

Members named to commission to manage Philadelphia schools takeover

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Pennsylvania Republican Governor Richard Schweiker and Philadelphia Democratic Mayor John Street have announced the members of the School Reform Commission (SRC) that will manage the state takeover of the Philadelphia public schools. The takeover was initiated December 21 when Schweiker declared the seventh largest public school system in the United States to be academically and financially “distressed.”

Schweiker and Street announced the appointments at a joint press conference January 14. The commission has five members, three appointed by Schweiker and two by Street. State Education Secretary Charles Zogby told candidates being interviewed that they must make a five to seven-year commitment to the position and should share the governor’s “vision” and have an “interest in seeing it through.” Part of that “vision” is the turning over of many public schools to private for-profit companies.

Schweiker’s appointments are James P. Gallagher, chairman of the state Board of Education since he was appointed by former Governor Tom Ridge in 1995, and Daniel J. Whelan, president and CEO of Verizon Pennsylvania, the state’s largest phone company.

Street’s appointments are two members of the previous Philadelphia Board of Education. Sandra Dungee Glenn is president of the American Cities Foundation, a nonprofit company involved in community development, education and urban policy. Michael Mansch was the budget director for Democratic Mayor Ed Rendell in the early 1990s. In that capacity he was a promoter of privatization of city services during the 1992 financial crisis. The city used the threat of privatization to force four municipal unions to accept a two-year wage freeze and major reductions in health benefits.

Schweiker appointed as chairman of the SRC James Nevels, who had been serving as interim chairman since December 21. Nevels, a Republican from suburban Philadelphia, is head of the Swarthmore Group, Inc., an investment firm that manages over \$1 billion in assets for pension and retirement funds.

In 1998 Governor Ridge appointed Nevels to the three-member Board of Control of the Chester Upland School District in suburban Philadelphia. The school district’s finances have been managed by the state since 1994 due to a fiscal crisis

brought on by the loss of industry in the area. In June 2000, Chester Upland was the first school district taken over by the state. In 2001, 67.8 percent of the district’s 5,902 students scored in the lowest category in reading and math on standardized state tests. Chester has the third highest child poverty rate in Pennsylvania.

In September 2001 the Board of Control made a five-year contract with Edison, Inc., a for-profit education company, to run nine of Chester Upland’s ten schools. Since that time, Edison has replaced principals with its own appointments at all nine schools. Teachers have been trained in Edison’s curriculum, called America’s Choice, and are working longer days to fit the Edison model.

In November, the district’s 504 teachers, over the recommendation of their union leadership, overwhelmingly rejected a proposed contract with Edison which called for a two-hour extension of the workday, an 18-day extension of the school year, a new teacher evaluation procedure, wage increases and a two-year extension of the union’s current contract, which is to expire in 2004. A new agreement was reached on December 28 but details have not been disclosed and it has yet to be voted on. Union officials warned their members that if the tentative agreement is rejected Edison officials have told them they would turn the schools into charter schools in order to carry out their program.

Moving and voting as a committee of one, Nevels’ first action as interim chairman was to award 10 no-bid contracts to lawyers, consultants, an insurance adviser and two publicists for the SRC. Financed by the \$1.7 billion school district budget, which currently has a \$210 million deficit, they will handle the litigation and publicity needed for the state takeover.

Legal services will be provided by Blank, Rome, Comisky & McCauley LLP, whose chairman David Girard DiCarlo was a major fundraiser and advisor for former Governor Tom Ridge and other Republican politicians. The 400-member law firm loaned candidate George W. Bush 10 lawyers to work in Florida during the 2000 election crisis to halt the Florida vote count. A partner in the firm, Carl Singley, a former dean of the law school at Temple University, is a close friend of Mayor Street and SRC Chairman Nevels. The firm will be paid \$270 an hour, with no ceiling on the amount spent except “the

continued availability of funds.”

Communications will be by Tierney Communications, Inc., whose CEO Brian Tierney is a prominent advisor to Republicans and the Catholic Archdiocese of Philadelphia and a close friend of David Girard DiCarlo. He was a vocal advocate for school vouchers when Governor Ridge three times attempted to pass legislation for state funding of parochial and private schools during his seven years as governor. Tierney played a key role in President George W. Bush’s election campaign as head of the Republican National Committee’s Catholic Task Force. His firm designed the web site for the Republican National Convention that nominated George W. Bush in Philadelphia in August 2000. They will be paid \$215 an hour with a \$150,000 ceiling.

The close ties between former Texas Governor George W. Bush and former Pennsylvania Governor Tom Ridge have been revealed in the developing Enron scandal. In 1997 Bush called Ridge and asked him to help Enron replace the Pennsylvania Electric Company as part of Ridge’s deregulation of the state’s energy industry. The state Public Utility Commission rejected Enron’s plan, but Enron executive Jeff Skilling said he was “extremely pleased” that the PUC was going to allow competition to end monopoly of the state’s electrical power.

Ridge was also instrumental in bringing the Republican National Convention to Philadelphia. During the convention more than 450 demonstrators were arrested, many held for days with extremely high bail, to disrupt protests. Almost all of the cases have been dismissed for lack of evidence or outright fabrication by the Philadelphia and state police. After the September 11 terrorist attacks, Bush appointed Ridge to head the Office of Homeland Security. Joining him are two lawyers from Blank, Rome, Comisky, & McCauley—Mark Holm as Ridge’s chief of staff and Carl Buchholz as special assistant for homeland security.

The firms appointed by Nevels will handle the litigation and publicity brought on by opposition to the state takeover. Currently, the state Supreme Court is holding hearings on a lawsuit filed by the Coalition to Keep Our Public Schools Public, which is made up of school unions and community organizations. The suit contends that hiring Edison, Inc. to run the schools is a conflict of interest, since Ridge hired Edison last August to do a \$2.7 million study of the schools. The Edison study called for the state to hire private companies to help run the schools.

The state now wants to pay Edison \$101 million over six years for its curriculum and technology. On December 27, Common Pleas Court Judge Joseph Doyle denied a preliminary injunction to prevent the SRC from contracting with Edison. The judge denied a conflict of interest violation of state law, stating, “In my view, the reform commission is not a state agency.”

Even as money was being doled out to the politically connected, pink slips started going out to “non-instructional

personnel” in the school district. On January 15, union officials of Local 1201 of the National Conference of Firemen and Oilers called a press conference to protest layoff notices received by the school district’s asbestos abatement workers. Union President Thomas Doyle said, “Promises were broken. We were assured by high-ranking elected officials none of our people would be hurt by this state takeover.”

Union officials said they now expect several thousand school employees, including 2,500 low-paid five-hour-per-day custodial workers, to be replaced by minimum wage, nonunion labor. According to union officials, 95 percent of their members have children in Philadelphia’s public schools. Beyond calling the press conference, the union leaders proposed no action except the court suit.

At their swearing in ceremony on January 18, several SRC members shocked state officials when they called for more state funding for Philadelphia schools. Whelan, with the support of SRC Chairman Nevels, said he believes there is general recognition at the state and local level that funding for Philadelphia schools is inadequate. At the same time, the 51-member board of directors of Greater Philadelphia First, a coalition of the region’s top business executives which Whelan heads, unanimously passed a resolution calling on Pennsylvania to shift from property taxes to sales and income taxes to fund public schools.

Spokesman for Governor Schweiker Steve Aaron said that, seeing as the state has a \$700 million shortfall, “The governor believes that it’s an issue that deserves attention, but that in this current economic state, this is a very difficult year to focus on this issue.” The dispute signifies a growing rift within the business community and its political representatives on how to handle the education crisis in Pennsylvania.

After acknowledging what politicians have been denying for decades, the SRC members revealed that the SRC would like to turn over as many as 100 of the 260 schools to private companies, not the 60 proposed by Edison in its report to Governor Ridge.



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