

# Former US bankruptcy judge to be new emergency manager of Detroit schools

**Our reporters**  
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Retired US bankruptcy judge Steven Rhodes told a meeting of teachers and other school employees Wednesday that he was assuming emergency manager powers over the Detroit Public Schools (DPS) and would complete the restructuring of the school district by midsummer.

Rhodes was brought in as the honored guest of the Detroit Federation of Teachers, which arranged the meeting after discussions with Michigan Governor Rick Snyder on Monday. The meeting was the latest effort by the DFT, backed by the national American Federation of Teachers, to contain opposition by teachers, including a wave of sickout protests that sparked student walkouts, against state-appointed emergency managers who have attacked teachers' jobs and living standards while funneling more money to for-profit charter schools.

During the 2013-2014 Detroit bankruptcy, Rhodes established his reputation as a highly political judge capable of posturing as an even-handed arbiter and employing the services of the trade unions while ruthlessly imposing the dictates of the Wall Street bondholders. In a ruling that set a national precedent, the judge approved the gutting of city worker pensions in direct violation of the state constitution.

On Wednesday, Rhodes told the meeting that he "was not the dictatorial type" and was "immensely concerned" with overcrowded classes and the lack of school supplies that prohibited teachers from doing their jobs. While it was true he was an emergency manager—who would be paid \$12,000 a month, like the previous emergency manager—he would be the school district's "last emergency manager." This was because "it is time to return local control over the Detroit public schools," he said.

Under the bipartisan plan being debated in state

legislature, a restructured school district will in fact be overseen by an unelected Financial Review Commission, similar if not the same as the one that Rhodes installed over the city of Detroit. The commission will have veto power over all spending decisions even after an elected school board is restored.

Rhodes made a pitch for the legislation, under which the current school district will be dissolved into an "old DPS"—tasked with liquidating debt—and a new "Detroit Community Schools" district, which Rhodes claimed, would be free to allocate funding from local, state and private sources to "educate kids instead of paying debt."

The judge claimed there would be no changes for teachers and other school employees in the new district, saying, "one day you'll be working for the public school system and the next day you'll be working for the new entity and everything that you see and touch and feel about the job will remain the same." While he stressed that the DFT would remain as the collective bargaining agent, the judge made clear that the jobs, wages and pensions of school employees took a back seat to the payment of the district's debt to wealthy bondholders.

"There will be more money as a result of this legislation. We will pay a competitive wage. Something goes to pay the debt. When the debt is paid, we will pay an appropriate wage," Rhodes said. In other words, over the coming months teachers will face blackmail demands for further wage and benefit concessions, which the DFT will present as necessary to ensure funding for the new school district.

The judge dodged questions by teachers and other school employees about planned attacks on teacher pensions, the outsourcing of school services to low-paying private companies and the expansion of charter

schools. “I’m not a politician,” he said. Conditions would be determined by the outcome of the legislation currently being debated. Money for the school district would run out by April unless a deal was done in the next several weeks, he said, adding that teachers should “become part of the political process” by writing their legislators to address their concerns

Rhodes presented the Democrats and Republicans in the state capital of Lansing—who are engaged in a sordid squabble over how to cash in from the destruction of public education and the best way to attack teachers and other school employees—as the tribunes of the people.

During the Detroit bankruptcy, Rhodes showed a particular skill in bringing local Democrats, state Republicans and unions to the table to devise a “Grand Bargain,” which essentially gave each of the conflicting parties a share of the spoils from the gutting of pensions and the selling off of public assets. The American Federation of State, County and Municipal Employees (AFSCME), for example, was given control of a half-billion-dollar retiree health care trust fund as a payoff for sanctioning the destruction of its members’ jobs, health and retirement benefits.

Rhodes is now engaged in a reprise of that act, this time with the Detroit Federation of Teachers and other school employee unions. Present at Wednesday’s meeting at Cass Technical High School were Ivy Bailey, the Interim DFT president; Keith January, Executive Board Member of AFSCME Local 25; and Donna Jackson, President of the Detroit Federation of Paraprofessionals.

Well aware that there is deep distrust of both big business parties and that the deeply unpopular measures the legislators are preparing will be met with resistance, Rhodes made a pitch to the assembled trade union bureaucrats to join his efforts to ram through the governor’s restructuring plan. He made it known that he is currently considering positions on his “transition team” that may include figures that would secure the interests of the trade union apparatus in exchange for its collaboration.

“One of my first tasks,” Rhodes said, “will be to find someone who I can partner with to actually be in charge of running the school system—the day in, and day out, stuff, while I’m out in the community talking to educators, talking to the community leaders, talking to

the community politicians about getting this legislation passed, and about how they can support the new community system when it gets underway.”

In response to many of his answers, the small number of teachers who attended Wednesday’s meeting shouted challenges to Rhodes’ claims. Signs were held up opposing charter schools, and others saying, “Save DPS.” The judge, who ran for the protection of his private chambers and said he was prepared to have marshals clear his court after a single protester interrupted the Detroit bankruptcy hearings, appeared visibly shaken and angry after one of his comments in support of charter schools elicited boos from the teachers’ audience.

Rhodes’ arrival should be a serious warning to teachers in Detroit and across the country.

The attack on public education and teachers’ benefits and protections will set the precedent for slashing statewide pensions in Michigan and across the United States, just as the Detroit bankruptcy was a model for slashing pensions nationally.



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