

# Deal to privatize Philadelphia schools

**Tom Bishop**  
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In what is being characterized as a change from a “hostile takeover” to a “friendly takeover,” Democratic Philadelphia Mayor John Street and Republican Pennsylvania Governor Mark Schweiker have announced an agreement to begin the privatization of Philadelphia public schools beginning November 30. The plan is the most far-reaching attack on public education in Pennsylvania since public schools were started under the Free Schools Act of 1834, and makes the 210,000-student district the largest public school privatization project in the United States.

Street and Schweiker announced the agreement at a joint press conference November 20. It came after a nearly three-week standoff during which Street had moved his office from City Hall to the school administration building as a protest. Vowing to fight privatization, Street said, “I will fight legislatively. We will fight legally. We will fight it with lawsuits. We will fight in the streets....We will fight the Commonwealth of Pennsylvania.” City and school officials were incensed that the state was planning to turn the school district over to Edison Schools, Inc., the largest private operator of public schools in the United States.

After several days of private meetings initiated by the governor due to pressure from business, civic and political leaders, Street and Schweiker announced they had come to an agreement on the takeover plan. Under the revised terms, Edison will not manage the central administration of the school district, but will serve as a consultant, provide services and have a role in recruiting new managers for the district. A five-member School Reform Commission, which will replace the school board, will hire the school district’s chief executive officer.

Administrators will remain employees of the school district rather than become Edison employees as the state previously proposed. The governor will appoint four members of the commission and the mayor one. They will serve five to seven year terms, meaning they will not be accountable to a new governor who will be elected next year. Despite having only one member from Philadelphia, the commission will have the authority to tax Philadelphia residents to increase school funding at the local level.

In accepting the agreement, Street showed that his protest was little more than a turf war over political patronage jobs in the school district’s central administration. This is part of an

ongoing battle between the city government and the state legislature over control of such jobs. In August, the state legislature passed a bill taking over the Philadelphia Parking Authority, replacing city employees, mostly Democratic Party cronies, with Republican Party cronies appointed by the state Republican Party. The takeover of other city agencies is also proposed.

As has been characteristic of the entire process, details of the final plan have not been revealed. In its \$2.7 million report commissioned by former governor Tom Ridge and released October 31, Edison calls for \$225 million in budget cuts and savings. The school district has a \$216.7 million deficit in its current \$1.7 billion budget. As a result of legislative mandates and judicial orders, the school district spends \$150 million more than it did in 1995 to fund new charter schools, full-day kindergarten, expansion of the school security force, increased payments to private schools for growing numbers of special needs students, and expanded bilingual programs (74 languages are spoken by students in the district). School enrollment has increased by 21,000 students since 1991, more than the total enrollment in most Pennsylvania school districts, while the district has received no additional funding since 1995 when taking inflation into account.

While the takeover legislation passed by the legislature on October 23 voided all union contracts except the teachers’, details have yet to be announced. In its study Edison proposed eliminating 500 teaching positions by attrition, cuts in spending for employee benefits, a 30 percent reduction in school maintenance spending, and mandatory rental fees for community groups using school facilities.

What remains in effect from Edison’s report is the plan for Philadelphia’s 264 schools to be divided into three groups. Sixty low performing schools, to be called “partnership schools,” would be broken off and run independently by a community partner and an educational management organization. Community partners include civic groups, businesses, churches and individual politicians. Edison proposes managing 45 of these schools with these community partners. Thirty to forty schools, identified as “good performers,” including the district’s competitive-admissions magnet schools, would be monitored but not disturbed. The remaining 170 schools in the middle would get a mix of remedies, including a new curriculum and close monitoring by

the School Reform Commission. The school district would purchase from Edison its “intellectual property”, such as curriculum and technology systems. State officials said Edison would get a “huge contract” with the district.

Edison has yet to graduate a student at its own schools in other cities. Of its 136 schools, only five enroll students to the twelfth grade, and four of those opened in the last two years. A University of Western Michigan study found that a sizable number of poor and special education students at Edison’s oldest high school, Mount Clemens Junior and Senior Academy in Michigan, dropped out.

The 2001 Pennsylvania System of School Assessment test results released November 13 found that 57.3 percent of Philadelphia’s fifth graders tested below basic math skills and 58.8 percent (more than 100,000 students) tested below basic reading skills. For eighth graders, 63.1 percent tested below basic math skills, and 51.9 percent tested below basic reading skills. For eleventh graders, 56.2 percent tested below basic for math and 44.3 percent tested below basic for reading. By comparison, in suburban schools such as Central Bucks County, which receive almost twice as much state and local funding per student, only 4.1 percent of fifth graders performed below basic in reading; in Dowingtown and Chester County, 4.5 percent; and in Delaware County, 7 percent.

Two charter schools, founded by Democratic legislators from Philadelphia in 1998, have pioneered the “community partnership” being implemented in the state’s takeover plan. At the Renaissance Advantage Charter School, founded by state Senator Hardy Williams, 84.6 percent of fifth graders tested below basic in math and 71.6 tested below basic in reading in the state test. At the West Oak Lane Charter School, founded by state Senator Dwight Evans, 62.9 percent of fifth graders tested below basic in math and 59 percent tested below basic in reading.

A recently released study by the Manhattan Institute for Policy Research, a New York think tank, showed that far from being unique, Philadelphia actually has a much higher graduation rate than many urban school districts. Philadelphia ranked fourteenth out of the fifty largest school systems in the US, with 70 percent of its seniors graduating in 1998. This contradicts Edison’s finding in its \$2.7 million state study that Philadelphia has one of the worst dropout rates in the nation.

The study also contradicts Edison’s comparison of three similarly sized districts. While the Edison report claimed that Fort Lauderdale, Las Vegas and Houston had better student performance while spending less money, the Manhattan Institute study found that Fort Lauderdale graduated 60 percent, Las Vegas 54 percent, and Houston 52 percent of their students. Edison critics pointed out Philadelphia had the higher graduation rate even though it has a public student poverty rate of 78.8 percent, compared to 31 percent, 14 percent, and 59 percent respectively for the other cities.

The crisis in education as a whole in the United States is

highlighted in the recently released results of the 2000 National Assessment of Educational Progress scores. The scores found that only 18 percent of students could answer challenging science questions, down from 21 percent in 1996, and only 53 percent of students had a basic understanding of science. Former astronaut George Nelson, who directs the K-12 program of the American Association for the Advancement of Science, said students are “taught to memorize some facts and vocabulary, but almost never to connect the knowledge into a coherent picture of how the world works and how we have come to know it.”

That Philadelphia is being used as an experiment in the institutionalization of separate and unequal school systems based on class can be seen in the willingness of right-wing political forces to implement the plan despite Edison never having proven academic or management success. In public filings with the Securities and Exchange Commission, Edison acknowledged, “[We] may find it difficult to attract and retain principals and teachers....We have also experienced higher levels of turnover among teachers than is generally found in public schools nationally.”

On November 14, Edison officials announced at a New York press conference that they had a net loss of \$18.1 million on revenue of \$97.3 million in the quarter ending September 30. Last year in the same period, Edison reported a loss of \$19.5 million on revenue of \$64.8 million. The company has never recorded a profit since its founding in 1991. Edison CFO Adam Field said the “Philadelphia consulting project” was a major factor in the company’s increased revenues. Edison president and CEO, H. Christopher Whittle, stated, “We have already received two phone calls from states asking us to come and discuss the possibility of our involvement in these states. [The Philadelphia situation] is being watched closely by governors across the country.”



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