

# Chester, Pennsylvania schools in crisis

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Pennsylvania's Chester Upland school district, responsible for the education of nearly 7,000 students in and around the working class city of Chester, is in the midst of a financial crisis. Its continued existence now depends on meeting expenses on a month-to-month basis.

In January, the district ran out of money to pay its employees and filed a federal lawsuit against the Pennsylvania Department of Education so that its schools could continue operating. Chester became the object of national media attention when its teachers and staff members elected to continue working without pay. The media praised the teachers for their dedication to their pupils and held them up as an example for educators across the country. Sara Ferguson, an elementary school teacher in the area, was even invited to sit in First Lady Michelle Obama's booth during the State of the Union address.

Despite the teachers' willingness to keep working without their salaries, the judge presiding over the federal case ordered the state to issue a \$3.2 million advance on its payments to the district, which kept the schools going until early February. Since then, the combination of a \$1.8 million federal allocation and another \$3 million issued by the state has kept the doors of the schools open.

Last month the state filed a motion to place the district under third-party control in order to ensure that it implement a number of recommendations outlined in a report issued by Pennsylvania Secretary of Education Ronald Tomalis. The plan includes a number of draconian measures designed to make the Chester schools "thoroughly examine and vet their expenses, making difficult financial decisions and exercising fiscal austerity." Proposed cuts include the district deferring employee benefit payments as well as payments to commercial vendors, reductions in charter school operating budgets, and the removal of salary payments to 54 district employees who were found to lack "adequate verification" of their employment status. District officials claim that simply deferring payments only jeopardizes their schools' long-term viability and are resisting the

motion filed by the state.

The administration of Pennsylvania Governor Tom Corbett, as well as the proponents of charter schools and education "reform" across the country, claim that schools need to be held "accountable" for what they do and that education policies need to ensure "productivity" while remaining "cost effective." In the case of Chester Upland, the variation on this theme is that the school board "mismanaged" tens of millions of dollars in advancements and special funding which the state has provided over and above its traditional budget allotment to the district since 2003. Another major talking point has been the district's "irresponsible" outlay of \$6.45 million last year to rehire dozens of furloughed teachers and faculty.

The district was placed under emergency state control from 1994 to 2010. During this period, there were a number of different empowerment boards which dictated decisions to school officials. From 2001 until 2005 the schools in Chester Upland were handed over to EdisonLearning, one of the first private educational maintenance organizations (EMOs). Thus, during the "irresponsible" period mentioned by Tomalis the district was run either by the state or private contractors.

Like other school districts across the nation, Chester Upland has been starved of funding by semi-private charter schools. Nearly half of its students attend either the Chester Community Charter School (CCCS) or the much smaller Widener Partnership Charter School.

CCCS is considered to be a "nonprofit" institution. But it is managed by Charter School Management, Inc., a private company. The Pennsylvania Department of Education sends a certain amount of per pupil funding to the school district, district officials are then expected to forward a share of that funding to the charter school, and the charter school pays its private management. (Vahan Gureghian, the owner of Charter School Management, Inc., was the largest single donor to Corbett's 2010 gubernatorial campaign.)

In the midst of Chester Upland's budget crisis, CCCS

has pursued an injunction demanding \$3.8 million in overdue funding from the district. The Commonwealth Court of Pennsylvania ruled against CCCS but simultaneously denied the district's concurrent attempt to impose a maximum enrollment cap on the charter school. By February the district and CCCS had agreed to collectively pare about \$8 million from their \$22 million request from the state, but state officials were unresponsive.

CCCS briefly cooperated with the district in the midst of the current crisis. If the district is drained of all of its funding, the charter school will fail as well. In an editorial submission to the *Philadelphia Inquirer*, David Clark, the CEO of CCCS, commented that "Chester's children deserve a high-quality education regardless of the district's financial management," and that "Chester's children can improve their families' circumstances" when given "a competitive education." Clark mentioned his own "anxiety" over the state providing funds for the children in Chester's district schools, noting that "40 percent of the charter school's parents have at least one child at a district school."

The truce was broken in March when Chester Upland filed a federal complaint against the state of Pennsylvania with the US Justice Department. In its complaint, the district claimed that the rights of its 700 special education students are being infringed upon by state laws requiring it to make arbitrarily inflated payments to CCCS and Widener Partnership for each special education student enrolled at either of the two charter schools.

Current state law assumes that special education students comprise 16 percent of the total student population, even though the figure is closer to 20 percent in Chester Upland. The 16 percent figure is then divided into the district school's total expenses on special education children to reach a "per-student" cost. That amount is then given to the charter schools for each special education child they have enrolled. In other words, the state law mandates that the district pay the charter schools more by artificially decreasing the denominator in the "per-student" calculation. School district officials estimate that these inflated costs amount to roughly an extra \$8 million in charter school payments.

Another issue is that these payments are based on Chester Upland's expenses on special education rather than a metric based on the actual costs of the services being provided at the charters. This is significant because students at the district schools typically have more severe impairments that cost much more in services. Many of the

district's students have serious congenital conditions or physical disabilities, whereas almost half of the special education students at CCCS have comparatively milder speech or language disorders.

Charter schools generally have fewer special education students because they are subject to less regulatory oversight. In some cases, charters have the capability to dismiss students who are seen as "disruptions" or who do not "fit" with the environment at the school.

In the final analysis, the crisis in the Chester public school system is an episode in a far-ranging attack on public education being pursued at the state and national level by Democrats and Republicans alike.

The Corbett administration pushed through \$765 million in cuts to primary education last year and recently proposed an annual budget implementing another \$422 million cut. Corbett also eliminated a funding formula that was designed to provide more state support to lower-income districts with little in the way of residential property tax revenue.

Six other Pennsylvania school districts are reportedly on the edge of insolvency. Chester Upland may only be the beginning in a wave of public school closures in the state.

The Obama administration's Race to the Top initiative has intensified the attack on public education by implementing "turn around" interventions targeting school districts like Chester Upland and introducing merit pay for teachers. As for Obama's praise for Sara Ferguson and the other Chester Upland teachers, the implication is clear enough: teachers should be prepared to work without pay.



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