

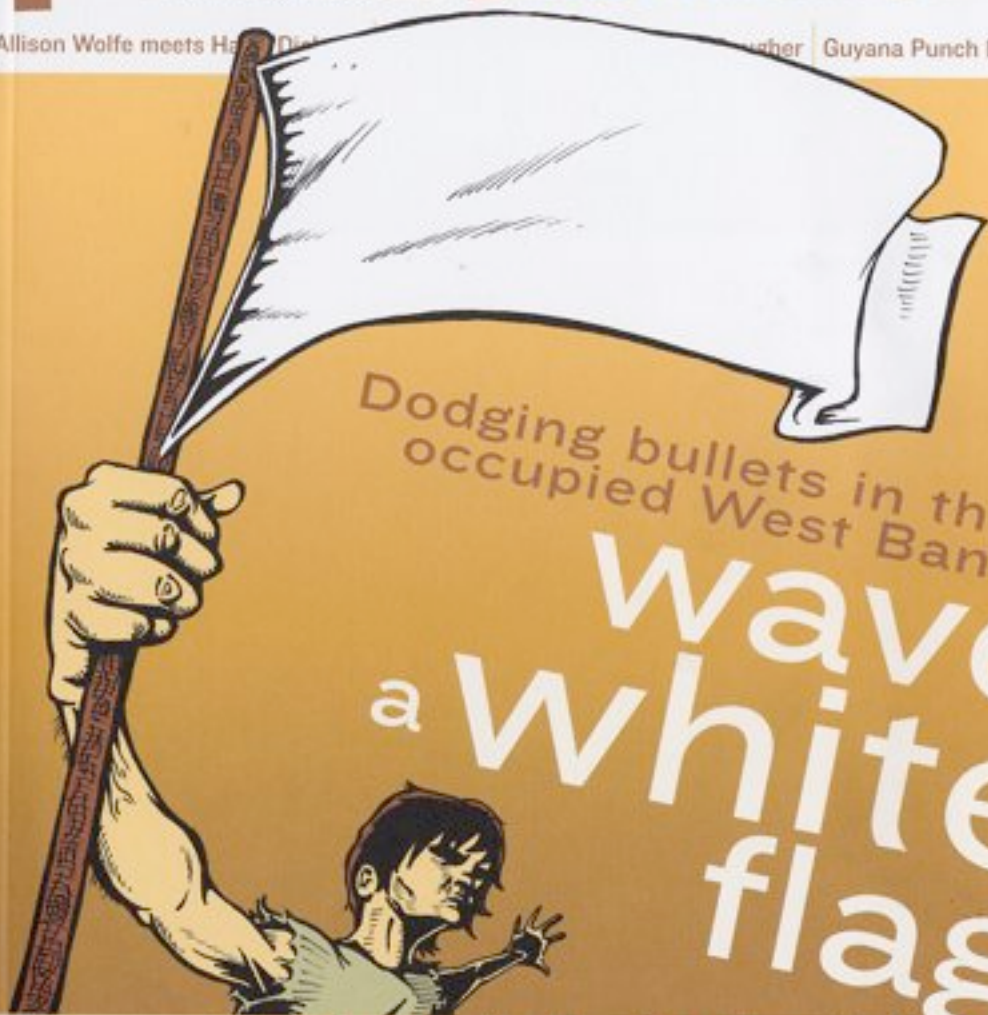
# punk planet

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notes from underground

Allison Wolfe meets Howard Dichter

...er | Guyana Punch Line



Dodging bullets in the  
occupied West Bank

wave  
a white  
flag



plus:

Cometbus zine turns 20

In what has been called the biggest experiment in the history of public education, the state of Pennsylvania has seized control of Philadelphia Public Schools and begun the process of privatizing one of the largest urban school districts in the nation. Throughout the past year, citizens groups, unions, parents, and students have been actively trying to fight the state's decision to turn public schools over to the hands of private corporations. While their efforts have been supported by many people in the Philadelphia area, they are fighting an uphill battle against an unresponsive administration and a slew of public relations experts that have utilized mass media in order to sell Philadelphians on promises of "progress" and "change."

At the heart of this issue is Edison Schools Inc., the largest profit-based operator of charter and public schools in the United States, and the organization that stands to yield the most money through the privatization deal. Not coincidentally, Edison Schools is the same organization that was commissioned by Republican

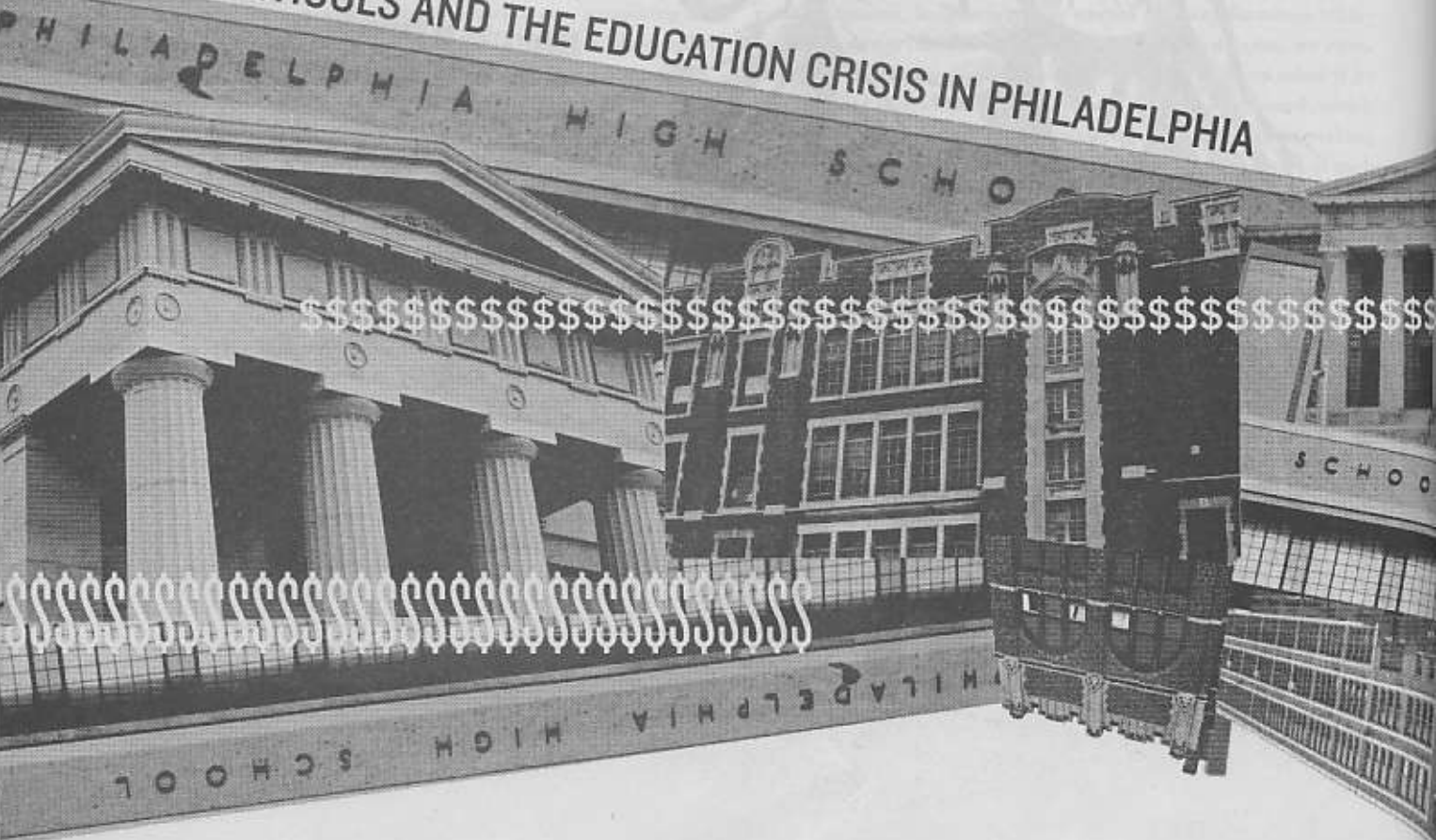
Gov. Tom Ridge to decide whether or not the state should intervene in the first place. Despite this colossal conflict of interest, the state of Pennsylvania has proceeded with plans to divvy up segments of the district to private businesses in order to cut costs and allegedly improve the educational performance of students within the district—of whom half test below basic math and reading skills.

Critics of Edison Schools have actively voiced their disdain for the company's policies, but it was not until shares in Edison Schools took a nosedive on the stock market that the general public became fully aware of how risky the Edison deal really is. While the state of Pennsylvania has ignored Edison's critics thus far, they have yet to explain how the company, who has never turned a profit, plans to manage the 20 "low-performing" schools awarded to them for the 2002-2003 school year. Despite all fiscal, academic, and administrative logic, the state is gambling with the lives of tens of thousands of students, employees, and parents in the Philadelphia area, leaving many people asking the question, why?

# UNDER ACHIEVEMENT

By Zack Furness  
Photos by Michael Dailey

EDISON SCHOOLS AND THE EDUCATION CRISIS IN PHILADELPHIA



## A History Lesson

In August of 2001, Philadelphia Democratic Mayor John Street set up a meeting with Republican Governor Tom Ridge in an attempt to borrow money from the state in order to pay the public school payroll. Ridge agreed to the Mayor's request for funding, but as part of the agreement, he announced that Edison Schools Inc. would be commissioned to investigate the district's finances and management, at a price tag of \$2.7 million. This was the first major step in Ridge's plan to begin privatizing "problem" school districts in Pennsylvania, and it came as no surprise to Pennsylvania residents who were previously familiar with Ridge's policies on education.

In the seven years preceding his appointment to head the Office of Homeland Security, Tom Ridge was an advocate for financial vouchers for private, charter, and religious schools by promoting a Republican ethic of free-market education through a rhetoric of "public interest." Like most advocates for school vouchers, Ridge sought to distribute public funds away from districts that were already faced with financial and social problems, in order to fund schools that would more easily conform to his conservative agenda. Fortunately, he was unsuccessful in most of these attempts.

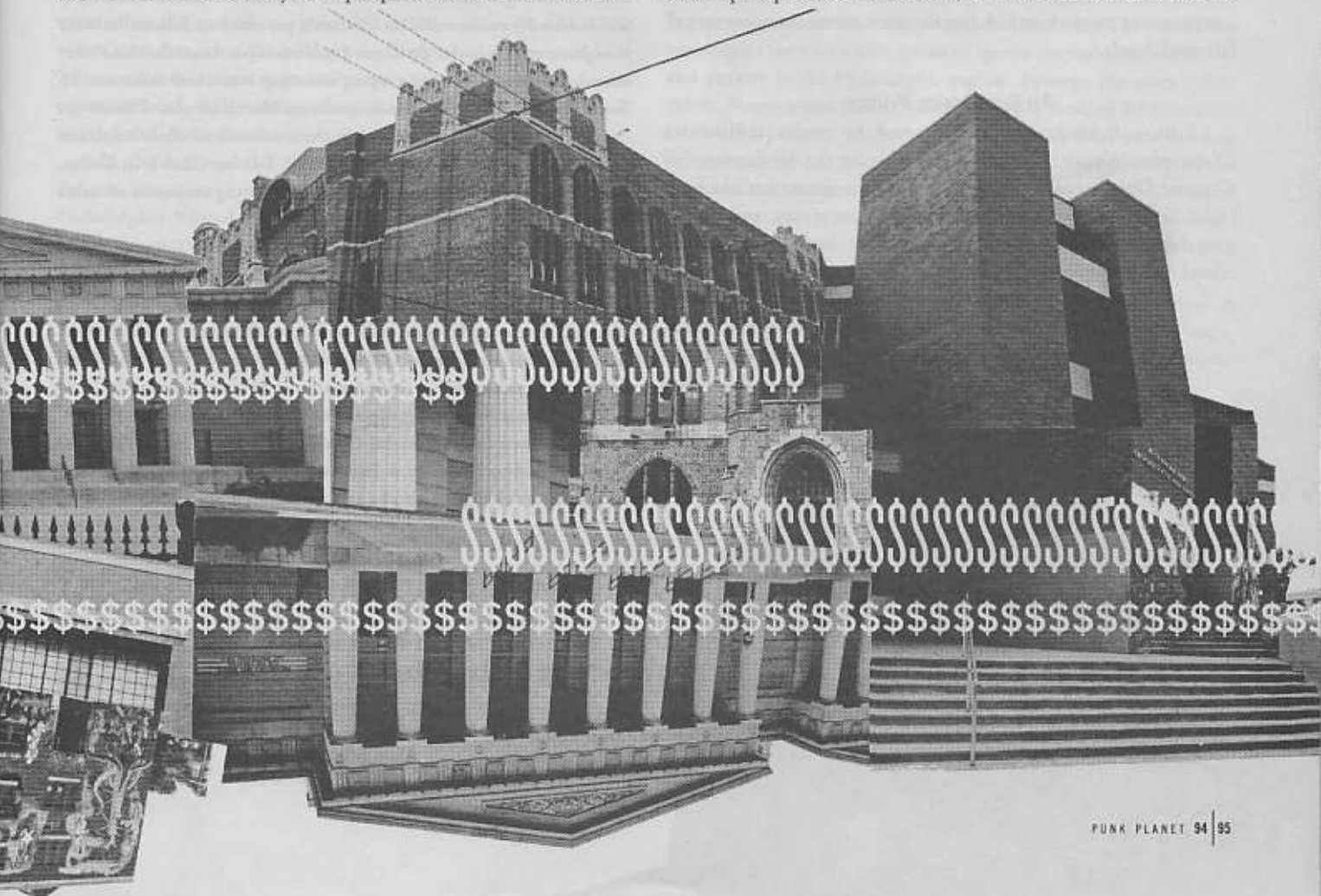
According to a November 2001 article by reporter Tom Bishop, another less publicized portion of the agreement between Ridge and Street specified that Mayor Street would postpone a 1998 federal lawsuit brought by the city of Philadelphia, which charged the state with racial discrimination in the way the state funds their public school districts. This was the second time in which the suit had been postponed as a trade-off for immediate financial assistance. The suit had already been postponed once before after the

state agreed to advance the district \$183 million dollars.

Pennsylvania has some of the most segregated schools in the country and has consistently funded their schools in a disproportionate manner. Last year, the Philadelphia school district, which includes over 210,000 students, spent just under \$7,000 per student. Over 70 percent of these students are at, or near, the poverty line and the majority of the students are African-American or Latino. The surrounding school districts, which are predominantly wealthy and white, receive almost twice the amount of state funding despite lower district taxes. An October, 2001 report by the respected firm of Standard and Poors commissioned by the Commonwealth of Pennsylvania, confirms that Philadelphia spends 24 percent less than the state average on each of its students.

As a result of the failing schools, the Pennsylvania legislature passed the Education Empowerment Act, which gave the governor the ability to take over underachieving school districts. The Education Empowerment Act gave a great deal of power to the state government in Pennsylvania and established the framework in which Lt. Gov. Schweiker could execute Ridge's privatization agenda. It was reported by local papers that the legislation was passed in a late-night session, as an amendment to a bill that dealt with loan assistance to nurses. The amendment was apparently brought to the floor with one minute of notice and 30 seconds of debate, without Edison school's investigation being made public. Instead, Lt. Gov. Schweiker's administration waited until the legislation was passed before releasing Edison's findings to the residents of Philadelphia.

On October 31, 2001, following a 60-day evaluation of the Philadelphia public school district, Edison Schools announced its



dramatic conclusions. Their study called for the abolition of the school board, who are appointed by the mayor, and for the management of the school district to be turned over to Edison. In addition, according to the *New York Times*, Edison suggested that the governor appoint a five-member School Reform Commission to serve in place of the locally appointed school board. In terms of labor and finances, Edison introduced a proposal that could potentially eliminate the district's \$216.7 million deficit through job cuts, budget cuts, and the privatization of services—thereby saving the district \$225 million. (Of course, this debt had accrued because the district had received no increases in funding since 1995, despite the fact that student enrollment has grown by 21,000 since 1991. This increase is larger than the total number of students in most districts within the state.)

Among the cuts recommended were the elimination of 500 teaching positions, cuts in employee benefits, and a drastic reduction in the school's administration. Within their report, Edison outlined a plan for the Philadelphia district that would divide the district's 264 schools into three groups. The 60 lowest-performing schools would be identified as "partnership schools," and would essentially be removed from the district and run through the cooperation of local community groups (such as Temple University, civic groups, churches, businesses) and a school management organization. Forty-five of these 60 schools would be managed exclusively by Edison Schools. With the exception of 30-40 schools, the other 170 schools in the district would be forced to comply with various changes, including close surveillance by the state, and the application of new curriculum. And guess which company was recommended for the new curriculum contracts? Edison Schools.

### An Economics Primer

Edison Schools, Inc. was started by media millionaire Christopher Whittle, the man responsible for the development of Channel One, a corporate-driven media program that has been highly criticized by parents, media activists, students, and educators throughout the nation. Channel One operates by loaning school districts television equipment with the expressed agreement

that 80 percent of all classrooms between grades 6-12 will air *Channel One News* in its entirety, during at least 90 percent of the school days throughout the academic year. In addition to

*Channel*

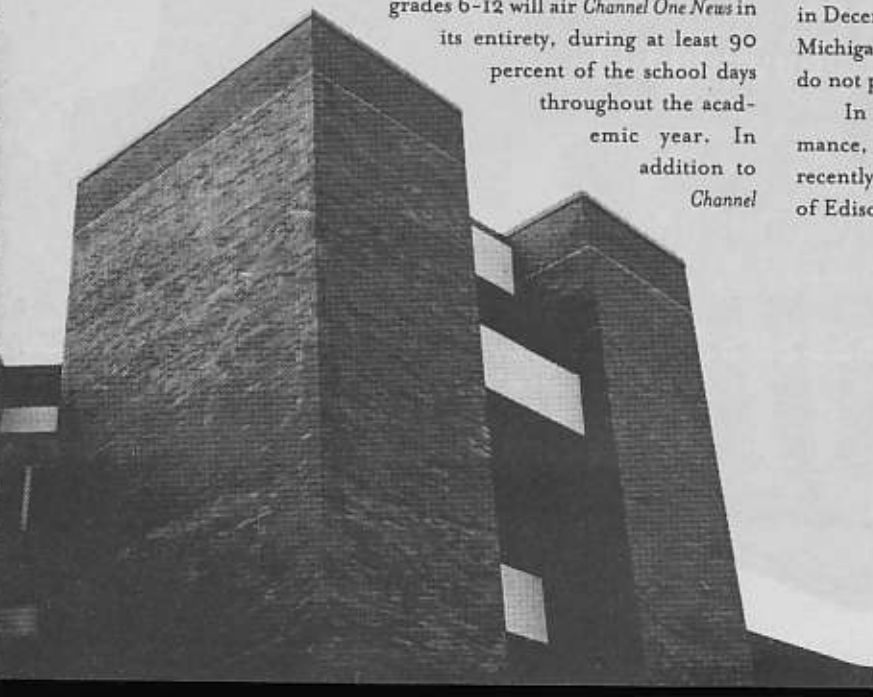
*One News*, students are also subjected to corporate advertisements for junk food, violent Hollywood movies, clothing, cellular phones, and other products.

Following several failed business ventures, Whittle developed Edison Schools and began their first for-profit school in 1995. Currently, Edison runs 136 schools in 50 cities, making it the largest organization of its kind in America. The company relies heavily on technology in the classroom, and their curriculum is implemented through a longer school day and an extended school year. In addition to these extensions, teachers are required to attend a month-long training program preceding the school year. While the teachers union in Philadelphia has fought for the right to maintain their union status, Edison's employment policies do not favor union workers, and force previously unionized employees into lower paying positions with longer hours, reduced or eliminated benefits, and little or no job security.

Throughout the duration of Edison's management in various districts, there has been overwhelming public criticism of both Edison's policies and their results. To date, Edison has had their school contracts terminated in Wichita, Baltimore, San Antonio, Wayne County North Carolina, and Boston. In each of these areas, schools turned over to Edison were performing the same as, or worse than they had been before the schools were turned over to the company. To make matters worse, Edison has cost these districts vast sums of money at the expense of local jobs, worker satisfaction, and community support. In addition to these contract terminations, there have been a host of problems in other Edison schools throughout the country. In Nevada, the state has recently withheld a \$3 million dollar quarterly payment to Edison because they have yet to make good on philanthropic contributions they vowed to make to the state upon entering into their contract. In San Francisco, a decision was made in March to give Edison 90 days to fix major problems within their schools or their contracts would be terminated by the city. Finally, Edison schools in Dallas, Texas have been placed under review for costing taxpayers an extra \$6 to \$7 million dollars a year in expenses.

As if these trends did not speak for themselves, Edison has had a long history of misrepresenting both their school's achievement levels as well as their financial situation. An extensive study published in December of 2000 conducted by Miron and Applegate at Western Michigan University came to the conclusion that, "Edison students do not perform as well as Edison claims in its annual reports."

In addition to lying about their school's academic performance, Edison Schools is also facing a class action lawsuit that was recently filed by Schiffrin & Barroway, on behalf of all purchasers of Edison stock between 1999 and 2002. The lawsuit was filed on



May 20, 2002, and charges Edison Schools and certain of its officers and directors with "issuing false and misleading statements concerning its business and financial condition."

By all financial estimates, Edison Schools is a total failure, having never turned a profit in their seven years of existence. In the second week of May, stock in Edison schools traded below two dollars a share, a precipitous drop from their \$36 dollar high in January that could potential remove their stock from NASDAQ trading. Because of their dire financial situation, Edison is desperately in search of money to begin the Philadelphia school year in September, and furthermore they have yet to explain how they will continue to fund the already impoverished district throughout the duration of their contract.

### Current Events

Since the fall of last year, the situation in Philadelphia has been constantly fluctuating and hotly contested. After the state officially took over the district in late November, various community groups, including students, parents, and unions, have rallied to oppose the Lt. Governor's plans for privatizing the public school district. Because of this pressure, Lt. Gov Schweiker and Mayor Street have modified the initial plans proposed by Edison although the details of these revisions are still not clear.

Certain concessions have already been made public. For example, the other consulting groups that are appointed positions within the district will report directly to the district instead of reporting to Edison. In addition, according to the *Philadelphia Enquirer* the contracts for each of the consulting groups will be terminated at the end of two years. While these concessions are less substantial than what the public has called for, they seem to grant Edison schools a lesser degree of power than their initial proposals recommended—full management of the district and a contract worth \$100 million over six years.

In the last week of March, the *New York Times* reported that Edison was named the lead management consultant by the Philadelphia School Reform Commission. With this announcement, Edison Schools announced the elimination of 325 central school district office jobs, despite statements by previous district leaders that the district was barely functioning with the employees it had. The Reform Commission also hired the accounting firm Deloitte & Touche, KPMG Consulting, Price Waterhouse Coopers, and SchoolNet, Inc., to evaluate such areas as purchasing, curriculum, information technology, and finances.

To further complicate matters for Edison's critics, on March 27th, the Philadelphia City Council was blocked from challenging the state's takeover of the district. According to the *Philadelphia*

*Inquirer*, their lawsuit sought an injunction that would have prevented the School Reform Commission from granting contracts to other businesses. The majority of the City Council argued that the laws that allowed the state to take over the district were unconstitutional because they applied to Philadelphia citizens alone, violated the city's Home Rule Charter, and deprived city residents of their fundamental rights to vote on the takeover. To the delight of the attorneys representing Gov. Schweiker and the School Reform Commission, US District Judge Ronald L. Buckwalter suggested that Council file their suit in the state Supreme Court, and canceled the hearing.

In mid-April, the five panel members of the Philadelphia School Reform Commission (three appointed by the governor, two by the mayor) awarded Edison control of 20 schools in the region, or approximately 14,500 students. Since this decision was made public, 486 teachers in the district have put in requests for transfers or the termination of their contracts, local unions have actively protested the non-union policies of Edison, and both parents and students have held demonstrations against the privatization. Yet, despite the growing outrage of Edison's critics in Philadelphia, the company's increasing financial problems, and their failure to produce adequate results in other cities, the state of Pennsylvania has continually sided with corporate interests.

Following a growing trend in America, the state of Pennsylvania refuses to recognize the benefits of public education in Philadelphia and by doing so they are essentially rolling the dice with the future of their city. The public school crisis in Philadelphia has not been caused by welfare mothers, bad parenting, poorly-trained teachers, or ignorant students. The problem is based upon the state's willingness to ignore the real issues of racism and poverty in the Philadelphia region. Between the years 1980-2000, Pennsylvania has increased their state funding for education by only 86 percent, while they have increased their state funding for prisons by 452 percent. According to *Mother Jones* magazine, Pennsylvania has the most disproportionate prison population in the entire country, with 86 percent of the prison population consisting of non-whites, in contrast to the 15 percent of non-whites that make up the general population in the state.

However, there is still hope in the Philadelphia region. A growing number of protestors and activists in the area have organized a movement to challenge both Edison and the further privatization of the district. As a result, they have been actively garnering support for their cause and simultaneously calling attention to the deep-rooted problems that exist within the region—problems that cannot be remedied by for-profit corporations. ©

**THE PUBLIC SCHOOL CRISIS IN PHILADELPHIA HAS NOT BEEN CAUSED BY WELFARE MOTHERS, BAD PARENTING, POORLY-TRAINED TEACHERS, OR IGNORANT STUDENTS. THE PROBLEM IS BASED UPON THE STATE'S WILLINGNESS TO IGNORE THE REAL ISSUES OF RACISM AND POVERTY IN THE PHILADELPHIA REGION.**

