

# Who is responsible for the Philadelphia school budget crisis?

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Last week, the School Reform Commission (SRC), the governing body for the Philadelphia School District, revoked the teaching contract for over 15,000 public school teachers in the city. The unprecedented move by the SRC paves the way for the evisceration of teachers' pension and health care benefits.

Local and state officials have hailed the SRC's latest move to revoke the teaching contract for the city's 15,000 teachers. Republican Governor Tom Corbett called for Philadelphia teachers to "join the thousands of public school employees across the state who already contribute to their health care costs." Cynically referring to the school system's budget deficit, SRC chair Bill Green told the *Philadelphia Inquirer* that "every single stakeholder has stepped up to help the district close its structural deficit—the principals, our blue-collar workers. Families and children have, too, through the loss of resources, increased class sizes and lack of materials. It is time for the Philadelphia Federation of Teachers to share in the sacrifice."

The assertion that the budget crisis in Philadelphia schools, as well as in municipalities across the country, is attributable to "greedy" educators is a fraud. Teachers in the Philadelphia school district have already been subject to pay freezes, layoffs, increases in class size (in violation of contracts that were in force at the time), as well as numerous attacks on health care benefits. On top of this, teachers are routinely forced to purchase classroom materials for students out of pocket due to a lack of funds from the district.

For years the school district of Philadelphia, one of the nation's largest, has been underfunded at both the state and local levels. In late 2001, Republican Pennsylvania Governor Mark Schweiker imposed state control over the city's schools, citing low performance in schools and a supposedly intransigent workforce,

members of the Philadelphia Federation of Teachers (PFT) labor union.

The governor imposed a state and city-appointed policymaking body over the school system in the form of the SRC, which would oversee the diverting of resources formerly given to public schools to privately run charter schools. The SRC has routinely given preferential treatment to charters; allowing the share of students enrolled in such facilities to grow to nearly 40 percent. In 2012 the SRC allotted a \$139 million tranche of funding to the licensing and expansion of city charters, despite numerous findings that many of the charter schools given the commission's blessing performed worse than their public counterparts.

These attacks have accelerated since the onset of the financial crisis, with Republican Governor Tom Corbett slashing more than \$1 billion from education resources statewide in 2011. Last year, the SRC passed what it called a "doomsday" budget, withholding more than \$300 million in essential funding for the city's schools. Due to the shortfall, Philadelphia schools were forced to lay off nearly 4,000 staff, including guidance counselors, vice principals and nurses. The fatal consequences of these policies were seen in September of last year, when 12-year-old Laporshia Massey of William C. Bryant Elementary School died of an asthma attack while there was no nurse on duty at the school.

At the city level, consecutive administrations have denied the district access to vital real estate tax revenue, which makes up a considerable bulk of financing for municipal schools. A tax abatement awarded mainly to real estate developers since the 1990s has led to the starving of as much as \$50 million in school funding in 2014 alone.

Proponents of the abatements often cite unusually

high costs for developers doing business in the city in comparison to the national average, as well as median household incomes that are more than a third below that of cities such as Chicago and New York. Developers have used the prevailing poverty as an argument for their right to build untaxed high-rises, skyscrapers, and luxury condominiums serving only the most well-off city residents.

The Fels Institute of Government at the University of Pennsylvania, an institute that supports the business-friendly tax policy, was forced to admit in a 2013 report that the “abatement in its current form is insufficient to promote substantial amounts of new housing for low-/moderate-income households.” It added that low-income housing made up less than 5 percent of the tax’s beneficiaries.

To drive this point home, a white paper published last year by the Philadelphia Coalition Advocating for Public Schools, titled “Short-changing Philadelphia Students: How the 10-year Tax Abatement Underwrites Luxury Developments and Starves Schools,” cited less than two-dozen buildings in the city of Philadelphia that hold nearly \$2 billion in tax abatements, collectively starving millions from the city’s schools. Similarly, the report noted the vast majority of tax abatement-holding properties were located in high-income areas.

Rather than ending such pro-business legislation, officials have sought to foist the costs of years of austerity and tax giveaways to the rich onto the working population as a whole, enacting regressive taxes on tobacco and alcohol products while slashing the pay and benefits of city employees.

This is of a piece with the policies of the Obama administration at the national level, which has called for slashing the corporate tax rate even while presiding over the layoff of hundreds of thousands of government employees on the federal, state and local level.



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