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SUNDAY EDITION | Prominent business people pour money into Jefferson County school board races

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By Chris Otts **CONNECT**

LOUISVILLE, Ky. (WDRB) -- The flyers blanketing south Louisville show frowning first graders holding up a sign: "Get us off this bus!"

The glossy mailer looks like it comes from Jefferson County school board candidate Richard Brown. It says Brown "thinks it's time to end busing -- now!"

But that's not at all [what Brown said at a candidate forum last month](#). In fact, Brown said the benefits of Jefferson County's Public Schools' student assignment plan are a rare instance in which he agrees with his opponent, longtime school board member Linda Duncan.

"I do want stronger neighborhood schools, but I have to agree with Mrs. Duncan; I think (the assignment plan) has helped the community greatly," Brown said.

So who paid for the ad that appears to stretch, if not misstate, Brown's position? Not the candidate himself, but an independent political group backed by some of Louisville's most successful business people, including Humana co-founder David Jones Sr.

Formed two years ago, the Bluegrass Fund has become a formidable player in races for the Jefferson County Board of Education -- once the exclusive province of the Jefferson County teachers union and its political action committee.

Yet the fund has no stated policy goals or criteria for picking candidates. It has no website. The only public information about the fund comes from reports it's required to file with Kentucky officials and with the Internal Revenue Service.

Chaired by real estate developer David Nicklies, the fund has raised almost \$700,000 since it was created in September 2012, according to [filings with the Kentucky Registry of Election Finance](#). For the election cycle that culminates Tuesday, the fund had raised \$522,548, including \$249,298 it carried over from the 2012 campaigns, according its most recent report dated Oct. 20.

In the March 5 through Oct. 20 period, the group spent \$338,516, reports show.

By portraying Brown -- who is running in District 5, which extends south from Churchill Downs to Iroquois Park and Fairdale -- as a staunch opponent of "busing," the Bluegrass Fund appears to be reaching into the same political playbook it first used in 2012.

In that election, the fund sent mailers to homes in neighboring District 4, covering Shively and Pleasure Ridge Park, that implied school board candidate Chuck Haddaway wanted to "end busing" and "create neighborhood schools."

In fact, [Haddaway had said in a public forum](#) that he was “fine” with JCPS' student assignment plan and wanted to give it more time to work. Nonetheless, Haddaway ended up winning the seat, beating the union's candidate, Lloyd “Chip” White, by 1,375 votes, or about 5 percentage points.

The Bluegrass Fund spent \$66,272 on Haddaway's behalf, while Haddaway raised only \$2,270 for his campaign.

Wealthy contributors back fund

The fund counts some of Louisville's wealthiest business people among its backers, including Jones and his wife Betty, who have given \$250,000. Nicklies, president of Nicklies Development, has given \$108,000 through personal contributions and other organizations he heads.

Sandra Frazier, founder of Tandem Public Relations and a director of Louisville-based Brown-Forman Corp., has given \$50,000. Her mother Jean, widow of the late Harry S. Frazier, has given \$75,000.

The group has also gotten \$50,000 from James Thornton, founder of the Louisville-based Thorntons gas station chain, and another \$50,000 from Louisville-based Stock Yards Bank.

Other contributors include restaurant franchisee Junior Bridgeman and his partner in the local Blaze Pizza franchise, James Patterson; Blue Equity chairman Jonathan Blue; real estate developers the McMahan Group; and Henry Heuser Jr., heir to the former Henry Vogt Machine Co., once a major manufacturer in Louisville.

Unlike the Jefferson County Teachers Association – which supports candidates for all sorts of local and state offices through its PAC, Better Schools Kentucky – the Bluegrass Fund's spending thus far has been aimed squarely at Jefferson County school board races.

The fund pays for radio spots, print mailings, yard signs, billboards and bus shelter ads, according to expenditure reports.

[In its IRS filings](#), the Bluegrass Fund says its mission is “to promote and advance an agenda that will positively change the direction of the commonwealth of Kentucky, in order to compete with its neighboring states.”

Does that mean ending the student assignment plan and sending students only to neighborhood schools, as the Brown mailers suggest? Or, as Duncan said she suspects, swinging the JCPS board in favor of charter schools?

“We're trying to get better people on the school board; that's the end of the story,” Nicklies said in a brief phone interview Thursday. “We've got 100,000 kids (in JCPS), and a good portion of them are not getting a good education.”

Nicklies mentioned better management of JCPS' \$1.3 billion budget, saying: “We only have one agenda: that that money is spent in the best way.”

Jones said in a statement issued through an assistant that public education is “the most important infrastructure in our world” and that he's “proud to support school board candidates who are committed to student achievement.”

Jones' son David Jones Jr. was elected to the school board in 2012 and is now the board's vice chairman.

Sandra Frazier, the Bluegrass Fund's treasurer, declined to comment.

Nicklies noted that by law, the Bluegrass Fund can't coordinate expenditures with candidates or their campaigns. But he denied the ad saying Brown wants to “end busing now” is misleading.

“We believe this information is good information,” he said.

In an interview, Brown would not directly answer whether the ad accurately describes his position.

While he would “love” to end busing, that can only happen if regular schools like his neighborhood's Semple Elementary significantly improve their performance, so parents no longer even consider sending their children to far-away schools to escape the school in their area, Brown said. That could take years, he acknowledged.

"If you ended busing absolutely today, it would be no time before a federal judge would step in. I know that; everybody knows that. Is it time to 'end busing now'? It is time to work on ending it, but we are not there yet," Brown said.

Regardless of his exact stance, Brown does not appear to be making it a campaign issue. Neither "busing" nor the district's student assignment plan are mentioned when Brown [explains the six reasons he's running on his website](#).

Records show the Bluegrass Fund had spent \$86,566 on Brown's behalf through Oct. 20, while Brown himself has not filed any campaign finance reports, an indication he has raised little or no money for the race.

'We really need to change the change the leadership'

Rich Gimmel, president of Louisville manufacturing company Atlas Machine & Supply – which gave \$1,500 to the Bluegrass Fund on Sept. 15 – said the goal is to shake up the school board in the wake of Kentucky Auditor Adam Edelen's blistering criticism of JCPS.

In a 300-page report released in May, [Edelen said JCPS spends more on administrators and less in the classroom](#) than other districts, and that school board members lack the financial skills needed to scrutinize the district's \$1.3 billion budget.

"I think the overriding concern is that we really need to change the leadership on the school board," Gimmel said. "Even the state auditor said we were the most top-heavy of any school system in this part of the country and...our school board isn't even capable of understanding what's going on."

The Bluegrass Fund also exists to provide a counterweight to the Jefferson County Teachers Association and its PAC, Better Schools Kentucky, Gimmel said. For years, teachers have been able to "pick their bosses" by influencing school board races, he said.

"The JCTA has basically picked the school board," he said. "We need new leadership."

But the Bluegrass Fund does not automatically oppose any candidates supported by the teachers union.

This year, both groups are lining up behind Lisa Willner, who is mounting a bid to unseat 28-year-veteran board member Carol Ann Haddad in District 6, which covers central Louisville areas such as Audubon Park, Buechel and Okolona.

In 2012, the teachers union backed David Jones Jr., and while Bluegrass Fund's reports show no expenditures on Jones' behalf, the group did not oppose him or fund any of his opponents.

Jefferson County Teachers Association President Brent McKim said the Bluegrass Fund's "organizational beliefs and priorities" remain unclear even two years after its founding.

"It's hard to say whether they are adversarial (to the union) or not -- because we have no indication what their beliefs are or what criteria they use for deciding on candidates," he said.

Charter schools push?

Duncan, who is supported by the teachers union, sees the bid to unseat her as part of a subtle effort to move the school board in favor of charter schools, to which the union is vigorously opposed.

"That is what is driving this whole campaign, and it's all in the background," Duncan said. "(David Jones Sr.) thinks if we have charter schools, that will somehow attract businesses to here. He thinks maybe they are not coming here because of our student assignment plan."

It would take an act of the Kentucky General Assembly to legalize charter schools in the state. But reversing the school board's official stance against charter schools would make the legislation more palatable in Frankfort, Duncan said.

In November 2012, Bluegrass Fund received \$8,000 from [the Kentucky Coalition for Education Reform](#), a pro-charter schools group chaired by Louisville businessman Hal Heiner, a candidate for the Republican nomination for governor in 2015.

Heiner's campaign manager, Joe Burgan, used to work for the Bluegrass Fund. David Jones Sr., meanwhile, is [on the steering committee of the political organization Heiner founded in January](#) to help Republicans win control of the Kentucky House of Representatives, New Direction Kentucky.

If Republicans win the House, that would significantly improve prospects for charter school bills, which have been unable to clear the chamber under Democrat control.

None of the candidates backed by the Bluegrass Fund in the current election – Brown, Willner and Angie Moorin in District 3 – is running on a charter schools platform.

Brown said he would support charters only if the teachers union refuses to “work with me” on a new system to evaluate teacher performance.

Among the Bluegrass Fund's supporters are members of the local real estate industry, including the Home Builders Association of Louisville, which gave \$10,000 on Aug. 30.

Chuck Kavanaugh, the home builders association's executive vice president, said real estate agents and home builders have become “more interested” in the school board in recent years because the district's assignment plan makes the home buying process more complex.

That's because parents can't be assured their children will attend whatever school is closest to the home they buy, like in other cities, he said.

But Kavanaugh said he knows of no other goal of Bluegrass Fund than electing “really good” school board candidates.

“Moving to some very highly professional board members – maybe higher than what's there now – would be a good thing,” Kavanaugh said. “There's become a lot more interest in this thing...If you dial back ten years ago, nobody even knew the school board was having an election.”

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