

# Rife with scandal, Detroit's state-run school district to fold as privatization schemes continue

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The Eastern Michigan University (EMU) Board of Regents voted on February 5 to sever its agreement with the scandal-ridden Educational Achievement Authority (EAA).

The EAA, promoted and partially funded by the pro-charter Broad Foundation, marked a major step in the growing attack on public education in Michigan. Its record of lucrative no-bid contracts, outright bribery and FBI indictments—while miserably failing the most vulnerable children—made it a notorious symbol of the avarice behind the drive for school privatization.

This decision would end the partnership between the state university and the Detroit Public Schools (DPS), under which the EAA has operated, effectively pulling the plug on the district by the end of the 2016-17 school year. The EAA's 15 "failing schools" had been separated from the Detroit Public Schools in 2012 and were constituted as a state-run "turnaround" school district.

While the EAA will be abolished, the political establishment in Michigan, Democrat and Republican, is pressing forward in its drive to dismantle public education.

The future of the EAA schools has been one of the hotly disputed issues in the ongoing negotiations over the restructuring of DPS. Detroit Democrats and union officials associated with the Coalition for the Future of Detroit Schoolchildren and Detroit Federation of Teachers (DFT) leaders have urged that the EAA schools be returned to the DPS district.

The EMU vote, however, is purely symbolic. Pending legislation, based on Michigan Governor Rick Snyder's plan to dissolve the DPS and establish the Detroit Community Schools, already made provisions to reabsorb the EAA schools. With Detroit schools facing the possibility of running out of cash by April, legislators are expected to come up with a compromise by the end of the current school year.

Mike Morris, chair of the EMU Board of Regents, acknowledged as much, explaining the board's decision: "It

is increasingly clear that the anticipated legislation in Lansing to formally address this matter, and end the EAA, is now moving forward... June 30, 2017 will mark the University's official withdrawal. Given the legislative efforts under way, we fully expect the EAA to cease to exist well before that time."

The Board of Regents had for several years reauthorized the EAA arrangement despite vocal protests from the university's Education Department faculty and students, even as the EAA's incompetence, graft and fraud were uncovered.

While the EAA itself will not be directly transitioned into charter schools, as pro-privatization state legislators originally hoped, a mechanism is being established for systematic closures of "failing" public schools, first in Detroit and then across the state.

Under the pending legislation, the state mandate for "turnaround schools" under the State School Reform/Redesign District (SSRRD) will be not only maintained but strengthened. Snyder recently moved the SSRRD as an agency from the state Department of Education to his direct control under the Department of Technology, Management and Budget. Additionally, he promised to be "more proactive" in managing such "priority schools."

In mid-February it was announced that the SSRRD will place four "failing schools" in East Detroit under the control of an "academic CEO." The measure will include the suburb's only high school. Not unlike an emergency manager, this "academic CEO" will be appointed for three years and have control over school finances.

The new designation, "academic CEO," appears to be a rather transparent attempt to give a school district's full financial powers to a state-imposed authority while avoiding the discredited "emergency manager" title.

The imposition of state control on East Detroit Schools appears to be just the beginning. Under the pending

reorganization legislation being promoted by the Snyder administration, it would become the prototype statewide.

According to the *Detroit News*, “Under the legislation [Senate Bills 710 and 711], schools in the bottom 5% would be assumed by the School Reform Office, which could install a state-appointed CEO that would have authority over low-performing schools that fail to show academic improvement. The low-performing schools would have to submit redesign plans and face possible closure if they don’t make improvements. But no schools would be closed within the first two years after being transferred to the new Detroit district.”

The history of the EAA is a damning exposure of the corrupt relations that have emerged out of the drive to dismantle public education, a campaign spearheaded by the Obama administration that has had the full support of both Democrats and Republicans, along with the backing of the trade unions.

The SSRRD was originally created in 2010 by former governor Jennifer Granholm, a Democrat, working with the American Federation of Teachers (AFT). The “turnaround district” was designed as part of the state’s application for “Race to the Top” funding by the Obama administration.

The EAA was the first incarnation of a state-run system of “priority schools” under the SSRRD. In 2009, the EAA was warmly proclaimed as “the future” by former Secretary of Education Arne Duncan on behalf of the Obama administration and named a Race to the Top finalist.

The Broad Foundation designed EAA’s operations and a Broad Academy graduate, John Covington, ran the system under a \$1.5 billion, four-year contract. Various educational businesses, which saw EAA as an entry into the Detroit schools “market,” provided gifts to grease the wheels for the for-profit vendors.

Covington specialized in outsourcing as many education services as possible, including “individual learning platforms” designed by Agilix, human resources, security, food service, custodial and grounds keeping. In an impoverished district where the special education numbers are disproportionately high, even this critical service was outsourced, with the contract going to Futures Education/Futures Healthcore LLC, which specializes, according to its web site, in cost containment.

Former EAA high school principal Kenyetta Wilbourn-Snapp, who recently pled guilty to bribery, described the atmosphere surrounding the ubiquitous outsourced spending in an interview with the *Detroit Free Press*. “When I got there, it was like *Brewster’s Millions*,” she said, in a reference to the 1995 Richard Pryor movie whose main character must spend \$30 million in 30 days to inherit \$300 million. She said officials told her, “You have to spend

almost a million dollars.”

There have been numerous other scandals involving EAA contractor Norman Shy, proprietor of educational sales companies World Wide Sales and Allstate Sales; Chancellor John Covington, who himself left EAA under a cloud of suspicion in June 2014 after he and his staff racked up \$178,000 in hotel bills and airfare traveling to “attend education training conferences,” according to the *Detroit News*. Current EAA Chancellor Victoria Conforme (annual salary \$325,000) followed up by hiring a group of her colleagues from New York on a teacher-training contract costing nearly double the lowest bid.

Then there is the saga of Barbara Byrd-Bennett, who pled guilty last fall to fraud charges against the Chicago Public Schools and now faces potentially similar charges regarding her work for the DPS between 2009 and 2011. The FBI says there is “probable cause” to believe that Byrd-Bennett committed fraud, theft and conspiracy while she worked for DPS. She awarded a \$40 million textbook contract to Houghton Mifflin Harcourt weeks before the district was taking bids and purportedly received \$26,000 into her money market account from the company. Under her tenure, the DPS also awarded contracts worth about \$3.4 million to Synesi Associates, one of the companies named in the indictment against her in Chicago.

From the beginning, the EAA’s financial operation was generously supplemented by private sources seeking to get in on the ground floor of educational business opportunities. Those chipping in included Governor Snyder’s Michigan Education Excellence Foundation (\$60 million), Michael Bloomberg’s Philanthropies (\$10 million), the Skillman Foundation (\$2 million), the Kresge Foundation (\$2.5 million), DTE Energy (\$1 million), General Motors (\$500,000) and Kellogg Foundation (\$1 million). Other pro-privatization millionaires and billionaires donated to the EAA, including Roger Penske, Mike Ilitch, Steve and Cindy Van Andel and Doug DeVos, along with the Gates Foundation. Many, if not most, of these same big-business players are involved in the design of the pending Detroit Community Schools.

While the EAA itself may be on its way out, the drive to shut down schools and privatize public education—the real source of the corruption and scandals that plagued the EAA itself—will only continue.



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