



Year in Review
December 20, 2018

2018: GCI's Most Influential Year Yet

In September of 2017, we had the privilege of presenting our [first major charter school comprehensive study](#) to the Editorial Board of the Arizona Republic. That led to an unsigned editorial “[Our View: Charter schools can abuse public money and it’s all legal.](#)” Given Arizona’s track record and that the Republic’s Anne Rynam had done a series in 2012 about abuses in the charter system, they questioned if Arizona had the political will to make the change. Our Fellow, Curt Cardine, though, had developed the most comprehensive data base of charter school financials, which meant we were just getting started.

At GCI we’re committed to improving the public’s understanding of issues based on accurate research—so we didn’t let up. And as that report was the first to quantify the extent to which related-party transactions were occurring in the charter school industry (77 percent using them and not saving taxpayer dollars due to it), many others picked up on it. In March of 2018 we released a [second report on charters that were losing money](#) that coincided with GCI breaking the news—because at that time the media wasn’t yet fully covering charter board meetings—that Starshine Academy was going to be closed down—a charter that was in bankruptcy that a few years earlier the charter board had renewed their charter despite a questionable financial and academic record.

By this time the Arizona Republic was also looking at similar issues and we had also caught the attention of Craig Harris, the fine Republic’s investigative reporter and provided him some background, details, and resources to start from. [Craig Harris](#) and his colleagues did a number of exposes that drew wide attention and ire, especially as charter operators like State Representative [Eddie Farnsworth](#) and Primavera founder [Damian Creamer](#) have become multi-millionaires due to the loose funding and oversight system the state currently has in place.

A year after our meeting with the Editorial Board everything had changed. The Governor, Attorney General, and all candidates for Superintendent for Public Instruction and many legislators will all calling for charter school accountability. Meanwhile, GCI has been working with the charter board and they are in the process of adopting our recommendations from the second paper, so they can better identify schools sooner that are in financial trouble.

But our next papers in January will be most critical in reforming funding systems and improving the oversight and transparency. GCI hopes to show legislators and the charter board how they

can make significant improvements in the charter industry that will help students and the schools as well.

GCI hasn't only done charter school reform work this year.

In late April during the height of #RedforEd, [GCI developed a \\$2 billion education investment target](#) for birth through K-12 for the state to best position itself to meet goals like a 90 percent four-year high school graduation rate (we're currently at 78 percent) and much higher post-secondary achievement.

Meanwhile, GCI also weighed in on many issues. [GCI monitored and estimated potential revenue gains from the *Wayfair v. South Dakota*](#) Supreme Court case and its potential impact on revenues for the state by capturing revenue from out of state internet retailers.

In the Fall, GCI contributed to the public debate on Prop. 305 by estimating that existing taxpayer subsidy programs (ESA vouchers and especially private school tax credits) were costing the state [\\$10,700 for every added regular education student who would not have otherwise attended private school](#)—almost double what public schools receive.

GCI was the chief source of research on Prop. 126 that banned new taxes on services imposed after Dec. 31, 2017. GCI submitted the [first statement](#) for against Prop. 126 in the Secretary of State's ballot booklet and provided the key research behind the unfortunately unsuccessful "no" campaign—as it was hard to compete with the \$8 million spent by the real estate lobby. Prop. 126, being so poorly drafted since it doesn't even define what a service is, is already causing problems and GCI's work has been [important to cities that are already suing](#) due its [threat on their sales tax revenues](#). GCI also estimates the state could lose up to [\\$250 million annually](#) when the Prop. 301 education sales tax reauthorization begins in 2021.

Though it received only a small attention in the [media](#), GCI also weighed in regarding [how one might evaluate the argument and claims and issues behind Prop. 127](#), the renewable energy initiative. That report came out two weeks before the election and GCI hopes to build off of it next year as the Arizona Corporation Commission likely takes on this issue.

So it's probably not surprising in retrospect that a delegation from China that was also meeting with the ASU W.P. Carey School of Business and ASU Morrison Institute also met with the Grand Canyon Institute in November. GCI has become a center for public policy analysis and policy improvements.

Overall, this has been the most successful year ever for the Grand Canyon Institute. I hope you'll consider supporting us financially to continue this work, so that we can continue making waves in 2019 and pushing Arizona to hold itself to a higher standard when it comes to public policy.

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