

# Detroit Public Schools emergency managers cash in

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With Detroit Public Schools (DPS) facing insolvency as early as April and teachers fearing “payless” paydays, Michigan governor Rick Snyder agreed to a lucrative severance package for disgraced emergency manager Darnell Earley, it was revealed last Friday.

Earley is receiving a payout of \$82,862.90, reportedly after negotiating with Snyder’s office to provide “consulting” services to the impoverished district over the next few months. A spokesman for the governor’s office said Earley will be available through July to handle “questions or issues related to the [emergency] manager’s performance. ...”

Earley resigned on February 29 as the district’s emergency manager in the face of growing outrage over his role in the poisoning the Flint’s population under the cost-cutting regime he oversaw while emergency manager of that city.

Snyder appointed Earley as DPS emergency manager in January 2015 with an annual salary of \$221,000, meaning his total haul will be well above \$300,000, plus perks.

Earley was the target of escalating sickouts by teachers against horrific and unsafe conditions and years of wage and benefit cuts. Earley reacted to the exposure of these conditions with utter indifference and contempt.

Confronted with black mold, falling ceiling tiles and dangerous aspects of crumbling schools, Earley dismissed them, stating, “Code violations are not new to Detroit Public Schools.” After the exposure that a leaking roof at Spain Elementary had spread mold and poor air throughout the building, sickening teachers and staff as well as students, Earley merely said, “People have known about the conditions of Spain.” And finally, when questioned why, on a daily basis, thousands of DPS students had classes without certified teachers, Earley testily replied, “Well, let me just say this here. That is no different than in other districts. There is a teacher shortage across the state.”

It became widely recognized that Earley’s ham-fisted persona and his role in Flint had become a political liability for state politicians seeking to force through an unpopular reorganization of Detroit schools and further attacks on educators’ wages, health care and retirement benefits. The

creation of a new experimental Detroit Community School District under new rules and a dictatorial financial control board has been under debate since April 2015.

Various political factions, each seeking to position themselves to benefit from the carve-up of Detroit Public Schools, have put forward contending legislation and plans. While the legislation promoted by Governor Snyder and Judge Rhodes seems to have the most legislative support, a section of state Republicans have called for a statewide voucher system. Democratic Party and union functionaries have made their main emphasis the issue of “local control”—primarily in order to allocate bids on lucrative outsourcing to their cronies and business partners.

In other words, a lot of money is at stake. Since Earley was clearly ill equipped for the job, Snyder has appointed Judge Steven Rhodes who oversaw the 2013-2014 Detroit bankruptcy to finish the “transition.” During the bankruptcy, Rhodes crafted a “Grand Bargain” that brought together Democrats, Republicans, big business foundations and union bureaucrats to restructure the city’s debt by ramming through a massive cut to city worker’s health and pension benefits. He solidified the deal by running roughshod over Michigan’s constitutional protections for pensions. This makes it all the more sinister that last week Rhodes justified the pending school legislation as necessary for the “moral and constitutional obligations we have to our children.”

But how is such a discredited individual as Earley the beneficiary of a more-than-generous “golden parachute”?

Of course, there were “services rendered” on behalf of the pro-privatization politicians. At the time of Earley’s resignation, Snyder issued a statement stating his approval of the emergency manager’s work. “Darnell has done a very good job under some very difficult circumstances. I want to thank him for his professionalism and his service to the people of Michigan.”

Snyder referred to Earley’s elimination of nearly 100 central office administrators, which has, in turn, opened to the door to additional millions of dollars in privatized contracts. For example, a current contract with Learning

Sciences International for \$6 million (enough to pay 22 teachers for five years) of highly questionable Professional Development based on the Marzano system has been widely taken as an affront by hard-pressed teachers.

Praising the emergency manager, the governor continued, “He restructured a heavily bureaucratic central office, set in place operating and cost-containment measures, and has taken steps to stabilize enrollment. These factors should all set the course for a sustainable, new Detroit Community Schools, as I have proposed.”

Earley’s new “consulting” contract apparently includes a clause that releases the state and its officers from any claim related to his work, according to Detroit Channel 7. “It is hush money,” claimed LaMar Lemmons, a DPS board member.

There may be more than element of truth in those remarks. The payout is certainly more hard evidence of how both the Democrats and Republicans are working together—as they did in the cover-up of the poisoning of Flint residents—to conceal their financial agendas and connections. Now, the very same players are seeking to push through the reorganization of the Detroit schools to further enrich politically connected business interests. Criminal malfeasance and wholesale disregard for the health and education of the state’s children are just part of “doing business” for this political elite.

At the same time, it was also revealed Friday that as DPS’s new “transition manager” (appointed under the emergency manager legislation PA 436), Judge Steven Rhodes, will not be paid the \$12,000 a month he previously claimed but \$18,750 per month, a 50 percent higher sum. Additionally, it was noted that Rhodes is only required to work 96 hours per month in order to leave room in his schedule for his lucrative work as a lawyer. He is also the consultant for the government of Puerto Rico, which is imposing savage austerity measure to pay off hedge funds and other big bondholders.

These extravagant payouts come at a time when the district is staggering under \$515 million of debt incurred after years of state and federal defunding of education, government subsidies to charter schools and the growing incursion of for-profit edu-businesses (see, “How banks, privatizers and politicians bankrupted the schools”). Currently, over \$3,000 of the \$7,000 for each student’s state foundation grant is being diverted to pay off debts to the State of Michigan and the bondholders that originated the loans.

As with the municipal bankruptcy, Rhodes’s efforts will be directed at safeguarding the interests of Wall Street as the expense of the social right of the working class. In this case, it will mean the growing privatization of education, cutting wages and benefits of school workers and fundamental

attacks on MPSERS, the Michigan Public School Employees Retirement System, which retains the pension plans of school teachers of the entire state.

Last week, Rhodes essentially threatened teachers, indicating that only with the passage of the Snyder reorganization could teachers be assured of a future. “There is no Plan B,” he reiterated. “We need this legislation really, within a month. That’s our clock. ... This is urgent.” Only then, would it be possible for the “new Detroit Public School system...to compete for the best and brightest and to compensate its present educators competitively.”

Teachers justly fear that the politically manipulated crisis will be used to impose not only further cuts to pay and benefits, but even “payless paydays.” In 2009, emergency manager Robert Bobb, American Federation of Teachers president Randi Weingarten, and Detroit Federation of Teachers (DFT) president Keith Johnson blackmailed teachers to give up nearly \$10,000 in a Termination Incentive Program. Teachers fear that similar and worse conspiracies are currently afoot. The DFT is part of a conspiracy against teachers, promoting Rhodes—who is holding meetings with DPS employees at Renaissance High School Thursday—as a fair and impartial arbiter.

The threat of school closures is also a major concern of teachers and students. Rhodes admitted there had already been a school capacity study done, but claimed that before schools would be closed, there would be “transparency” and “input” from parents, students and teachers.

The State of Michigan seems to have unlimited funds to pay off its political cronies but cannot pay teachers, fix buildings, or keep schools open. Rhodes and Earley alike are being paid handsomely for their loyalty to the interests of the big business.



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