

# For-profit education company deems Highland Park, Michigan's last high school "unfeasible"

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Offering high school in the Detroit enclave of Highland Park, Michigan, is apparently an unprofitable business model. The last high school in the district is set to close later this month, the city's Emergency Manager, Don Weatherspoon, announced in a surprise decision last week.

The for-profit Education Management Organization (EMO), Leona Group LLC, which holds the Highland Park Schools contract, said it was no longer "feasible" to operate a high school. The abrupt closure follows a pattern among for-profit charter operators who experience higher expenses with the upper grades.

Hannah, a rising junior, said the students were shocked and upset. "A lot of us couldn't believe that they'd close the only high school in Highland Park," she told the *World Socialist Web Site*. "We thought they couldn't do that, because where would we go? But the superintendent called us all down to a meeting in the lunchroom and said she had done everything humanly possible to try to keep the school open.

"It's really crazy. I am going to miss this school."

A community meeting has been scheduled for Monday, June 8, for parents and students scrambling to find new schools. They will be assigned to the Detroit Public Schools (DPS) system and reportedly will be offered enrollment at DPS schools, a range of other charter operations, as well as slots in the so-called "failing school district" run by the state's Education Achievement Authority.

Displaced students, facing the hardship of much longer commutes, will be given bus passes. This hardly compensates for the potentially drastic increase in commute times. For a student to take a bus from the current high school, Highland Park Renaissance, to the closest DPS high school, Pershing, would require three buses. Wait times in the city are beyond onerous in the former "Motor City" where buses can be hours late. A single bus ride could take students to Cass Tech High School; however, that school has a very selective application process.

Hannah said she would be spending her senior year at the Detroit Public Service Academy. DPSA is another Leona Group-run charter school, whose students are called "cadets" and specialize in police, military and emergency responder skills.

"It's not that I want to do that kind of work," she explained, "I want to do culinary arts, but they'll have other subjects too. The DPSA will provide buses right at the CVS to get you to the school.

If your parents can't take you to a further school, you need to do what you have to, to get an education."

## Who is the Leona Group and why are they running Highland Park schools?

As a result of the deindustrialization of Highland Park, the schools have seen a drastically reduced tax base and declining numbers of students. As of 2011, the district had run three years of budgetary deficits.

The fiscal crisis was used as a pretext by the State of Michigan to impose an Emergency Manager (EM) on the schools under the reactionary Public Act 4, later repudiated by Michigan voters. Jack Martin, a former employee of the notorious for-profit charter school chain White Hat Management, was named by Michigan governor Rick Snyder as EM. He promptly closed Barber Focus School and privatized the entire district.

Highland Park Schools were among the first in the US to be entirely outsourced. At the time, the move was lauded by the *Wall Street Journal*. "This could be the new model for public education," said Jeanne Allen, president of the Center for Education Reform, clearly relishing the profit potential on behalf of the whole "education business" community.

The Leona Group, one of the largest for-profit education companies in the nation, was brought in to run the district. The company emerged from the Michigan Partnership for New Education, sponsored by former Democratic Governor James Blanchard and financed by real estate magnate Alfred Taubman and various foundations. Handed several million dollars in state money, the Partnership first advocated for teacher training, "audited troubled schools," promoted charter schools, and then turned itself into the for-profit charter Leona Group under William Coats. It now operates its business in five states: Michigan, Indiana, Ohio, Arizona and Florida.

The chain spends, on average, \$2,000 annually less per pupil on instructional services than their host districts, according to the book "What's Public About Charter Schools?"

In fact, the decision to jettison the high school was predictable

for the Leona Group. Eliminating the higher costs of providing instruction for Grades 9-12 is one of the standard means for increasing profits for so-called Education Management Organizations (EMOs). The sizeable profit differential is apparent in the statistics: in Michigan only 13 percent of charter students are in high school, compared with 67 percent in K-5 and 20 percent in middle school.

In the case of Western Michigan Academy of Environmental Science, Leona Group closed the high school within months of taking over the business. In other schools that had previously focused exclusively on secondary education, the Leona Group added grades at lower levels, thereby shifting proportional enrollments to the less costly grades.

Students and parents at Highland Park Renaissance High School told the WSWS they were unaware the school was being administered by a for-profit company. They were, however, uniformly opposed to the closure of the city's last high school and saddened in view of Highland Park's past legacy of excellent public schools.

Orlando Williams said the building wasn't great, but "they [the Leona Group] could fix it up if they wanted to." His mother added, "They have good resources there, the teachers really work with the kids. Like my son said, why can't they just fix up the building?"

Christopher Bryant, Orlando's father, explained, "We wanted our son to have his four years at the same place. It's important for stability. He could have built a relationship with the teachers and staff over time."

The Leona Group "blind-sided us" said another student. "They promised us culinary arts, a chess club and other classes at orientation, but after I returned here for classes, they weren't offered.

"The teachers here are extremely intelligent and the environment isn't bad," he said. "They just shouldn't have put us into a former middle school building. I went here, because I had so many family members come here. The school was well known."

## Social attacks and privatization

The callous abandonment of Highland Park's youth and their right to an education follows a long line of social attacks and privatization schemes in the depressed area. This includes:

**\*Privatizing Water:** Last week, unnamed politicians attending the right-wing Detroit Regional Chamber's Mackinac Policy Conference floated the idea of dissolving the municipality of Highland Park entirely. This proposal was aimed at spreading the Highland Park's water debt throughout the system and enabling the regionalization of the Detroit Water and Sewerage Department (DWSD) and ultimately its privatization.

At the end of April, the DWSD actually threatened to turn off water to the entire population of Highland Park due to late or unpaid bills. A Wayne County judge ruled that the city, with assets of \$2 million, pay \$20 million to Detroit, purportedly for residents' water. The case remains on appeal.

**\*Turning off the Lights:** In 2011, DTE Energy—one of the largest diversified energy firms in the US—repossessed Highland Park's streetlights, citing \$4 million in unpaid bills. It physically dismantled and removed the lights, leaving the city's neighborhoods entirely in the dark.

Highland Park is among the poorest cities in the US, with a median income of \$18,981, even less than Detroit's median income of \$24,820. After decades of deindustrialization, the current population has fallen to 11,293, with over 60 percent of its residents living below the official poverty rate.

What makes the situation uniquely tragic is that the city once boasted among the nation's highest living standards and best schools, including the Highland Park Junior College/Community College. Students staged a four-day sit-in at HPCC in 1989 to defend the college, but state funding was stripped by then Michigan Governor Engler in 1995, with the statement, "Though the college has a long and distinguished tradition, it has become apparent it is no longer an economically viable institution."

The historic enclave, entirely surrounded by Detroit, was the site of the first use of the revolutionary assembly line to build cars at Ford's Highland Park Plant where the Model T was produced. (See the WSWS video here.) The plant, designed by storied Detroit architect Alfred Kahn, was closed in 1973 and only rusting remnants remain.

Chrysler Corporation was also founded in Highland Park in 1925, and retained its headquarters there until the 1990s. Its closure marked the end of thousands of auto jobs, which had sustained the city for decades.

The American auto industry, which germinated here, is now recording unprecedented profitability amounting to \$73 billion over the last four years and \$10 billion in 2014 alone. It is a damning indictment of the capitalist system that American cities are dismantling school systems, with the claim that it is financially "unfeasible" to teach children.



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