

Forstmann's Not So Little Idea

What is the single most frustrating issue in American politics? The deficit? Nah. Entitlement reform? A cakewalk. The Republican Party's presidential nominee? A day in the park. It's this: Reforming the nation's failing inner-city schools.



WONDER LAND

By Daniel Henninger

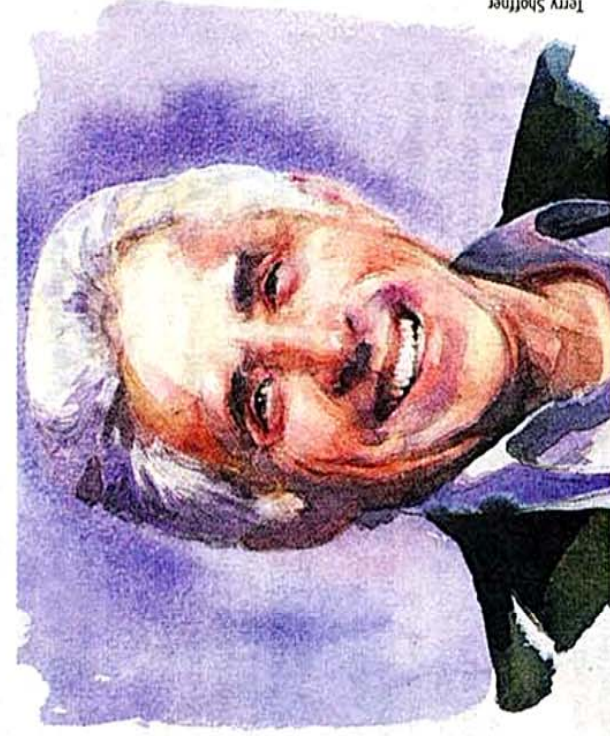
When in 1999 Ted Forstmann started the Children's Scholarship Fund with John Walton, he thought it was a good idea that might last about four years. The short version of the good idea was that CSF would raise private funds to give scholarships to inner-city students, whose parents also would contribute money toward tuition at a private school of their choice. The notion was that CSF would offer a helping hand until larger reforms emerged to repair an obviously failing public education system.

The fund attracted a lot of attention then because Ted Forstmann, a founder of the Forstmann, Little & Co. leveraged-buyout firm, and John Walton, whose father was Sam Walton, between them put \$100 million behind the effort and raised another \$100 million. For those who've been in the trenches of education reform, what happened next has entered the realm of legend.

An almost incomprehensible 1.25 million families from some 22,000 U.S. cities and towns applied for the four-year scholarships. In New York City, 168,000 applied (about 30% of those eligible) for 2,500 scholarships. Nor were they seeking a free ride. The scholarships were typically for less than \$2,000 a year, with the parents expected to pitch in perhaps half of that.

On announcement day, the fund awarded 40,000 scholarships. And Ted Forstmann took the occasion to say in public what he wanted to say about the state of education in the United States, circa 1999:

"Some insist that if we would just keep doing more of what we have been doing—spend more money, hire more teachers and reduce class sizes—we will get



Terry Shoffner

Children's Scholarship Fund co-founder Ted Forstmann

day worth recalling. It was about the \$1,000 or so each scholarship family was kicking in: "Consider that \$1,000 over four years from the parents of 1.25 million children adds up to \$5 billion. Five billion dollars from families who have very little. Five billion in scrimping and savings, in second jobs and second-hand clothes, in basic necessities not bought, and countless other sacrifices made—simply to escape the system that they've been relegated to and to obtain a decent education for their children."

Mr. Forstmann thought the failure of the education status quo was so obvious and the need for change so dire (he called it "an appeal to the moral middle of America") that change of some sort would come soon to American public education. Needless to say, he was wrong. Change did not come to public, inner-city education. The teachers unions won't allow it, and the pols in the party they support value incumbency's power more than anyone's notion of a moral crisis.

Messrs. Forstmann and Walton persisted with their notion of reform. There's an old saw about commitment that I like, especially when money is on the line: in for a nickel, in for a dime. To date, the Children's Scholarship Fund has raised \$483 million. It has disbursed scholarships to 123,000 students. It has affiliate programs in 33 states, which now adminis-

of grown-ups, and no doubt the tradition of bipartisan support will continue, no matter how much vilification is unloaded on them in the next 12 months.

Mr. Forstmann has long argued that all the money dumped into public education budgets misses the element most crucial to the schools' success: active parental involvement. His solution to getting them in the game has been requiring the parents to contribute between 25% and 75% of the scholarship award, based on need. That's it. The parents can pick any private school they desire. Many go straight to neighborhood parochial schools, once the sturdy adjunct to many urban public systems. Asked how they assure the quality of the choices, Scholarship Fund President Darla Romfo says, "We don't decide what is a good school; they do." And if they don't like that school, they're free to switch the scholarship to another.

This is the point at which the obligatory "outcomes" data is normally inserted. At first CSF didn't try to measure results because they didn't expect to be in business this long. They do have strong evaluation results now, but here's an editorial comment: If the choice is between strong parental involvement and nearly no parental involvement, the data in favor of involved parents came in about 200,000 years ago.

Some time back, in an essay on the entrepreneur's social role, Mr. Forstmann wrote, "He inhabits a world where belief precedes results." For years, no more frustrating belief has existed in American domestic politics than the possibility of giving inner-city children a better education. Against the public-school monopoly, sustained forward movement has seemed impossible. That may be changing. This year at least 13 states passed some form of school-choice legislation. Notably, Indiana's new voucher program is letting parents use public funds this fall to send their children to private, mostly religious, schools.

We live in bitter and divided political times, with optimism in short supply. It is somehow fitting that an idea Ted Forstmann and John Walton put in motion 12 years ago just had a breakout

After raising the ante on school reform with their own \$100 million for the scholarships, the two men recruited a bipartisan array of backers, such as Democrats Andrew Young, Eli Broad, Pat Moynihan, Tom Daschle, John Breaux, Ron Burkle and Floyd Flake; and Republicans Trent Lott, Henry Kissinger, Julian Robertson, George Shultz and Roger Staubach. Mr. Forstmann's current vice-chair for the fund is Mike McCurry, a former press secretary for President Bill Clinton. Measure this political alliance against the enormous difficulty the past three years of getting Congress to reinstate the Washington, D.C., Opportunity Scholarship Program. It did so in April.

Bipartisan philanthropy is of course traditional in the U.S., where more than \$200 billion is given an-