

Dozens of companies bid to run Philadelphia public schools

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The decision by the state of Pennsylvania to take over Philadelphia's public schools last December has been followed by a frenzy of competitive bidding by private firms seeking to cash in on the reorganization of the nation's sixth largest school district. Dozens of companies have applied to serve as consultants and provide services, while dozens more have applied to run as many as 100 of the lowest performing of the city's 264 schools.

What began as the state takeover of the school district is quickly leading to its wholesale privatization. The bids to participate in this privatization are in response to a "request for qualifications" put out by the so-called School Reform Commission (SRC), which was appointed in January to implement the takeover announced by Republican Governor Mark Schweiker and the city's Democratic mayor, John Street, on December 21.

Thirty-one companies met the SRC's January 26 deadline, commencing the bidding war. There can be little doubt that the companies selected will provide a bare minimum at a maximum profit for a range of services, including consultant contracts to provide staff training; technology; school environment improvements, involving safety and discipline; food service; and procurement.

On February 15, the SRC announced the list had been narrowed to 20 companies, including five educational management companies, local universities, several financial and consulting firms, and a non-profit educational organization. As has been true throughout the takeover process, the criteria for selection have not been disclosed. Commission spokeswoman Carey Dearnley would only say that companies will be selected "because of their fit with the commission's agenda and the financial benefit to the district."

In addition, 22, as yet unidentified, companies have applied to manage the 100 "failed" schools, in partnership with "community groups" beginning in the 2002-2003

school year. So far, six groups have been named as potential partners with these companies. The leadership of these groups includes two Democratic state legislators, one former Democratic legislator who was hired last month by the SRC as a legal consultant, a civil rights advocate, a minister, a former education company executive, a record producer and other businessmen.

Meanwhile the School Reform Commission announced on February 20 that it would postpone any action on new charter schools until November. The decision was announced with no discussion or explanation, but was likely driven by financial considerations. The opening of 39 charter schools since 1997, with the enthusiastic support of former Governor Tom Ridge and most state legislators, has cost the district \$100 million per year, including half of the \$200 million deficit in this year's \$1.6 billion budget.

Last year, private-school students enrolled in charters cost the district \$25.5 million while the district received \$1.6 million from the state in compensation. The previous school board had pleaded unsuccessfully with state officials about this draining of funds from public schools. Now that many of the public schools are to be privatized under the control of the most cut-rate outfits, even independent charter schools seem a luxury the state and profit-seeking companies cannot afford.

Pennsylvania Governor Mark Schweiker continues to promote Edison, Inc., the largest education management company in the US, as the only private company with which the SRC should contract. Edison started the takeover process last fall when it conducted a \$2.7 million study for former Governor Ridge, which recommended privatization of the district's central administration and 60 of its schools.

Edison CEO Chris Whittle said recently the company has between 30 and 40 staffers preparing to take over Philadelphia schools, and expects to spend \$2 million by

June 30 in preparation. Edison wants the contract for all 22 management services in the school district, such as teacher and principal recruitment and reorganization of the district's central office. It also wants to take over management of at least 45 of the schools. It has the inside track despite Edison's weak financial prospects and continuing reports of poor academic performance in its schools.

On February 13, a report by Bloomberg News charged that Edison had boosted its revenues by \$96 million a year, a quarter of its stated earnings, by counting as revenue money it had never received. The report detailed how in several instances Edison counted as revenue money that school districts actually paid as teachers salaries. Adam Field, Edison's chief financial officer, in a response that would do an Enron accountant proud, commented that since teachers are eligible for stock options from Edison and are overseen and controlled by Edison they are considered "joint employees" of Edison and their district. Field said the company was following generally accepted accounting procedures.

Recently, contracts with Edison have been cancelled in Wichita, Kansas; York, Pennsylvania; Trenton, New Jersey; San Francisco and in the state of Georgia. Gerald Bracey, a longtime critic of school privatization, in a recent report prepared for the Education Policy Research Unit of Arizona State University, contends that Edison's research methods are suspect. "While they paint a glowing picture of themselves in their annual reports," Bracey said, "all of the studies that have looked at the achievement of Edison schools objectively find that Edison schools don't do any better than regular public schools and often do worse."

What the takeover and impending privatization will mean for schools was shown in one of the first policy decisions by the SRC. Seizing upon problems evident in the already decaying school system, a state legislative committee held seven public hearings in Philadelphia in December where they conducted more than 250 interviews with students, parents and teachers concerning the issue of school violence. The hearings were held after the November 13 beating of a student at George Washington High School by five other students. He suffered a fractured skull and required brain surgery.

In its report, the committee stated that among Philadelphia's 210,000 students there were 3,119-recorded incidents of violence, weapons possession, and disruption requiring police intervention in the 1999-2000 school year. There were 924 assaults on

students and 1,124 on staff reported that year; more than 400 firearms and 336 knives were confiscated. The social climate in the schools has deteriorated in the last decade due to increasing poverty among its primarily working class students. These problems have been exacerbated by welfare "reform," which has led to children spending many hours unsupervised by an adult, and an education crisis brought on by a combination of years of underfunding and an inordinate emphasis on standardized test score results.

In response to the committee report, on February 13 the SCR announced the first of several proposed task forces, which the reform committee says will be expected to act in "rapid-response" fashion in the next few weeks to implement the recommendations of the state committee report. The report recommended streamlining the process by which a student can be expelled from the public schools. It also recommended increasing the length of the limit on suspensions from five to ten days. The task force will meet with federal officials to seek support in changing federal laws that impede discipline, especially in the cases of special-education students. The task force will also recommend expanding GED programs in juvenile jails and doubling the size of an alternative school for "troublemaking" students from the current 1,200.

The report also recommends keeping students in disciplinary schools longer, rather than returning them to their neighborhood school. The job training and qualifications of school police officers will be increased, requiring them to have two years of law-enforcement experience and a degree in criminal justice. It also recommended the removal of employees in the district's disciplinary office who are not willing to take a "zero-tolerance" stance on student discipline.

The SRC has given no indication that it plans to address the issues of oversized classrooms and lack of counseling and social service support that have led to the deterioration of education in the city's public schools.



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