

As April 8 fiscal deadline approaches

Judge Rhodes threatens shutdown of Detroit Public Schools

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14 March 2016

Detroit Public Schools (DPS) emergency manager Steven Rhodes, speaking to the media last Friday, threatened to close the city's school system if a legislative deal to restructure DPS was not reached by April 8. It is historically unprecedented for the population of a major American city to be informed its entire public education system could be shut down.

The former federal bankruptcy judge was asked in a phone call with Reuters reporters what he would do if the Michigan Legislature failed to appropriate new funding for the district by April 8. "Close the schools," was his reply. He added, "It would be a disaster for the kids. It would be a disaster for parents. It would be a disaster for the city. It would be a disaster for the state. It can't happen. So I don't believe it will happen."

Appointed by Michigan Republican Governor Rick Snyder under the hated emergency manager (EM) law PA 436, the unelected Rhodes has been tasked with implementing legislation to reorganize the Detroit schools. During the Detroit municipal bankruptcy of 2013-14 Rhodes was instrumental in forcing through some \$7 billion in cuts to city retirees, vacating Michigan Constitutional protections in the process.

Moody's, speaking on behalf of Wall Street bondholders, also issued a warning Friday regarding DPS's \$1.45 billion in implied general obligation unlimited tax (GOULT) bonds. The rating agency called for legislative reforms to "dedicate operating levies to repayment of debt."

The Detroit Public Schools have been under state emergency management since 2009 and have amassed a \$515 million operating debt. This fiscal crisis—the product of state and federal cuts to education, the state-subsidized incursion of charter schools and other for-profit businesses as well as the growth of poverty—has been used

as the pretext to dissolve the school district. Michigan has reduced K-12 spending by 7.5 percent since 2008, the 12th deepest cut in the nation. Detroit is currently the poorest big city in the US.

Last August, former EM Darnell Earley—responsible for poisoning the residents of Flint in his prior capacity—agreed to a stopgap funding arrangement, which resulted in tripling the district's monthly debt payments. These escalated payments came due beginning in February, setting the wheels in motion for the district to run out of cash in April.

State legislators now have only six days of legislative sessions left to act before the deadline, as they are scheduled for their spring break on March 25. "There is no plan B because we can't print money," Rhodes reiterated, stating that even if vendors went unpaid there would not be sufficient funds to meet payroll. Asked if taking out a short-term loan was a fail-safe option, he replied with a resounding "no," according to Reuters.

A state appropriation of \$50 million to the DPS has been widely suggested as a stopgap measure to allow the completion of the school year and provide time for further negotiations between the competing state House and Senate bills.

"My message to parents and everyone in the state who is concerned about education is this: communicate or write to the legislators emphasizing the importance of doing this in a timely manner," Rhodes went on. "I haven't heard anybody in opposition to providing the supplemental \$50 million."

There has been a nearly year-long legislative logjam over the specifics of Snyder's plans for the dissolution of the debt-ridden Detroit Public Schools as an educational institution and the creation of a new Detroit Community Schools district.

The Detroit Federation of Teachers (DFT) held an emergency meeting on Thursday seeking membership support precisely along the lines urged by Rhodes. They called for a march on the state capitol as well as other initiatives to protest “Lansing’s failure to do its job.”

In reality, the DFT, along with its parent union the American Federation of Teachers, far from mobilizing the working class against the conspirators in Lansing have thrown their support behind Rhodes, the hatchet man for Snyder and the financial elite.

As to Rhodes’ threats to shut the district, DFT Interim President Ivy Bailey said, “This is kind of unprecedented. We do have our legal department looking into it.” However, she claimed, Rhodes is working “with the teachers” not against them. “At this point, I’m optimistically cautious with anyone who comes in here to work with us but I have a good feeling about him. He has been transparent with us. He’s been fighting on our side but he’s been trying to do what’s best for children also,” she said.

The DFT is supporting a Wall Street-dictated plan that will devastate education in Detroit and the rights of educators. The threatened closure of the district will no doubt be used to extract even more concessions from teachers in negotiations for a new contract. This signifies, once again, that the DFT and AFT represent the interests of business, not teachers.

Since January, the teachers’ unions have been working overtime to suppress the sickouts and other jobs actions that rank-and-file teachers initiated independently of the DFT. AFT President Randi Weingarten flew into Detroit at least three times to meet with teachers and strategize with DFT operatives to contain the rebellion.

Taking an even further step in seeking to quash teachers’ militancy, the union is now throwing its full weight behind Snyder and Rhodes. The Republican governor, it should be noted, faces a statewide recall effort with the possibility of criminal charges for his role in the poisoning of Flint.

The Senate bills, drawn up by Snyder cronies in collusion with state Democratic legislators, represent a dramatic assault on public education. While the final version is yet to be decided upon, both the Senate and House bills stipulate that a new school district will be created, which will be subordinated to a financial review board with dictatorial control. This proposed structure pioneers a new model for the destruction of public education that will be replicated nationally.

The fate of teachers’ salaries, health care costs,

pensions, as well as school closures, will be determined by an unelected board whose priority is paying off the debts to the bondholders, with an eye on creating new money-making “edubusiness” opportunities.

This plan is an escalation of the policies that Snyder has aggressively implemented for years in concert with Obama’s Race to the Top scheme. This includes the notoriously failed Education Achievement Authority—touted as a national model by former Education Secretary Arne Duncan—and a virtual nonstop series of privatization schemes which advanced charter schools, for-profit technology companies and consulting firms linked with the Broad and Gates Foundations.

As a result of these cumulative privatization policies, Detroit is now a “high-choice” city with more than half of all students attending charter schools. In fact, much of the bond debt plaguing DPS represented funds to repair schools, which were handed over to the charters, 94 of which operate in the city of Detroit.

The competing House version of the reorganization has been penned by Tea Party-style Republicans. It advocates restrictions on collective bargaining for some portions of teacher contracts, allowing the new district to hire teachers with “alternate” (e.g. lower) certifications, and tying teacher pay and benefits to performance standards. The most extreme position has been taken by the Mackinac Center, calling for the DPS to be allowed to collapse and be replaced with vouchers.

The DFT is promoting the Snyder-Rhodes plan as the “lesser evil” because it will utilize the services of the unions to attack teachers and public education, while ensuring the institutional and financial interests of the union bureaucracy. As Ivy Bailey said, the deal involves the “survival of the union.”



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