serve corporate interests. Of all the categories identified in the trends report, this may be the most difficult one to track. For instance, while naming rights debates and soft-drink contracts sooner or later must go before a school board for a vote that may be covered by local news organizations, much of what goes on involving individual school curricula escapes day-to-day media attention. Even so, the 2002-03 report showed a four-fold increase in references to such materials – from 75 references in the 2001-02 report to 310 in the 2002-03 report – a 313% increase.

Textbook Product Placement

Curricular materials often have a long shelf life. That helps explain why, when the New York *Daily News* reviewed high school textbooks in December 2002, it found,

among other offenses, books that were “invested with brand names and plugs for commercial products.”¹⁴³ Although McGraw-Hill’s *Mathematics: Applications and Connections* had dropped commercial references in 2000 after California banned product promotions in textbooks, earlier editions of the text were still being used in New York City schools, complete with math problems that made product references to Nike, Oreo cookies (“best-selling packaged cookie in the world” according to the book¹⁴⁴), Gatorade, and McDonald’s.¹⁴⁵

Some corporate sponsored materials may not present a direct plug, other than at the time a donation is actually made. The supermarket company Albertsons, which owns the Jewel-Osco and Acme store chains, teamed up with Coca-Cola and its Minute Maid unit as well as the publisher Scholastic Inc. to donate a half-million books to elementary schools across the U.S. in 2002.¹⁴⁶ Scholastic Inc. sponsors a writing awards program that awards scholarships.¹⁴⁷ Scholastic and the crayon manufacturer Crayola sponsor a “creative development and learning” program for elementary school children that purport to promote art and literacy.¹⁴⁸

The Mutual of Omaha insurance company, famous as the sponsor of television’s “Wild Kingdom” show, leveraged that brand recognition by sponsoring an essay contest; winners would be selected to attend the insurer’s “Kids’ Summit” in Los Angeles, where they could “make a difference by brainstorming ways to save North America’s endangered species.”¹⁴⁹ A web site promoting the contest included teacher lesson plans.¹⁵⁰

Science and History Lessons

The Indiana Soybean Board furnished a Soybean Science Kit to Indiana elementary schools that used soybeans to demonstrate science principles; more than 3,500 schools in the state used them, with agribusiness giants including ADM, Cargill, and Monsanto helping to sponsor the program.¹⁵¹ Volkswagen of America Inc. and Scholastic combined efforts to distribute 12,000 curriculum kits to high school science and social studies teachers in eight major metropolitan areas to promote seat-belt use.¹⁵² Procter & Gamble provided a history lesson on the Civil War to middle school students “complete with sleek-looking visuals and a page titled ‘Did You Know?’ that informs students, among other things, that P&G had provided soap supplies to the union army.”¹⁵³

To prompt viewers to tune in to a docudrama movie about a homeless teen raised in poverty who turned her life around and went to Harvard University, Lifetime Television distributed Education Kits purported to spark classroom discussion about self-esteem and homelessness.¹⁵⁴ Johnson & Johnson Vision Care Inc., which makes contact lenses, distributed a curriculum on eye health and anatomy, vision correction, “and the importance of regular eye exams” to schools.¹⁵⁵ Lawry’s Foods was honored by the city of Los Angeles for its program, begun in 1991, that provides an education kit introducing students in middle school to food and food-service industry careers.¹⁵⁶

Local companies also engage in similar promotion. In Carroll County, Maryland, schools used a science curriculum that features a unit about cement developed by a local cement company.¹⁵⁷ In Appleton, Wisconsin, the Fox Communities Credit Union – with branches in two high schools – went into consumer finance classes to make presentations on how to “properly” use consumer credit.¹⁵⁸ Meanwhile, a Catholic school in New

Jersey and a local billiard parlor served as testing grounds for a national effort by the Billiard Congress of America to de-stigmatize the game of pool, and may find encouragement in a math and science curriculum developed by six California teachers that centers on the game.¹⁵⁹ (One wonders what “Music Man” Harold Hill might make of that news!)

Brand Name Pervasiveness

Some commercialized curriculum ideas have become so culturally embedded that it's not clear whether they're actually put forward by the marketer who benefits. So it was that in an article in *Instructor* magazine, the writer casually suggested having students count and sort M&M candies by color to help introduce graphing skills.¹⁶⁰ Another article in the same publication offered a similar exercise involving Cheerios cereal.¹⁶¹

Safeway produce suppliers placed a promotional program in schools featuring 14 professional U.S. Soccer stars as spokespeople to encourage children to eat five servings of fruits and vegetables a day. About 1,500 stores adopted local schools, gave produce-section tours to students, and sent home with teachers packets including a wall chart that students could use to track consumption of fruits and vegetables. “Kids who ate five servings each day scored a soccer player bookmark,” and the company noted subsequent higher fruit and vegetable sales.¹⁶² “It worked because the cause is bullet-proof,” the consultant who handled the program bragged. “No one could [complain that] we were trying to sell kids more produce.”¹⁶³

But some do complain. “Why does nutrition education have to be linked to a corporation?” asked Susan Linn, a Harvard psychiatry instructor and founder of an

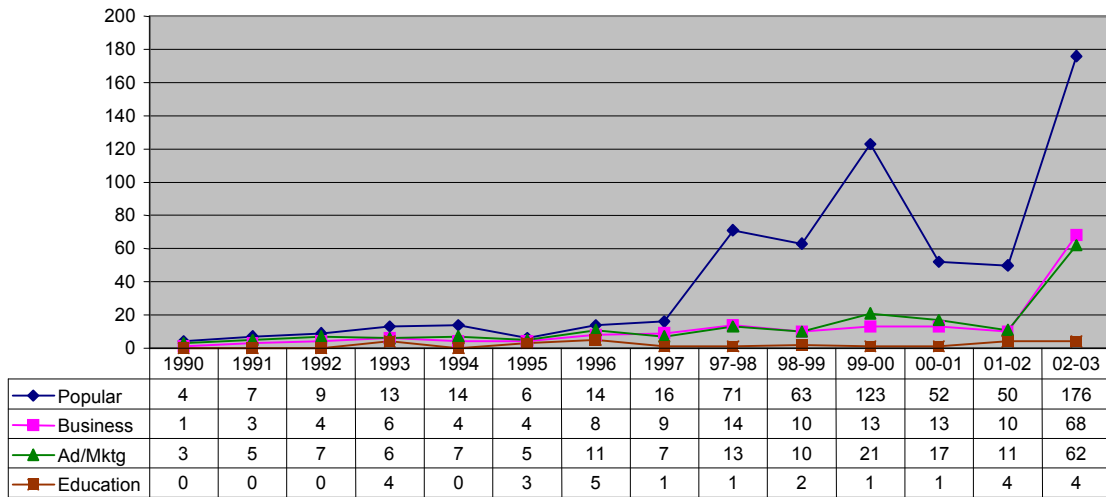
advocacy group Stop Commercial Exploitation of Children. “If we as a society believe nutrition is important for kids, why aren’t we doing more to support those programs?”¹⁶⁴

Field Trips as Marketing

Where companies themselves don’t know how to capitalize on the classroom, others stand ready to help them. Field Trip Factory is a Chicago firm that organizes school field trips to commercial establishments. In Pittsburgh, for example, the company offers the Giant Eagle food store chain a ready audience of school children on a free field trip, ostensibly to learn about nutrition.¹⁶⁵ But it’s clear that the corporation’s marketing agenda is served as well: Corporate partners include General Mills and Campbell Soup, whose participation ensures their products are prominently pointed out to the touring students. The store’s own employees act as tour guides and make a point of promoting the store’s house brands as cheaper alternatives to national brands. And Field Trip Factory’s president, Susan Singer, pointed out the importance of reaching children given that they both influence hundreds of millions of dollars in sales and also do more supermarket shopping themselves.¹⁶⁶

In another interview, Singer defended Field Trip Factory’s work in the name of media literacy: “Learning happens as you walk down the street,” she told the Associated Press. “The world is full of marketing and messages. Having our children trained to deal with those messages in a prepared way supports classroom curriculum in a lot of ways that we are just beginning to find out.”¹⁶⁷ On the other hand, Singer doesn’t object if the field trips build brand loyalty; indeed, given that the retailers that students visit pay out of their marketing budgets,¹⁶⁸ that’s clearly part of the point.

Graph 5: Sponsored Educational Materials



Category 6: Electronic Marketing

Many of the electronic marketing references consist of reports about Channel One, the television service that provides schools with the free use of television equipment in return for a mandate that students daily watch a 12-minute news program that includes two minutes of commercials. Overall, electronic marketing references showed a slight increase in the 2002-03 study compared with the previous year, with the number of citations rising 11%, to 276 from 248.

Channel One references during the study period included both attacks on and defenses of the program, which was founded by Christopher Whittle (who went on to form Edison Schools) and is now owned by Primedia Corp. Texas state board of education member Judy Strickland offered a resolution encouraging every school in the state to stop taking Channel One.¹⁶⁹ Yet by and large, it was observed, the once-controversial Channel One had sparked little opposition in recent years. The state board left it a local option, but discouraged its use. Channel One is in 1,300 Texas secondary

schools; a company official says it reaches about 1 million of the state's 4.1 million students. To support her resolution, Strickland solicited testimony from the left and the right: a Christian social conservative unhappy about ads for movies such as “Dude, Where's My Car?” which he said depicted “two potheads” and “glorifies drug use,” and a representative of Ralph Nader’s organization Commercial Alert. The pairing led Gary Ruskin, of the latter group, to observe: “This issue has brought together Ralph Nader and Phyllis Schlafly in their opposition to it. And how many things can they agree on?”¹⁷⁰

Teachers Defend Channel One

In Georgia, a parent’s effort to block Channel One failed, in part because teachers defended the program – a stance that might provoke questions about the quality of other curricular material available to them. Tom Gaugher of Coweta County, Georgia, criticized the program because of commercials, because of its entertainment-style production values, and because “the show is against his Christian principles, bringing a worldly view into the classroom.”¹⁷¹

In contrast to a decade ago, when “community after community fought to keep the program out of its schools,”¹⁷² Gaugher’s was the only critical voice at the school board meeting where he raised the issue. Teachers in Coweta County – whose colleagues elsewhere have been among the voices opposing the program – defended Channel One. One math teacher said that “most of his students would have no idea what was happening in the world if they did not watch Channel One.”¹⁷³ Indeed, a newspaper report of the meeting suggested teachers felt so strongly that those attending indicated that “keeping Channel One was by far the most important issue facing Coweta County schools, ranking it above standardized testing and No Child Left Behind.”¹⁷⁴ A teacher even defended the

commercials, saying they “make it more real.”¹⁷⁵ Such support was not isolated. An assistant superintendent at Ralston High School in Nebraska explained when the school agreed to Channel One’s entry there, the school couldn’t afford television equipment otherwise, and tighter budgets force schools to find new resources.¹⁷⁶

Responding to Criticism

Channel One appears to be sensitive to some of its critics. In Manchester, New Hampshire, school officials reported they had succeeded in getting the network to drop an advertisement for the violent video game “Grand Theft Auto 2.”¹⁷⁷ Channel One also succeeded in making connections both with non-profit charities and fellow electronic marketers when it teamed up with the Internet company Yahoo! and the American Cancer Society to promote to teens the society’s “Great American Smokeout” anti-cigarette campaign; the campaign encourages smokers to quit for a day and donate the money they save to local high schools.¹⁷⁸

For schools that take Channel One’s services, broadcast of the program is mandatory. That raises important questions as schools grappled with policies about television viewing in classrooms during the war in Iraq in the spring of 2003. Some local newspapers reported that schools were restricting students’ exposure to coverage of the war – but still permitting Channel One broadcasts, meaning that in those schools the commercially underwritten newscast was the only source of war news.^{179, 180}

Other Electronic Marketing Efforts

The field of electronic marketing is not Channel One’s alone. In Raleigh, North Carolina, the non-profit organization Futures for Kids runs a Web portal that “organizes a public high school student’s options for the future into a user-friendly format.” Corporate

sponsors, starting with IBM, GlaxoSmithKline, Cisco Systems, Monster.com, Apple Computer, and others, will fund the program. Children searching for career information would use the portal to be directed to on-target Web sites.¹⁸¹

Taking note of the No Child Left Behind act and its requirements for greater testing, Plato Learning, a supplier of computer-based instruction, created a grant partnership with the National Alliance of Black School Educators (NABSE) to provide grants and place Plato curricula in elementary, middle, and high schools, with the stated goal of reducing black-white achievement gaps.¹⁸²

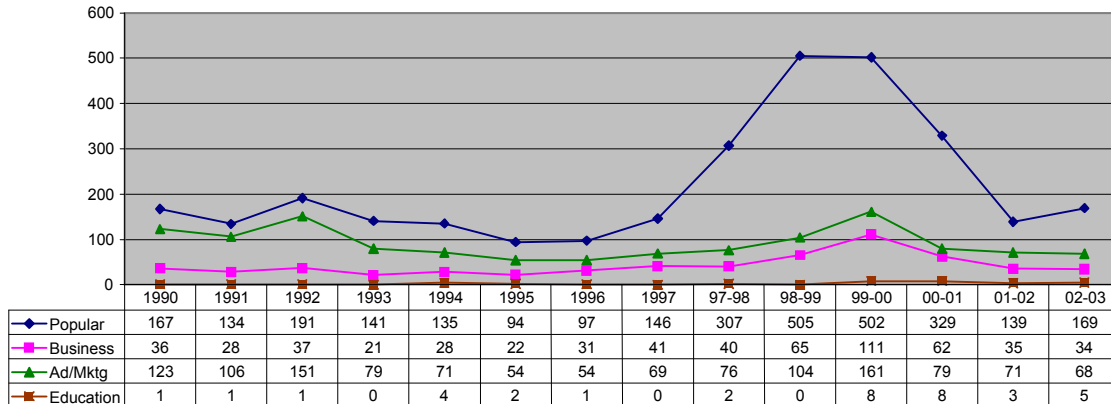
A number of electronic media providers and computer suppliers – AOL Time Warner, Apple, Cisco Systems, Dell Computer, Microsoft, and the cable industry’s Cable in the Classroom project – teamed up with the National Education Association to devise a guide on using technology in the classroom.¹⁸³ Cable in the Classroom itself underwent a facelift.¹⁸⁴ The industry, a trade publication calculated, spent millions to provide access to more than 44 million students over the last decade and a bit more – and educators have been grateful.¹⁸⁵ Unlike Channel One, Cable in the Classroom airs no commercials, but arguably is a running promotion for the various premium cable channels that furnish its programming, including CNN, Bravo, VH1, National Geographic magazine, Court TV, and A&E Networks, among others.¹⁸⁶ In March of 2002, CNN abandoned a plan to add limited commercial spots to its CNN Student News, airing in high school classrooms.¹⁸⁷ After a campaign by the California-based Center for Commercial-Free Public Education,¹⁸⁸ the Alabama-based watchdog group Obligation, and others, CNN withdrew the proposal.¹⁸⁹

Broadcast Curricula

Court TV has provided curricula to teachers covering various topics: bullying, drug use, and most recently, forensic sciences used to investigate crime scenes.¹⁹⁰ Cable TV provider Cox Communications made available to teachers on-line a series of curriculum materials – carrying Cox’s brand name and that of Cable News Network – depicting the behind the scenes newsgathering process at CNN.¹⁹¹ The program also included live Webcasts that included question-and-answer sessions with CNN reporters, anchors, and other personnel.¹⁹² *The New York Times* and National Public Radio teamed up to create a civics education Web site based on the NPR radio program Justice Talking, with content from the radio program and related lesson plans and articles from the newspaper’s Learning Network unit.¹⁹³

The connection between so-called “public interest” or charitable efforts by companies and their own profits was particularly clear at AT&T's cable division in Chicago. There the company – which, as part of its cable TV franchise award from the City, was required to wire schools for cable – began providing a closed-circuit educational channel reaching the city's 600 schools. At least one reason for the involvement appeared to be the company's desire to boost its 45% market share and to make up for service complaints that had plagued the operation.¹⁹⁴

Graph 6: Electronic Marketing



Category 7: Privatization

The category Privatization covers references to private management of public schools, of public charter schools, and other related topics. With intense national media scrutiny of Edison Schools Inc. generally, and Edison’s largest-ever contract to manage 20 Philadelphia public schools in particular, this category recorded the largest number of citations of any of the eight commercialization categories – 1,570 – although the total number of Privatization citations in 2002-03 was down 15% from the previous year’s total of 1,839.

Edison references alone fell into several categories: articles about its Philadelphia contracts; articles about its financial condition; and articles about its performance in other communities.

Edison’s Philadelphia contract gave it five years to manage 20 schools enrolling 13,000 students, but was subject to cancellation at any time.¹⁹⁵ While Edison originally sought \$1,500 per pupil more than what the district provided, it ultimately settled for an

additional \$750, to be spent on teacher recruitment and professional development and other support services.¹⁹⁶

Edison's Rocky Start

The company got off to a rocky start in August 2002 when it laid off 211 employees¹⁹⁷ and refused to take delivery on textbooks and supplies it had ordered.¹⁹⁸ The company said it had originally placed the order for the supplies when it expected a more lucrative contract than the \$11.8 million deal it ultimately signed with the city. Philadelphia School District CEO Paul Vallas said the district would stock Edison's schools and deduct the cost from the firm's contract.¹⁹⁹

The circumstances under which Edison was awarded its Philadelphia contract were contentious. Pennsylvania Auditor General Robert P. Casey Jr. conducted an audit of Edison's \$2.7 million contract with the state in 2001 to analyze the Philadelphia district, but complained that the education department and its secretary, Charles Zogby, refused to cooperate with information requests,²⁰⁰ while Zogby fired back, accusing Casey of grandstanding and questioned his authority.²⁰¹ Casey ultimately concluded the contract was awarded without regard to state procurement laws,²⁰² but he also referred the matter to the U.S. Department of Education's inspector general²⁰³ – the agency that Philadelphia congressman Chaka Fattah, an Edison critic, asked to investigate how Edison got its contract to run 20 Philadelphia Schools. In making that latter request, Fattah asked whether Zogby and the company “conspired to influence the bidding process.”²⁰⁴ The department declined to pursue the matter, contending it lacked jurisdiction.²⁰⁵ In November, Casey issued his own report calling the consulting

agreement a “\$2.7 million sweetheart deal” and asserting that no one showed Edison was the most qualified firm to conduct the study.²⁰⁶

Zogby ultimately resigned as education secretary to become a senior vice president at K12 Inc., a Virginia virtual charter school company chaired by William Bennett.²⁰⁷ Before his departure, however, Zogby used his authority to petition a judge to remove the three-member school board in Chester, Pennsylvania, that had opposed a state takeover of the Chester-Upland district and criticized Edison’s performance running nine of the district’s 10 schools.²⁰⁸

A Cloudy Record of Performance

A constant theme in Edison coverage was performance, and there the record proved murky. Edison’s own accounts of its performance claimed improvement. In Albany, New York, the firm’s fifth annual report on school performance declared New Covenant Charter School students improved fourth-grade test scores in language (a 6% increase in pass rates) and in math (a 29% increase in pass rates).²⁰⁹ Reporting on the performance of most of its schools in the nation, the company asserted in March 2003 that 84% of its schools had seen test scores improve “since they opened.”²¹⁰ The announcement was just one of numerous press releases the company distributed at regular intervals touting improved test scores, such as a release claiming “strong achievement gains” at schools targeted as in need of improvement by the federal No Child Left Behind Act.^{211, 212} The American Federation of Teachers, however, called the March data “misleading” and released its own report saying that, despite improvements, Edison schools’ students consistently under-performed compared with their counterparts at similar public schools.²¹³

Many individual communities, meanwhile, reported less rosy pictures. In the Chester Upland district in Pennsylvania, which Edison was managing under a contract as a result of a state takeover in 2000, scores fell in all nine schools that Edison managed directly.²¹⁴ Edison dismissed the results as “baseline scores...that reflect the historically low performance of the district.”²¹⁵ Poor scores turned up at other Edison charters, such as one in Kensington, Pennsylvania.²¹⁶

A GAO examination of Edison failed to shed much light on the company’s academic performance. In the report issued Oct. 29, the agency discounted earlier studies of Edison schools’ performance, and warned that there simply was not enough information to show whether for-profit education companies were effective.^{217, 218}

Instant Feedback, Canceled Contracts

Where Edison does achieve gains, the company’s Potter-Thomas Elementary School in Philadelphia offers some indication of its methods. There, and in 18 of the 20 schools Edison manages in Philadelphia, the company established a lab where students in grades 2 through 8 visit monthly to take Benchmarks tests, answering questions on IBM computers designed to train them on Pennsylvania’s statewide standardized tests.²¹⁹

Edison’s regional technical director explained that the tests results could be used to give teachers “instant feedback” on what students are and are not learning so they can tailor instruction accordingly.²²⁰ The company indicated interest in marketing the Benchmark Assessments as part of a new Achievement Management Solutions targeting schools seeking to raise their test scores in compliance with the No Child Left Behind law.²²¹

Still, widespread dissatisfaction with the company’s costs and its failure to lift test scores led to canceled contracts. Dallas canceled the company’s contract to run seven

schools after two years, noting that the company's schools performed no better than other comparable schools and cost 10% more to run.²²² Pontiac, Michigan, opted not to renew its contract with Edison,²²³ and in Georgia, the Bibb County Board of Education also canceled an Edison contract.²²⁴ At least six districts canceled contracts "because of high costs or lack of improvement in student test scores."²²⁵

A Nevada legislator introduced a bill targeted directly at Edison that would require the legislature to approve contracts valued at more than \$500,000 that Clark County School District in Las Vegas made with private businesses.²²⁶ The Nevada Assembly's education committee chairman, Wendell Williams, contended Edison had failed to help students; he noted that when Edison took over management of seven Clark County schools, two were on the state's list of "inadequate" schools, while by 2003 six of them were on the list.²²⁷ In late May 2003, the Wichita, Kansas, school district reported that two schools formerly run by Edison had shown marked improvement since being taken back over by the district.²²⁸

Financial Scrutiny Intensifies

The canceled contracts and dissatisfaction with Edison's academic performance exacerbated concerns about its financial strength. The company's financial straits brought widespread scrutiny. Michigan's education department ordered the company to prepare contingency plans for the operation of its schools in that state in the event of a corporate collapse.²²⁹ School officials in Flint, Michigan, sought reassurance as well,²³⁰ as did trustees of the New Covenant Charter School in Albany, New York,²³¹ and the Maryland school board.²³² The Philadelphia School District filed legal papers to protect

property in the 20 schools Edison was running from being claimed by creditors in the event of bankruptcy.²³³

Fighting back media criticism, Edison hired The Nieman Group to handle advertising and public relations.²³⁴ The company mounted a campaign to buy back 5.4 million shares of its stock, sending the price back up.²³⁵ Founder Chris Whittle was forced to put his Long Island mansion on the market for \$45 million.²³⁶ The company narrowly averted being delisted from the NASDAQ stock exchange for letting its stock price fall below \$1 for too long.²³⁷ Edison chairman Benno Schmidt missed three deadlines to repay the company more than \$3 million he borrowed.²³⁸

A regional vice president in Buffalo, where Edison operated a 400-student elementary school, assured a reporter in March 2003 that the company's outlook was "very healthy" and sought to mollify concerned parents.²³⁹ Edison's May 2002 order from the Securities and Exchange Commission upbraiding the company for overstating revenues (by claiming as revenue teacher salaries school districts paid to teachers in the company's schools) continued to have aftershocks.²⁴⁰ Shareholder lawsuits followed, against not only Edison but also its accounting firm, PricewaterhouseCoopers.²⁴¹

The company regularly sought to reassure investors and the public, with reports such as one in December announcing the completion of \$7 million in financing for Edison's Derrick Thomas Academy charter school in Kansas City – part of a \$30-\$50 million refinancing effort.²⁴²

'Edison Doesn't Work'

Perhaps the most sweeping judgment against the company from the news media came in Fortune magazine, which asserted in December 2002 that "Edison doesn't work"

and spent nearly 3,000 words to explain why: The firm's founder, Chris Whittle, counted too much on the voucher movement; he naively expected school administrators would be more receptive and therefore mistakenly positioned Edison as a growth company; he found that his real customers – disadvantaged inner-city schools rather than the middle-class students he had first intended to target – cost far more than anticipated.²⁴³ Moreover, the magazine asserted, “for-profit education just isn't a very good business,” operating on low profit margins and with few to none of the economies of scale visionaries had imagined.²⁴⁴ “For-profit schools have to be orders of magnitude better than their public-school rivals in order to overcome the political opposition that confronts them,” *Fortune* said. “And so far that hasn't happened.”²⁴⁵

Business Week sounded a similar theme. Forced to borrow at 12% and “under assault in some of its most important districts,” Edison was likely to find 2002-03 a “make or break” year.²⁴⁶ The magazine predicted Whittle ultimately would take the company private to reduce scrutiny,²⁴⁷ and in May 2003 Edison announced Whittle and other senior managers were considering making an offer to purchase the company's outstanding shares.²⁴⁸ Edison later announced that it had accepted Whittle's offer, in concert with an investment partner, to buy the company's stock and take it private for \$174 million.²⁴⁹

A Student Labor Gaffe

One unusual cost-cutting suggestion from Whittle came in for widespread criticism when, speaking off the cuff to principals attending a company conference, he suggested that Edison could save money and provide valuable experience for middle and high school students by putting them to work in clerical and information technology jobs

in the schools.²⁵⁰ (The \$300,000 retreat at a “palatial” hotel in Colorado also came in for criticism.²⁵¹)

Philadelphia schools CEO Paul Vallas initially proposed to cut fees to the seven management groups contracted with the district, including Edison, by a total of \$10 million, with the money redirected to high schools.²⁵² “We’re paying [the management firms] more than they need, we’re paying them too much when you consider the amount of overhead that they are spending,” Vallas said.²⁵³ As the school year ended, it became clear that the priorities of Vallas and of the Philadelphia district were shifting away from privatization as a primary solution to the district’s problems.²⁵⁴ When state legislators indicated they would not support Vallas’s plan, however, he backed off and agreed to pay management firms about what they received in 2002-’03.²⁵⁵

Amid the continued turmoil, Edison shifted its business model, abandoning its fast-growth strategy and also its promises to outdo public school administrators without more money. It demanded higher pay from school districts such as Chester Upland in Pennsylvania (where the company had threatened to withdraw) and nearly doubled its fee to \$4.4 million a year, while telling officials “that if they want better schools, they must pay for them.”²⁵⁶ The company dropped 14 contracts worth \$37 million in yearly revenues on which it had lost \$765,000.²⁵⁷

As of the end of 2002, the company was forecasting a profit in the fourth quarter and earnings before interest, taxes, depreciation, and amortization (EBITDA) of \$26 million in 2003.²⁵⁸ By the end of the school year the company was reporting a third quarter profit (before interest, taxes, depreciation, and amortization) of \$5.8 million and standing by predictions of a fourth-quarter profit.²⁵⁹ Yet the information Edison did not

disclose as it reported “a dramatic financial turnaround” once again raised questions about the company’s credibility with investors: the day after the upbeat announcement, the company quietly revealed in an SEC filing that it was in default on loans totaling \$59.5 million.²⁶⁰ The company had not missed payments, and received an extension from lenders.²⁶¹

Meanwhile, Edison looked to beef up another potential source of income: summer schooling. In November 2002 the company said it would rapidly expand summer-school and after-school divisions.²⁶² That expansion in turn was partially in response to the No Child Left Behind Act and its requirement for annual testing of all students.

Edison officials, along with school superintendents and the Missouri School Boards’ Association, campaigned against a legislative proposal in Missouri to abolish a financial bonus for summer school students. The premium allows districts calculating attendance averages to count summer school students twice, and thereby creates a financial incentive that has driven up summer school enrollment – and led some districts to hire Edison to run summer schools. Edison itself used incentives such as bicycles, video games, stereos, and gift certificates to promote attendance at its summer programs.²⁶³

Some unions criticized investments in Edison. The Service Employees International Union, which represents janitors in many public schools, circulated a memo urging pension funds not to invest with Leeds, Weld & Co., an investment group that included former Massachusetts Gov. William Weld, a school privatization advocate.²⁶⁴
²⁶⁵ The union complained about what it said was the harm Edison did to public schools and their employees. (Leeds, Weld, & Co. later pulled out of Edison investments, saying

“it no longer believes that companies managing schools for profit can make enough money to justify the political risk of investing in them.”²⁶⁶)

Still, negative reports about Edison didn't discourage interest in some communities, such as Palm Beach County, where the county schools superintendent expressed interest in hiring Edison to manage troubled schools.²⁶⁷ A school board candidate in St. Louis' 2003 spring elections listed hiring Edison to manage consistently failing schools as a possible option there.²⁶⁸

'Virtual Schooling' Spreads

Although Edison was the most visible firm in the Philadelphia education takeover, it was not the only one. Teachers at one school in Philadelphia asked for the removal of Chancellor Beacon Academies as manager for their school, charging problems such as poor staff training and materials shortages.²⁶⁹ Vallas subsequently canceled the district's contract with Chancellor Beacon, which had run five elementary schools in the city.²⁷⁰

“Virtual schooling” raised its profile, with the research organization WestEd calling online education “the next wave in technology based K-12 education.”²⁷¹ *US News & World Report* writer Mary Lord praised the trend, suggesting it as a solution for students victimized by bullies among others, while noting that learning alone online “demands the self discipline to work independently, a trait many children may lack.”²⁷²

With former U.S. Education Secretary William Bennett as chairman, K12 Inc. received additional contracts to operate “virtual charter schools” – essentially a network of households that, although affiliated with a public school district, teach their children at home using Bennett's firm's proprietary, Web-based curriculum. With contracts in eight states, Bennett's firm bucked a trend of declining investment in for-profit education,

obtaining \$20 million in financing in April 2003.²⁷³ Although such schools required no new buildings or other infrastructure beyond on-line software, charter arrangements generally allowed them to collect the same amount of money per pupil as so-called bricks-and-mortar schools.

The number of California students enrolled in California Virtual Academies, a non-profit that acquires lesson plans and curricular materials from K12 Inc., reached 850 in January 2003; the state has five other virtual charter providers as well.²⁷⁴ Nationally charter schools “with some element of online study” enrolled an estimated 16,000 students²⁷⁵ in 12 states.²⁷⁶ In Wisconsin, the Northern Ozaukee School District established one such school under a contract with K12, Wisconsin Virtual Academy, to begin operation in the 2003-04 school year.²⁷⁷ To the north in Appleton, Sylvan Learning Systems and the Appleton Area School District were in their first year of operating the similarly structured Wisconsin Connections Academy.²⁷⁸ Press releases from K12 outlined its marketing tactic: hosting free, daylong “Expos” with speakers, including Bennett, discussing the company’s approach.²⁷⁹

In Ohio, 10 on-line charter schools accounted for about 20% of the state’s charter school students, with for-profit companies White Mat Management Co., Altair Learning, and K12 Inc. operating three of them.²⁸⁰

Attempts to start two virtual charter schools in Central New York failed, however.²⁸¹ The State University of New York rejected the most recent attempt, to have been managed by K12, contending that a school without a physical site did not meet state legal requirements for charter schools.²⁸² An analysis in *Newsday* cited two reasons the plan failed: School districts balked at the \$7,800-per-pupil cost, skeptical because there

was no infrastructure other than free computers and printers to enrollees. “It looks like an absolute windfall for the charter-school operator,” said a county school official.²⁸³

Moreover, home-schooling parents didn’t support it. Objections included a requirement that enrollees in the virtual charter eventually take the New York State Regents’ exams, and the fear that taking public money would subject this group of home-schoolers to government regulation.²⁸⁴

Virtual Charter Skepticism

The growth of virtual charters produced skepticism in some quarters. Trinity University’s education department chairman, Paul Kelleher, said the concept “just opens up opportunities for too many kids – even if it’s a small percentage overall – to have inadequate schooling.”²⁸⁵ The Texas Senate passed a bill that would have permitted taxpayer-funded virtual charter schools, but the state House of Representatives defeated similar legislation.²⁸⁶

A report at CBS MarketWatch.com – while directed at consumers who may pay for online schooling themselves – offers reasons to be wary of taxpayer-funded virtual schooling. Andrea Coombes, the writer, advised readers that before committing to an online course, “Found out who will be teaching the class.”²⁸⁷ An educational telecommunications consultant told Coombes: “It’s one thing to have a university like Stanford or Johns Hopkins, it’s another thing to have a private for-profit company that may not have certified or qualified folks doing the material. Check out every angle first.”²⁸⁸

A report critical of charter schools in general singled out problems in virtual charter schools. The report, issued by Policy Analysis for California Education at the

University of California-Berkeley and Stanford University, noted that scandals in the state led California in 2001 to bar charter school operators “from taking hefty administrative fees to run home school charter networks.”²⁸⁹

Even where virtual charters operate with absolutely no hint of ethical impropriety, however, virtual home-school advocate Mary Lord unwittingly put her finger on why they may simply help the rich get richer in educational terms – allowing those already likely to succeed in any educational setting to zoom ahead, while doing little or nothing to help the most at-risk disadvantaged students: “A supportive home environment and involved parents also are key.”²⁹⁰

‘McCharters’ in Florida

Charter schools are not by definition commercial privatization, but a Florida investigation found that that state’s charter school program had become dominated by for-profit industry, even though lawmakers had limited the state’s charter program to nonprofit groups. The *St. Petersburg Times* found that for-profit corporations had created nonprofit foundations, which obtained charters then hired the companies to run the schools; that instead of delivering promised innovations, the big companies offered standard curricula that led critics to call their schools “McCharters”; and that real estate developers were teaming up with charter companies to create charter schools for their developments that amounted to exclusive, tuition-free schools.²⁹¹

Another Florida privatization experiment, the \$49.6 million McKay Scholarship program that provides vouchers for 7,000 disabled students was the subject of intensive scrutiny by the *St. Petersburg Times*, which found the program was rife with problems including outdated textbooks, unqualified teachers, lack of specialized services, and

abuse of students, and that some schools cashed voucher checks for students who had left the program.²⁹² Moreover, the newspaper's editorial writers concluded, the state Department of Education had shirked its duty to hold participating firms accountable.²⁹³

There was a scattering of other reports on for-profit privatization firms and activities. A division of the publicly traded company eCollege called eClassroom sponsored a symposium in Denver in October 2002 to promote the concept of "virtual high schools." eClassroom says that it works with districts, provinces, and states "to offer an online environment for both distance and classroom-based learning" and has as its customers schools in Kentucky, Illinois, and Georgia.²⁹⁴

Nobel's Buyout Fails

Extensive coverage followed the attempt at a leveraged buyout of Nobel Learning Communities Inc. private, which would have removed it from trading on the NASDAQ over-the-counter stock market.²⁹⁵ The company operates 179 schools in 15 states, including private and charter schools and some schools for so-called learning challenged children.²⁹⁶ The \$7.75-a-share transaction ultimately fell through, however, and by March 2003 the company was trading at \$2.50 a share.²⁹⁷ The deal's collapse cost Nobel a \$2.2 million reduction in goodwill, which it recorded as a non-cash charge to income. That and the \$1 million cost of the failed transaction contributed to the company's pre-tax losses of \$4.4 million for the second quarter ending Dec. 31 2002.²⁹⁸ Nobel later obtained a \$5 million loan from Knowledge Universe an investment group focusing on education, and gave Knowledge a seat on Nobel's board.²⁹⁹ Knowledge, with 30% already of Nobel's outstanding shares, also was granted the right to acquire up to 10%

more.³⁰⁰ Using the Knowledge loan to fund operations, Nobel made plans to obtain additional financing for acquisitions.³⁰¹

Apex Learning Inc., which provides online courses and instructional materials to high schools, received some attention when the firm went back for a third time to lenders, receiving \$7.4 million from what one apparently skeptical publication described as an “avowed contrarian investor,” the investment firm of Warburg Pincus.³⁰²

Among for-profit charter school operators, National Heritage Academies, manager of 32 public charter schools in four states,³⁰³ in the 2001-02 school year became the first in the industry to make a profit on charter schools, and forecast a profit in the 2002-03 year as well – although because it is not publicly traded, the company did not disclose its actual earnings.³⁰⁴ Outsiders suggested the company profited “by targeting cheapest kids to educate – younger students from middle-class families – instead of expensive high school or special education students,”³⁰⁵ but the company’s founder, J.C. Huizenga, told the *Detroit Free Press* that business practices such as awarding bonuses to teachers who saved money were the secret to its success.³⁰⁶ The company’s schools include a focus on moral values rooted in Huizenga’s conservative Christian beliefs, but the company successfully turned back a 1998 lawsuit over prayer sessions on school grounds outside of class, and denied claims that the school taught creationism alongside of evolution.³⁰⁷

Cameras in Classrooms

Mosaica Education received attention for its policy of putting cameras in classrooms to monitor behavior.³⁰⁸ In an unrelated development, after Edison backed out of plans to manage the Imani School for Excellence in Indianapolis in January 2003, the

school's organizers had planned to hire Mosaica to manage Imani. Those plans fell through, however, when an advisory panel that screened potential charters revoked Imani's charter.³⁰⁹

In St. Louis, a charter school managed by Chancellor Beacon Academies remained on probation after a financial review found \$28,000 in questionable spending.³¹⁰

David Brennan, founder and CEO of White Hat Management, which manages charter schools in Ohio, Arizona, and Florida, sought to extend his reach to Colorado, where he promised his firm's "Life Skills Centers" would help high-school dropouts earn a diploma.³¹¹ Two Akron, Ohio, charter schools Brennan founded were among seven in the state to receive five-year contract extensions, despite the fact that the seven fell short of their academic goals in their first five years.³¹²

Mass Production

A concern critics have had with for-profit management of charter schools is that, reflecting corporate preferences for easily duplicated and transferable technology, they might wind up as "cookie cutter" institutions instead of being tailored to individual communities' needs. Chancellor Beacon Academies' decision to contract with Riverdeep, an international publisher, for its math and reading curricula in 72 charter schools, gave that accusation new currency.³¹³

Another problem with the for-profit school management business model is that nothing stops public schools from copying successful for-profit firms' strategies and implementing them as well for less cost since no investors and no marketing costs have to be paid. In Chelmsford, Massachusetts, Murdoch Middle Public Charter School severed

its ties with Beacon Education Management Inc., “citing a desire to save money by operating independently.”³¹⁴

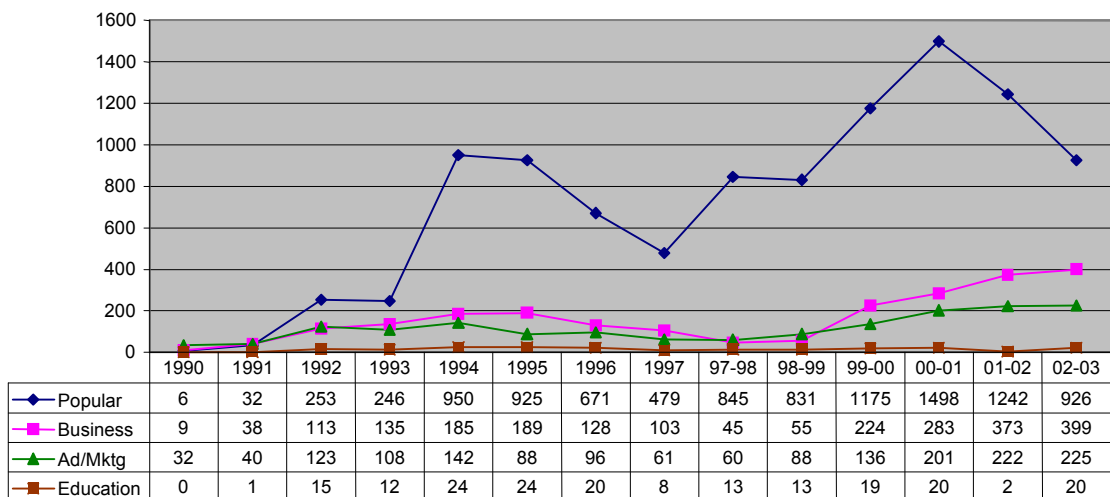
Perhaps sowing ideological seeds in favor of privatization, the Broad Foundation offered training programs for urban school superintendents, recruiting corporate CEOs to attend. Among the topics of discussion was a session called “Corporate Profit – Student Learning,” which was to include discussions “evaluating theories of action for increasing student achievement, including charter schools and choice.”³¹⁵

Controversy Dulls Interest

Controversy in larger communities where Edison has sought to make inroads appears to have turned off public schools elsewhere. “The record is very mixed, and there’s so much controversy with for-profit operators that school reform gets lost,”³¹⁶ one official said.

A report examining charters in general – whether for-profit or non-profit – found that nearly half of teachers at a typical charter school lacked teaching credentials, compared with 9% at public schools. One reason for the gap, the study’s author, Bruce Fuller, said, was that charter schools have the additional expense of buying or renting space – and some must pay administrative fees to for-profit managers such as Edison.³¹⁷ The report also found that charter classrooms were 20% more crowded and that while 43% of charter school students qualified for federal help for low-income students, less than 5% received it.³¹⁸

Graph 7: Privatization



Category 8: Fundraising

Fundraising, the final category, showed a 17% increase in the 2002-03 study, to 970 references from 827. Two themes emerged from the coverage: the increased dependence on outside fundraising to cover operational costs, not just extracurricular expenses, and the growing ambivalence ranging to hostility that some parents and even school officials expressed toward the necessity of fundraising.

The Association of Fundraising Distributors and Suppliers reported that school fund-raisers grossed more than \$4.1 billion in 2001³¹⁹ (Based on the source of the data, the figure would appear to reflect fund-raising sales conducted through schools.) The National Association of School Principals polled elementary school principals and found 90% conduct “some kind of fundraising every year.”³²⁰ But as one principal described it, “It’s a necessary evil.”³²¹

The Squeeze on Parents

“State budget cuts that are putting the squeeze on schools are, in turn, squeezing the pocketbooks of parents,” *The San Francisco Chronicle* reported. “More than ever they are being asked to contribute more to private foundations or PTAs to pay for teachers’ salaries, sports programs, and so-called frills such as art and music.”³²²

Similarly themed reports appeared in a variety of other publications. Perhaps the most striking signal of the importance of fundraising was the hiring of Caroline Kennedy (at \$1 a year) to serve as fundraiser for New York City Schools.³²³ A reporter in California, however, found signs of “a growing backlash from parents, who say they have had it up to here with selling stuff to neighbors and relatives so their children can have art supplies or a few hours of music lessons at school.”³²⁴

Other media references include weekly notices in local papers from individual schools, admonishing readers to continue to participate in programs such as General Mills’ Box Tops for Education. Such a reminder in New Orleans Times-Picayune in September 2002 noted a “Cash Back for schools” program at a local shopping mall; fundraising campaigns through two grocery chains (Winn-Dixie and Sav-A-Center); label programs for Tyson Foods, Campbell’s, and Community Coffee; Box Tops for Education; and used ink cartridges and cell phones.³²⁵ (The latter two items go to organizations such as Funding Factory, a national organization that recycles the cartridges and distributes the phones to nonprofit groups.³²⁶) Similar reminders made up a large number of the fundraising citations this year, as they have in the past.

'Boxtops' Gets Bigger

The merger of General Mills and Pillsbury resulted in the expansion of the General Mills Box Tops for Education program, which rewards schools for submitting coupons worth 10 cents each clipped from the company's products. With the expansion the company doubled the ceiling on what an individual school can collect from the company, to \$60,000 from \$30,000. The merger also gave the company some 800 brands that could participate, up from 330; besides Cheerios and Wheaties, now, consumers can collect school-fundraising coupons from brands such as Pillsbury, Green Giant, Progresso, and Gold Medal Flour, to name just a few. The company said more than 71,000 schools participate and more than 22 million households clip the company's Box Tops and other coupons. The seven-year-old program has given nearly \$70 million to schools, the company said.³²⁷ A Lancaster, Pennsylvania, newspaper was so impressed by the program it devoted 554 words to publicizing it as "a no-brainer" and "the best school fund-raiser ever invented."³²⁸

A General Mills conference call with investment analysts suggests the benefits the company gets in return for its donations, as Stephen Sanger of General Mills put the program in the context of "good merchandising" to boost sales.³²⁹ Indeed, the program has such widespread name recognition that, while "boxtops" would be a misnomer for the coupons the company put on its newly acquired Pillsbury lines, it was so familiar to the public that there was no need to change the name.³³⁰

A similar promotion, Cambell's Labels for Education, has since 1973 traded \$100 million in school supplies in return for labels collected by schools.³³¹ Tyson Foods gives

schools 24 cents per label turned in – up to \$12,000 a year; the program, started in 1999, gave out \$36,000 as of the fall of 2002.³³²

Shopping Incentives

The Safeway supermarket chain revamped its “Club Card” program. Under the 10-year-old program, schools register with the grocery company and shoppers indicate at checkout whether they participated and in support of what organization; the information is embedded in shoppers “Safeway Club Card,” which they are encouraged to have read at checkout. In 2002 the company added churches and educational organizations to the list of groups eligible for support from the program. Safeway also replaced a program of donating free equipment to the recipients with direct cash donations.³³³ Safeway affiliated the program with eScrip, a firm that specializes in merchant-based, electronic fundraising programs for schools, churches, and youth organizations.³³⁴

Target Corp., a retailer whose holdings include the store of the same name, employs a variety of fundraising programs. One, “Take Charge of Education,” rewards shoppers who use a Target Visa charge card by donating to schools of their choice 1% of their card purchases.³³⁵ In April 2003 the company announced it was making a six-month payout of \$14.7 million to schools.³³⁶ The program rewards Target as well, as officials made clear to investment analysts in an earnings-report conference call: among other things, it helped the company “drive increased sales through higher [average] tickets and greater frequency.”³³⁷

Teachers Sell French Fries

Once again, McDonald’s put teachers and principals to work for an evening, donating some of their revenues for the evening to schools in return.³³⁸ The fast-food

chain undertook the “McTeacher’s Night” program in 16 states during the week of Oct. 14 and claimed it generated \$400,000 for 700 schools – just under \$600 a school.³³⁹

Entire companies, such as Sally Foster gift wrap, have sprung up to create and sell products exclusively through fund-raisers.³⁴⁰ Schoolpop Inc. works with merchants and organizations to establish rebate programs; shoppers who use designated merchants can direct rebates to their preferred organization, such as a school.³⁴¹ The company established a Visa card that generates a 1% rebate on each purchase to the organization of the cardholder’s choice, and an online “magazine mall” that allows shoppers to buy magazine subscriptions and earn a 40% rebate for the organization of their choice.³⁴²

Jean Joachim’s 2003 book, *Beyond the bake sale: the ultimate school fund-raising book* (New York: St. Martin's Griffin, 205 pp.) explains how to conduct fund-raisers. Joachim observed that a corporate event – such as a designated night at a store to benefit a particular school – is appealing because “it is a lot less labor-intensive.”³⁴³

Many school-based fundraisers employ children to sell food products, and the same concerns about health that arise when schools enter exclusive soft-drink contracts apply here as well. Some campaigns, responding to health concerns, “are increasingly hawking healthy foods or practical items are part of their fund-raising efforts.”³⁴⁴

A Fundraising Crime

One sign of the pressure children feel as a result of incentive-driven fund-raising programs surfaced in Slidell, Louisiana, where a 10-year-old was charged with forgery. Police reported the girl used typewriter fluid to rewrite checks she had been given by customers, changing a \$6.50 check to read \$26.50 and a \$16.50 check to read \$46.50. “The student told police she changed the checks because she had fallen far short of her

goal for door-to-door catalog sales, and wanted to win a prize for raising the most money,” an account of the incident reported.³⁴⁵

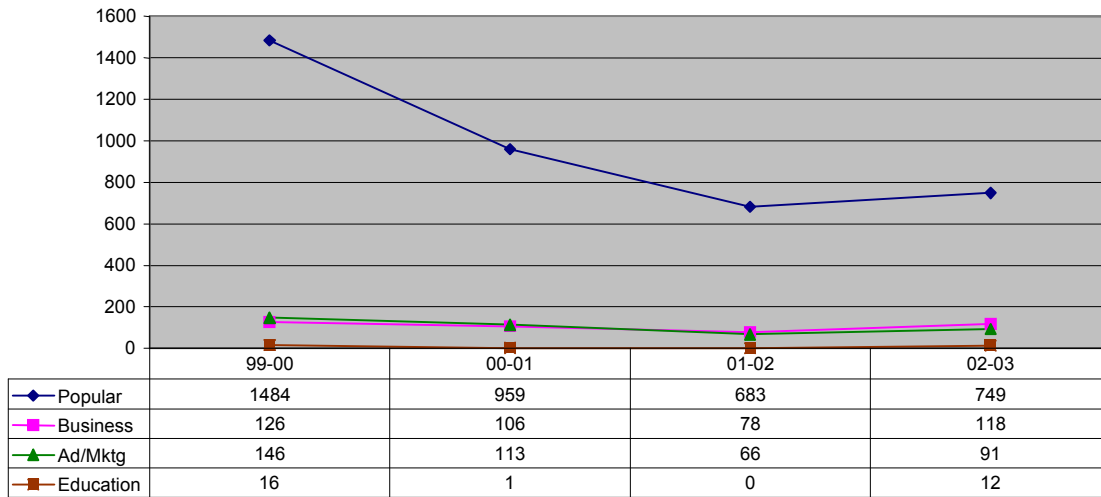
A Florida school board candidate’s comment suggests that, for some, fund-raising programs may undermine larger collective commitment to fully funding education. The candidate, Shawn Mahaney, said he opposed a proposal to increase sales taxes to improve funding for the Clay County school district because he preferred other options, such as earning money through Box Tops for Education.³⁴⁶

Fund-raising also appears to reinforce disparities in socioeconomic status that continue to plague education. Various reports suggest that, once again, the rich get richer. A letter writer in St. Lucie County, Florida, complained to his local newspaper that students who were unable to fill a 10-order quota of candy sales were excluded from a carnival held during school orders. “Why punish the poor?” he asked.³⁴⁷

The implications are increasingly grave as fund-raising turns its focus from paying for extra-curricular matters to core educational expenses, as a writer in the *Seattle Times* observed:

When it comes to PTAs, the big money resides, not surprisingly, in the area's wealthier neighborhoods. With one PTA raising \$200,000 in an auction and another struggling to involve parents at all, the disparity isn't between which school has newer football uniforms but which ones have lower class sizes, art and music programs, and new computers.³⁴⁸

Graph 8: Fundraising



Reaction

Many stories documented resistance to commercialism in its various forms. There were, however, also stories describing the promotion of various commercial practices.

Much of the opposition to commercial activities in schools focused on nutrition concerns. For example, Maryland’s General Assembly considered a bill requiring schools to offer as many nutritional snacks as junk foods.³⁴⁹ An Oregon state senator sponsored a bill to restrict the sale of junk foods in schools.³⁵⁰ Also in Portland, Oregon, the administrators at Centennial High School ordered teachers to stop selling students snacks and sodas to raise money for supplies. “Classrooms are for learning, not fundraising,” one assistant principal said.³⁵¹ The administration’s motives weren’t entirely clear, however: a report noted, among other things, that in light of exclusive rights granted to Coca-Cola at the school, sales of competitors’ products might be a violation.

An administrator also expressed the need to eliminate eating and drinking in classrooms because of plans to carpet them.³⁵²

Wider social concerns about obesity led Kraft Foods to announce July 1 (after the study period for this report) the elimination of marketing to children in schools, although a published report indicated that Kraft's announcement had not yet developed detailed guidelines.³⁵³

As debate heated up in California over a bill to ban soda sales in schools, the *San Francisco Chronicle* weighed in with a series of editorials devoted exclusively to the issue of junk food in schools and strongly supporting passage of the legislation. There were articles about schools where junk food was king, where it had been dethroned, and where administrators agonized over what appeared to be a zero-sum choice between healthy eating and fundraising. "We sympathize with the plight of school officials trying to accommodate the tastes of picky students," the newspaper said. "But no district should be peddling food that could contribute to the crisis of obesity afflicting young people in California and the nation. Schools should be educating young people about healthy lifestyles and diets – not pandering to tastes cultivated by sophisticated marketing, busy parents, and adolescents who don't understand or don't care about the long-term consequences of their decisions."³⁵⁴

For all the backlash against corporate sponsorship in many communities, however, elsewhere it was promoted as a viable alternative. Reporters for the *Daily Oklahoman* in Oklahoma City found several school officials in their state who were open to corporate sponsorship programs. "We're at a point now where we have to begin considering all options," the president of the Norman, Oklahoma, school board told the

newspaper.³⁵⁵ In Minnesota, state legislation passed the state legislature and was subsequently signed into law opening the way for school districts to lease naming rights on school buildings and athletic facilities and to sell advertising space on school buses and in school buildings.^{356, 357, 358}

International Examples

Stories of corporate sponsorship continue to show up in the foreign press. Some of them reflect coverage of high-profile U.S. controversies, such as the Los Angeles decision to ban the sale of sodas in schools. But others hit closer to home.

In Montreal, a guidance counselor at Lester B. Person High School opened the school's annual career fair wearing a garment maker's branded cap because two firms, Starter and Bugle Boy, had kicked in \$5,000 to sponsor the career fair. "It's the latest example of how cash-strapped schools across Canada and the United States are looking to the private sector," observed the writer of a report in the Montreal Gazette.³⁵⁹ The article quotes a critic from a Canadian teacher's union, Jean Laporte: "School is a place for learning, not for marketing... We believe in a public education system that's free from advertising."³⁶⁰ Laporte suggested that sponsorship programs may actually hurt in the long run by taking pressure off provincial government to pay for schooling. "Do we have to rely on the goodwill of business to meet our needs?"³⁶¹ In a word, responded a school official, yes. "If we want to sit back and wait for governments to dole out funds, well I don't think that's the way society's working any more," said John Killingbeck, president of the Lester B. Pearson Educational Foundation, which raises about \$60,000 (Canadian) a year to pay for various school-related costs.³⁶²

A newspaper in South Australia surveyed 20 schools in the state and found “three in four had introduced healthy eating initiatives amid growing concerns about childhood obesity.”³⁶³ Australia’s opposition party in Parliament introduced legislation to ban junk foods from school cafeterias.³⁶⁴ One commentator said that would not be enough, however, and called for a ban on advertising junk food to children.³⁶⁵

An Australian newspaper documented a backlash to making youth sports outside of school more like business. “Sports bodies are hiring professional marketers to show tangible benefits to potential sponsors,” the report noted.³⁶⁶ It offered accounts such as that of a father who withdrew his son from an athletics program “after being told it was compulsory for participants to wear Coca-Cola branding across their chests.”³⁶⁷ Said the father: “To turn a six-year-old child into a walking billboard, that’s abhorrent.”³⁶⁸

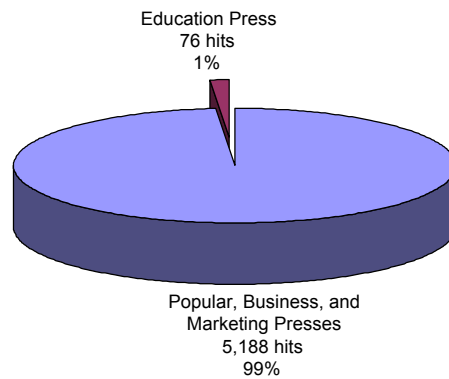
Finally, a British wire service reported on a survey of teachers regarding a program that rewards the school of a shopper’s choice for making purchases from designated merchants, much like such programs at Target and Safeway and other stores in the U.S. Fewer than one teacher in 20 experienced benefits from the program, the survey found.³⁶⁹

The Silent Education Press

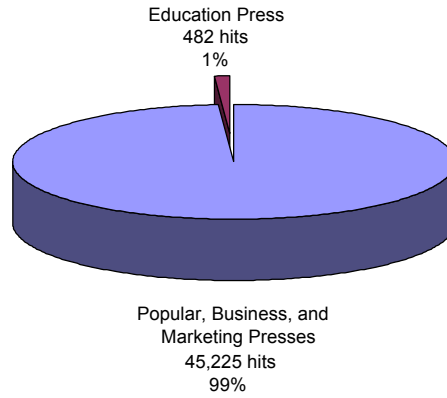
A reoccurring finding of past surveys of schoolhouse commercialism coverage has been that the education press has paid little attention to the issue. The pattern continued in 2002-2003. Across the popular, business, and advertising and marketing presses, a total of 5,188 references to commercialism were recorded. By contrast, the education press showed only 76 such references. The same pattern holds true for the

1990-2003 period as a whole, with 45,225 references in the combined popular, business, and advertising and marketing presses, and just 482 references in the education press. The education press remains, relatively speaking, uninterested in schoolhouse commercialism and its impact on school curriculum, programs, and values.

**Figure 4: Total Hits in Education Press vs. Three Other Presses
2002-2003**



**Figure 5: Total Hits in Education Press vs. Three Other Presses
1990-2003**



Conclusion

While this year's data show schoolhouse commercialism is as powerful a force as ever, they also suggest that resistance from schools, parents, and policymakers may be building.

Perhaps the strongest voices against the rising tide of commercialism in schools may come from those who experience it first hand: the young people who are its targets. University of Southern California student and columnist Jessica Gelt lamented in the USC daily newspaper that the rock group "U2 played during halftime of Super Bowl XXXVI while the names of those who had just died in the World Trade Centers scrolled on a large screen behind them." She continued: "That flagrantly commercial use of tragedy didn't bother us. So how can we feign astonishment at the fact that commercials have slithered their way to the forefront of public education?"³⁷⁰

Indeed, it may be among young people that the reaction against schoolhouse commercialism is the strongest. In a new book, *Branded: The Buying and Selling of Teenagers*, Allissa Quart analyzes and decries the pervasive marketing to children, arguing that, because of normal adolescent anxiety about popularity and status, “Teens suffer more than any other sector of society for this wall-to-wall selling.”³⁷¹

Schoolhouse commercialism is a reflection of larger economic, social, cultural, and political forces. Whether or not schools and their students are subordinated to the market place will depend in large measure on how we understand childhood and the proper relationship between adults and the children for whom we are responsible.³⁷²

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<http://www.asu.edu/educ/epsl/CERU/Annual%20reports/EPsl-0309-107-CERU.doc>

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Appendix A

Search Term Changes for the 2003-2004 Trends Report:

Terms for Popular, Business, and Advertising/Marketing Presses in Lexis-Nexis

Search One: Sponsorship 2002-2003

((corporate sponsor!) or (school business relationship) or (sponsor! school activit! or sponsor! school program or sponsor! school event) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Search Term Modifications 2003-2004

((corporate sponsor!) or (school business relationship) or (sponsor! school activit! or sponsor! school program or sponsor! school event) or (**corporate philanthropy**) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Explanation: The term “corporate philanthropy” was added because it yielded several articles that discuss corporate sponsored activities in the schoolhouse.

Search Two: Exclusive Agreements 2002-2003

(DD Marketing) or (exclusive sale or exclusive contract or exclusive deal or exclusive agreement or exclusive partner! or exclusive pour! right or exclusive soft drink agreement or exclusive sneaker agreement or exclusive sport apparel agreement) or ((NIKE or Pepsi! or Coke or Dr. Pepper or Reeboks or Adidas) and (exclusive agreement)) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Search Term Modifications 2003-2004

(DD Marketing) or (exclusive sale or exclusive contract or exclusive deal or exclusive agreement or exclusive partner! or exclusive pour! right or exclusive soft drink agreement or exclusive sneaker agreement or exclusive sport apparel agreement) or ((NIKE or Pepsi! or Coke or Dr. Pepper or **carbonated beverage** or **Snapple** or Reeboks or Adidas) and (exclusive agreement)) or (**school children nutrition**) or (**food advertising**) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Explanation: The company “Snapple” has joined other beverage enterprises in contracting exclusive agreements with public schools. The term “carbonated beverage” has yielded articles that include information about business agreements between public schools and some beverage companies. The terms “school children nutrition” and “food

advertising” were added because they yielded articles related to exclusive corporate marketing practices in the schoolhouse.

Search Three: Incentive Programs 2002-2003

(incentive program) or (Pizza Hut and Book It!) or (NBA’s Read to Achieve) or (Verizon Reads) or (Papa John’s Scholar) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Search Term Modifications 2003-2004

(incentive program) or (**corporate and school incentive program**) or (**business and school incentive program**) or (Pizza Hut and Book It!) or (NBA’s Read to Achieve) or (Verizon Reads) or (Papa John’s Scholar) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Explanation: The terms “corporate” and “business” plus “school incentive program” have been included to add scope in the identification of school incentive programs that are sponsored by businesses or corporations.

Search Four: Appropriation of Space 2002-2003

(CAPS (Cover w/1 Concepts) or CAPS (School Marketing Partners) or CAPS (Planet Report) or (naming right) or (advertis! W/3 (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school) and not (position or job or vacanc!))

Search Term Modifications 2003-2004

(CAPS (Cover w/1 Concepts) or CAPS (School Marketing Partners) or (naming right) or (**school bus advertising**) or (**corporate and adopt a class**) or (**business and adopt a class**) or (advertis! W/3 (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school) and not (position or job or vacanc!))

Explanation: The term “Planet Report” has not generated a single relevant article for the last two years; thus, it has been excluded from this year’s search terms. On the other hand, the terms “school bus advertising” and “corporate or business” plus “adopt a class” have yielded articles that discuss the use of school space by businesses and corporations; thus, these terms have been added to this year’s search term template.

Search Five: Sponsored Educational Materials 2002-2003

(sponsor! education! material) or (sponsor! teaching aid) or (corporate sponsor! material) or (sponsor! curricul!) or (education kit) or (Lifetime Learning System) or (Scholastic Inc) or (Science Scope) or (Learning Enrichment Inc) or (Mazer Corp!) and (school or classroom)

Search Term Modifications 2003-2004

(sponsor! education! material) or (sponsor! teaching aid) or (corporate sponsor! material) or (sponsor! curricul!) or (education kit) or (Lifetime Learning System) or (Scholastic

Inc) or (Science Scope) or (Learning Enrichment Inc) or (Mazer Corp!) or (**Field Trip Factory**) and (school or classroom)

Explanation: The term “Field Trip Factory,” part of the search terms for the fundraising category in the 2002-2003 report, has been moved to category five because when students visit businesses associated with this program, they receive corporate sponsored materials and/or supplies as part of the field trip experience.

Search Six: Electronic Marketing 2002-2003

(Channel One) or (Learning Network) or (Cable in Classroom) or (CIC) or (Ciconline) or (NCTA) or (National Cable & Telecommunications Association) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Search Term Modifications 2003-2004

(Channel One) or (Learning Network) or (Cable in Classroom) or (CIC) or (Ciconline) or (NCTA) or (National Cable & Telecommunications Association) or (**Internet school marketing**) or (**Internet school advertising**) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)

Explanation: The terms “Internet school marketing” and “Internet school advertising” have been added to expand the scope in the identification of school marketing and advertising practices conducted by businesses and corporations through the Internet.

Search Seven: Privatization 2002-2003

CAPS ((Beacon Education! Management) or (Charter Schools Administrative Services) or (Charter Schools USA) or (Designs for Learning) or (Edison Schools) or (Edison Project) or (Excel Education Centers) or (Helicon Associates) or (Leona Group) or (Mosaica Education) or (National Heritage Academies) or (SABIS Educational Systems) or (White Hat Management) or (Nobel Learning Communit!) or (Chancellor Academies) or (Chancellor Beacon Academies) or (Educational Services Inc) or (Ideabank Inc) or (Ombudsman Educational Services Ltd) or (Pinnacle Education Inc) or (Smart Schools) or (Victory Schools Inc) or (ODELHA Academy) or (K12 Inc) or (Sequoia Choice LLP) or (Class.com Inc) or (Apex Learning Inc))

Search Term Modifications 2003-2004

CAPS ((Charter School Administrative Services) or (Charter Schools USA) or (Designs for Learning) or (Edison Schools) or (Edison Project) or (Excel Education Centers) or (Helicon Associates) or (Leona Group) or (Mosaica Education) or (National Heritage Academ!) or (SABIS Educational Systems) or (White Hat Management) or (Nobel Learning Communit!) or (Chancellor Beacon Academies) or (Ideabanc) or (Ombudsman Educational Services) or (Pinnacle Education) or (Smart Schools) or (Victory Schools) or (K12 Inc) or (Sequoia Charter School))

Explanation: Search terms in this category include only Education Management Organizations (EMOs) that manage four or more schools as published in the Profiles of

For-Profit Education Management Companies Fifth Annual Report by the Commercialism in Education Research Unit (CERU)
<http://www.asu.edu/educ/eps/CERU/Documents/EPSSL-0301-102-CERU.pdf>. Beacon Education Management and Chancellor Academies merged into Chancellor Beacon Academies. ODELHA Academy is now part of White Hat Management and Class.com and Apex Learning are not EMOs.

Search Eight: Fundraising 2002-2003

(Apples for the Students) or (Campbell's Labels for Education) or (Campbell Soup Labels) or (Box Tops for Education) or (Box Tops) or (Schoolpop.com) or (eScrips) or (School Cash) or (Field Trip Factory) or (Funding Factory) or (Beautycare) or (Tyson Project A+) or (Kmart's School Spirit Program) or (Take Charge of Education) or ((grocery or supermarket or food store or cash register receipt and redeem) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)) or (school fundrais!)

Search Term Modifications 2003-2004

(Apples for the Students) or (Campbell's Labels for Education) or (Campbell Soup Labels) or (Box Tops for Education) or (Box Tops) or (Schoolpop.com) or (eScrips) or (School Cash) or (Funding Factory) or (Beautycare) or (Tyson Project A+) or (Kmart's School Spirit Program) or (Take Charge of Education) or (**Great American Opportunities**) or (**Sally Foster**) or (**Cash for Cans**) or (**Giant Eagle**) or (**Upromise**) or (**School House Jam**) or (**Schoolpop Visa**) or (**Giftco**) or (**Artware By You**) or (**IFS of New Jersey**) or (**Kathryn Beich**) or (**Namebeads**) or (**Fieldhouse Store**) or (**Ready Fund Raising**) or ((grocery or supermarket or food store or cash register receipt and redeem) and (primary or elementary or grammar or intermediate or junior or middle or secondary or high w/1 school)) or (school fundrais!)

Explanation: In the 2003-2004 report, fourteen school fundraising programs with regional or national focus were identified and added to the list of search terms for this category.

Appendix B

Search Term Changes for the 2003-2004 Trends Report:

Terms for Education Press in H.W. Wilson Education Index Database

Search One: Sponsored Activities 2002-2003

((School Properties Inc) or (corporate sponsored) or (corporate sponsorship)) not (college* or universit*) and (py=xxxx)

Search Term Modifications 2003-2004

((School Properties Inc) or (corporate sponsored) or (corporate sponsorship) or (**corporate philanthropy**)) not (higher education or college* or universit*) and (py=xxxx)

Explanation: The term “corporate philanthropy” was added because it is an index term in the Education Index database that depicts articles related to corporate sponsored activities in the schoolhouse.

Search Two: Exclusive Agreements 2002-2003

((sneaker* or Reebok or Nike or Adidas or athletic wear or athletic apparel or sports wear or sports apparel) and school*) not (college* or universit*) and (py=xxxx)
and

((Coca Cola Company) or (PepsiCo Inc) or (business and sports) or (beverage industry) not (college* or universit*)) and (py=xxxx)

Search Term Modifications 2003-2004

((sneaker* or Reebok or Nike or Adidas or athletic wear or athletic apparel or sports wear or sports apparel) and school*) or (**school-children-nutrition**) or (**food-advertising**) not (higher education or college* or universit*) and (py=xxxx)
and

((Coca Cola Company) or (PepsiCo Inc) or (**Snapples**) or (business and sports) or (beverage industry) not (higher education or college* or universit*)) and (py=xxxx)

Explanation: The terms “school-children-nutrition” and “food-advertising” are part of the index terms in the education database that yield articles related to corporate marketing practices in the schoolhouse.

Search Three: Incentive Programs 2002-2003

((incentive program*) or (Pizza Hut and Book It!)) and (py=xxxx)

Search Term Modifications 2003-2004

((incentive program*) or (Pizza Hut and Book It!) or **Bookit**)) and (py=xxxx)

Explanation: During the searches in the Education Index database, the term “Bookit” yielded one article relevant to this category; therefore, a slight modification of the name of this reading program was added to the search terms.

Search Four: Appropriation of Space 2002-2003

((Cover Concepts) or (School Marketing Partners) or (Planet Report) or (advertis* and school*) not (Channel One)) and (py=xxxx)
and
(propaganda and school*) and (py=xxxx)

Search Term Modifications 2003-2004

((Cover Concepts) or (**Primedia**) (School Marketing Partners) or (advertis* and school*) not (Channel One)) and (py=xxxx)
and
(propaganda and school*) or (**Business-and-sports**) or (**logos-symbols and school***) not (higher education or college* or universit*) and (py=xxxx)

Explanation: “Primedia” was added to the search terms because this is the name of the company that owns Cover Concepts – the business that distributes sponsored lunch menus, book covers, etc. to schools. The terms “business-and-sports” and “logos-symbols” are index terms in the Education Index database that yield articles related to how corporate sponsors use school space to advertise their products.

Search Five: Sponsored Educational Materials 2002-2003

((sponsored education* material* or sponsored teaching aid*) or (sponsored lesson* or sponsored curricul*)) and (py=xxxx)

Search Term Modifications 2003-2004

((sponsored education* material* or sponsored teaching aid*) or (**sponsored-teaching-aids**) or (sponsored lesson* or sponsored curricul*)) and (py=xxxx)

Explanation: “Sponsored-teaching-aids” is part of the index terms in the Education Index database; thus it was included in this year’s search terms to access more articles that discuss sponsorship of teaching materials by business and corporations.

Search Six: Electronic Marketing 2002-2003

((Channel One or YNN or Youth News Network or Family Education Network or ZapMe or Star Broadcasting)) and (py=xxxx)

Search Term Modifications 2003-2004

((Channel One or YNN or Youth News Network or Family Education Network)) and (py=xxxx)
and
(Internet marketing or internet advertising) and school* not (higher education or college* or universit*) and (py=xxxx)

Explanation: “ZapMe” went out of business a couple of years ago and “Star Broadcasting” has not yielded any article relevant to this category for the last two years; therefore, both terms were excluded from the search term template for the 2003-2004 searches. The terms “internet marketing” and “internet advertising” plus “school” were included to expand the scope in the identification of school marketing and advertising practices conducted by businesses and corporations through the internet.

Search Seven: Privatization 2002-2003

((Advantage Schools) or (Beacon Education Management) or (Charter Schools Administrative Services) or (Charter Schools USA) or (Crawford First Education) or (Designs for Learning) or (Edison Schools) or (Edison Project) or (Excel Education Center) or (Helicon Associates) or (Leona Group) or (Mosaica Education) or (National Heritage Academies) or (SABIS Educational Systems) or (Tesseract Group) or (White Hat Management)) and (py=xxxx)

Search Term Modifications 2003-2004

((Charter Schools Administrative Services) or (Charter Schools USA) or (Designs for Learning) or (Edison Schools) or (Edison Project) or (Excel Education Center) or (Helicon Associates) or (Leona Group) or (Mosaica Education) or (National Heritage Academies) or (SABIS Educational Systems) or (White Hat Management) or (Nobel Learning Communities) or (**Chancellor Beacon Academies**) or (**Ideabanc**) or (Ombudsman Educational Services) or (Pinnacle Education) or (**Smart Schools**) or (**Victory Schools**) or (**K12 Inc**) or (**Sequoia Charter School**)) and (py=xxxx)
and
(public-school-privatization) and (py=xxxx)

Explanation: Search terms in this category include only Education Management Organizations (EMOs) that manage four or more schools as published in the Profiles of For-Profit Education Management Companies Fifth Annual Report by the Commercialism in Education Research Unit (CERU) <http://www.asu.edu/educ/eps1/CERU/Documents/EP1-0301-102-CERU.pdf>. The term “public-school-privatization” is part of the index terms in the Education Index database.

Search Eight: Fundraising 2002-2003

((Apples for the Students) or (Campbell’s Labels for Education) or (Box Tops for Education) or (grocery or supermarket or food store or cash register receipt and redeem*) or (School* fundrais!)) and (py=xxxx)
and
(money raising campaign*) and (py=xxxx)

Search Term Modifications 2003-2004

((Campbell’s Labels for Education) or (Box Tops for Education) or (grocery or supermarket or food store or cash register receipt and redeem*) or (School* fundrais!) or (school **fund-raising**)) and (py=xxxx)
and

(money raising campaign*) or (**business-and-education-funding**) not (higher education or college* or universit*) and (py=xxxx)

Explanation: “fund-raising” and “business-and-education-funding” are also part of the index terms in the Education Index database.