

The Parthenon Group: Saviors, Swindlers, or Hustlers?

By dianeravitch

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4Diane Ravitch's blog

<https://dianeravitch.net/2015/08/03/the-parthenon-group-saviors-swindlers-or-hustlers/>

A reader from Tennessee sent this comment:

“Well, well, Knox County Schools’ old friend The Parthenon group raises its ugly head out of the caves of East TN up to Chicago. In 2014 KCS Board of Education hired The Parthenon Group to do a “resource analysis” to the board about “improving “the school system. Parthenon made the usual recommendations – increase class size, cut librarians, counselors, etc- all about cutting costs. Some of us did a little investigating into Parthenon & presented this info to the school board in 2014. On the Parthenon Group’s website we located 2 presentations they gave to potential investors about money making opportunities in education. One of their prime examples for return on investment \$\$\$ was Corinthian College. You may recall Corinthian’s fraud & its backdoor investor bailout by Duncan’s DoEd.

<http://www.ed.gov/news/press-releases/us-department-education-signs-plan-protect-students-avoiding-immediate-closure-corinthian-colleges>

<http://www.latimes.com/business/la-fi-corinthian-colleges-20140716-story.html#page=1>

“Here is my speech to KCS BoEd made in March 2014 about The Parthenon Group.

“When I was much younger my Daddy & I went looking to buy a car. I decided on a car by first picking the one that was painted my favorite color and my Daddy always decided on a car by first looking under the hood. Thank heaven, I didn’t make the final decisions on buying cars for the family. I learned from my Daddy.

“After reading the Parthenon Group’s recommendations, our school community should should under their hood.

“Parthenon’s education group is made up of “entrepreneurial” consultants, mostly newly minted MBAs. It’s ironic that they would recommend disincentivize teachers in obtaining advanced degrees when 10 of them have MBA’s. Teachers are our children’s models for pursuing more education, not less.

“In 2009 & 2012 The Parthenon education group made 2 presentations entitled INVESTING IN EDUCATION. WHERE ARE THE OPPORTUNITIES & HOW CAN YOU CAPTURE

THEM? and PARTHENON PERSPECTIVES : BALANCING OPPORTUNITIES & RISK, respectively.

“The target of these OTHER reports are businesspersons or business entities that want to start up a new for-profit school systems. Parthenon is selling potential profiteers happy fairy tales of “creative destruction.”

“Parthenon’s vision for their investors is what they envision for public education, including Knox Co Schools- that is, to kick public schools to the curb and take over via charters. The old public ed system will, like public utilities, be killed. And then—they’ll already be positioned to take over.

“Business types don’t like to be reminded of other unsuccessful “creative destructions” For example, how the death of public utilities spawned Enron.

“The long-term goal presented here is not to keep the public school system –it’s to grow for-profit schools to be much larger than the public system, then reduce public schools enrollment to those “less profitable” students.

“Note the questions slide 5: “How well can you supplement the management teams” and ” what is your experience as an activist owner? Translation: This is about business people taking over schools, and running them.

In the meantime, they can only suck up public funding through very creative “non-traditional” (translation: deceptive) strategies. Also slide 5.

Hence their question: “Will you do non-traditional structures? (non-profits...MINORITY INTERESTS! Getting rich while pretending to be a nonprofit—can you say scam?”

“The one story of profitability & success is Corinthian Colleges. The more you read about Corinthian, the more slimy it is. Corinthian is currently under federal investigation in CA for fraud. Their stock price today is \$1.55/ That’s a heck of an investment!! Their case here is so speculative and risky that you really would have to be insane or very ideological to do it. As an educator & a taxpayer I oppose hustlers like those in the Parthenon Group, who are eagerly inflating the next speculation bubble with breathless sales pitches

“Now, slide 11 from the 2012 pp points out how growth in the ed industry depends on a guaranteed failure mechanism, like the CC & PARCC- the testing delivery system for generation after generation of public school turnover. :“if Common Core gets teeth the achievement gap will get bigger.” Standardized tests have by design a lowest 5% of test scores every year.

“What kind of a person celebrates humiliating children to peddle investments? Only swindlers at Parthenon can “dispassionately” recommend increasing class sizes for Knox County’s voiceless poor and disabled children.

“Leading up to the wall St crash of 2008 a lot of traders who sold their clients derivatives knew they were selling junk. These Parthenon profiteers are definitely selling time-bomb edu-investments- cash in & leave while OUR children & taxpayers pay the price. We should be

skeptical and demand evidence at every turn from these hustlers. Take nothing on faith. Look under the hood.

“Their business priorities are in direct conflict with the priorities of Knox County Schools, e.g. children, parents & education professionals. Cutting costs by Increasing class sizes & disincentivize teachers in obtaining advanced degrees is not an education plan. As an educator & a taxpayer I oppose hustlers like those in the Parthenon Group denying our children the education opportunities they deserve.”

[The Parthenon Group: Saviors, Swindlers, or Hustlers?](#)

[The Global Problem of Privatization and Commercialization](#) »

Part 2: The Parthenon Group? Is Your Child Profitable?

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Here is another citizen-educator, Rob Taylor, a teacher of special education in Tennessee, who researched the Parthenon Group. Here he shares what he learned by speaking to the Knox County Schools Board of Education in February 2014:

“Is Knox County Schools’ vision “Excellence for ALL Children”? Or only the ones who are “more profitable than others”?

“Are OUR PUBLIC SCHOOLS places where ALL students have equal access to the opportunities afforded to them by a quality, FREE public education for the purpose of furthering the public good, or are they places “where private investors can PLAY?”

“Those are shocking questions, but ones I was forced to ask myself when researching the Boston-based Parthenon Group, who as you know Knox County Schools is currently paying (with a grant from the Gates Foundation of over a million dollars combined with an additional \$360,000 of local money) in order to conduct a “resource analysis” of our school systems assets.

“I have watched representatives from the Parthenon Group give multiple presentations before This Board as recently as this week, a hallmark of which has been exhaustive PowerPoint arrangements outlining various statistical analyses to support their upcoming recommendations. It is my concern that these recommendations will be little more than a justification for a predetermined outcome. Namely: the opening up of our School System’s resources to the interests of for-profit businesses and private investors.

“Members of this board have stated that teachers presenting concerns to The Board provide EVIDENCE that such concerns are valid, and I have provided each of you this evening with a hard copy of a DIFFERENT KIND of PowerPoint, created by Parthenon partner and member of Parthenon’s Education Practice, Robert Lytle, which was created a few years ago for presentation to potential investors.

“I invite you to review this at your leisure but also to notice a number of statements offered in this presentation:

“Page 2: Asks the question: “Where Can Financial Investors Play?”,

“Page 3: Promises “..big, high-profile deals” and “fertile ground for proprietary opportunities”.

“Page 4: States “deals are everywhere”, and describes the 23 Billion dollar per-year revenue streams available to investors from testing, assessment, and outsourced school management.

“And MOST DISTURBINGLY, on p. 13, the quote “All students are not equal; SOME ARE MORE PROFITABLE THAN OTHERS.”

“I wonder, which students are less-than- equal? My Special Education students in my Elementary classroom? Or maybe my own children and their first and fourth-grade classmates?

“I find it alarming that the quality of ANY CHILD would be determined by the amount of PROFIT their public-school education might generate for a third-party investor, and frightening that members of an organization which would make such a statement – in this case the Parthenon Group, would be involved in an advisory capacity or involved with ANY decision-making process at the highest levels of our district.

“Lest my concerns be dismissed on the basis that the PowerPoint I have provided you this evening may have been misconstrued or taken out of context, I would like to inform The Board of the content of the recommendations made by Parthenon in other school districts with which they have contracted.

“In Memphis / Shelby County Schools, the Parthenon Group recommended a reduction in educator salaries , retirement and health benefits, an increase in class sizes, and an expansion of so-called merit pay based upon standardized test scores.

“Similar recommendations were made by Parthenon for the Metro Nashville Public Schools, with the additional recommendation that certain student services, such as Special Education, be incrementally outsourced and privatized. Nashville began outsourcing special education functions in 2010 to the for-profit Spectrum Academy, a division of Educational Services of America.