

# Detroit (USA): A Recipe for Killing a School System

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WHILE MAINSTREAM MEDIA paint Detroit as a city “coming back” — meaning that the gentrification strategy of remaking downtown will trickle down in benefits to the neighborhoods that comprise the majority of Detroit’s 140 square miles — this corporate-driven strategy overlooks the main issues that prevent vibrant neighborhoods.

High rates of poverty, lack of jobs, waves of mortgage foreclosures that blight neighborhoods, along with high tax assessments and water bills, as well as a deteriorating public school system, are the crux of Detroit’s crisis.

Following the killings by law enforcement officers of Freddie Gray in Baltimore and Terrence Kellom in Detroit, a Detroit News article on May 6<sup>th</sup> revealed that Detroit — which is 83% African American and 9% Latino — is poorer, has higher unemployment and crime rates, lower rates of health insurance and fewer high school graduates than Baltimore. Citing Pew Charitable Trust figures, the article points to a median household income in Detroit that is \$15,000 less than Baltimore’s.

What’s happened to the schools in this city is emblematic, and beyond tragic.

Since the state of Michigan took over the Detroit Public Schools (DPS) at the end of the 1990s, the system has lost more than 100,000 students.

The state’s “efficient management” built up a \$483 million debt. The city now has 95 public schools with 49,500 students, 97 charter schools with 51,000 students, and 15 Educational Achievement Authority (EAA) schools with 6,000 students. Another 26,000 attend public schools and charters in nearby suburbs with state financing (\$7,296 per student) that follows the student.

## Mix and Match

The breakup of the Detroit school system has been devastating.

- Charters. Since the end of 2012 the cap has been lifted on the number of charter schools that can be set up in Michigan. Currently there are 370 charters, receiving \$1 billion in state funds annually. Seventy-five percent are operated by for-profit companies; they’re exempt from property taxes, and their authorizers are not required to have proven academic records. A majority of the worst-performing charters, according to the Detroit Free Press, have been operating for 10 or more years.

Except for a handful of charters, charter students score approximately the same on the standardized MEAP tests as public school students. Yet charters have half the number of special education students and fewer poor students. [1]

Charters generally hire younger teachers, many from the Teach for America program.

Three years ago, the teachers at the Cesar Chavez schools (operated by the for-profit Leona Group) voted to join the Michigan Alliance of Charter Teachers and Staff, an affiliate of AFT-Michigan. They faced stonewalling and intimidation over negotiating their first contract, then several staff members were dismissed. Teachers organized themselves across different locations, held informational meetings with parents and community supporters, picketed, signed a contract and those who had been dismissed won their jobs back.

When Voyager Academy teachers voted to unionize, their school board promptly replaced its management company. The following year the new management company, American Promise Schools, hired back only 10% of the academy's teachers. The teachers' victory was snatched from them.

In 2015 there were two sets of elections in charter schools:

The first, at University YES Academy, voted for the union. But New Urban Learning, the management company about to oversee the academy, backed out and no other company has stepped forward. Teachers and parents are feeling vulnerable, afraid the school will close.

Meanwhile 70% of the teachers at University Prep, a non-profit that operates seven schools, turned in cards supporting unionization. Then management hired an anti-union firm and set up a fancy website to convince teachers they didn't need a "third party" to work with management.

As one teacher organizer told me, it was shocking to see coworkers give in to the intimidating tactics. He pointed to the role Margaret Trimer-Hartley, the school's Chief External Relations Officer, played as she told teachers that she belonged to a union once, but since came to realize how destructive they are. (She had been a newspaper striker and locked-out worker in the 1990s.) Under pressure, enough teachers changed sides and the union drive was defeated.

- Educational Achievement Authority: Michigan began ranking schools from best to worst in 2010; the following year Governor Rick Snyder announced that he was taking over the 5% "worst-performing" schools — if they did not succeed in turning themselves around within three years — and creating the EAA, which would become one of the state's largest school districts.

Starting with 15 Detroit schools and 10,000 students three years ago, the EAA never expanded beyond the city. Through the intervention of the Emergency Manager, the authority was created by the Detroit Public Schools and the Eastern Michigan University Board of Regents. It is overseen by an 11-person board, with the Governor appointing seven members and the EM and the regents appointing two each.

## Debate

The Governor selected John Covington as EAA chancellor. Covington, who earned \$325,000 a year, was a bureaucrat with no background in education. He had been appointed superintendent of the Kansas City Schools and managed to run that district into the ground. As chancellor, he introduced untested educational software, known as BUZZ, as the EAA's teaching platform.

The software was a disastrous debacle. With a \$100,000 from the EAA, BUZZ was merged with another software program, and still later improved with another \$250,000 from the EAA along with suggestions by teachers, students and administrators.

The EAA had no ability to borrow money or levy taxes. The only public money it could receive was the state financing for each student. The first projected EAA budget of \$15 million came from a combination of foundations, with the rightwing pro-privatization Broad Foundation donating \$6.6 million. Half a million came from the Skillman Foundation, a million from the W.K. Kellogg Foundation and \$1.75 from the Kresge Foundation.

The Governor's office worked to secure additional funding — the Treasury Department cobbled together a \$6 million loan against the EAA's state aid, and a \$6 million loan came through the Michigan Finance Authority. Both were transferred to the EAA via the Detroit Public Schools. [2]

The Governor established the Michigan Educational Excellence Foundation to continue funding the EAA so foundation grants continued — another \$3.4 million from the Broad Foundation, \$10 million from the Bloomberg Philanthropists, \$6 million from the Robertson Foundation, a million from the Carnegie Foundation as well as a contribution from the Bill and Melinda Gates Foundation.

The EAA also got its hands on choice facilities. In 2012 the legislature authorized \$10 million to bring Detroit public school buildings up to code — so that the EAA could rent them.

Although the purported basis of the EAA is to help students from the worst schools, community activist Russ Bellant pointed out that “the most consistent factor in school selection was that the schools were in buildings that were newly or recently built or extensively renovated.”

With no publicly accountable structures or local control, the EAA chancellor charged \$240,000 to his two EAA credit cards over a two-year period. The *Detroit News* obtained statements detailing various expenses, including \$10,000 in gas for Covington's chauffeured cars, \$25,000 at IKEA, \$8,000 for various items from Amazon.com, Wal-Mart, Sam's Club, Meijer, Home Depot and Lowe's, \$19,000 in office expenses and \$38,000 for sending a handful of staff and teachers to conferences and seminars.

Within a month Covington resigned, saying that he had to care for his sick mother. He received \$74,158 in a severance package although the EAA wasn't obligated to pay him anything. [3]

EAA student enrollment has declined 40% and the new chancellor, Veronica Conforme, admitted on the local news program Flashpoint that “Three years into this, achievement hasn't improved.”

- The Detroit Public Schools: Public schools have been thinned out so that large swaths of the city have no neighborhood public school. DPS has been under the control of the state government, with only a short break, since 1999. During that first takeover, the building spree initiated by the CEO — appointed by Republican Governor John Engler — turned a positive balance sheet into a \$180 million debt.

In 2004, when a sunset clause in the law allowed Detroiters to vote on whether they wanted the “reform” board appointed by the mayor and governor to remain or whether we wanted an elected board, we voted 2-1 for an elected board. The following year we elected one, but within four years Democratic Governor Jennifer Granholm used Public Act 72 to appoint an emergency financial manager, Robert Bobb, to deal with the debt caused by the previous state takeover.

## Stealing Control

For the past six years the schools have been under the control of four different managers. Bobb, a recent graduate of the Broad Foundation's Superintendent Academy, was paid \$280,000 but the Broad Foundation, coupled with the Kellogg Foundation, added \$145,000 more to supplement this barebones salary.

Although his statutory authority was limited to finances, Bobb maintained that "If a penny touches any of the issues involving the Detroit Public Schools System, then I am engaged and involved."

Responsible only to the governor, Bobb fought with the school board for total control. Among the schools that he marked for closure were Oakman Elementary-Orthopedic School, built in the 1920s to accommodate the needs of children with physical handicaps, and Catherine Ferguson, a school for teenage mothers who were able to bring their children to daycare at the school, which included a farm and garden.

Bobb also planned to close the well-regarded, bilingual Mayberry School in my neighborhood, but teachers and the community managed to save it.

While closing 60 schools, privatizing custodian services and forcing teachers to pay a higher proportion for their health care, Bobb brought in high-priced consultants, awarded a \$40 million contract to Houghton-Mufflin — the largest ever awarded to a publisher — and built schools with huge cost overruns. [4]

By 2012 Michiganders had seen enough of the Emergency Financial Managers to place an initiative on ballot to vote whether to retain the law; we voted no in every county across the state. However, the lamb-duck legislature passed an almost identical law, strengthening the power of the Emergency Manager, who served under the governor's discretion, if only for 18 months at a time.

Emergency Managers have not been fiscally responsible although they have dutifully privatized and outsourced services. They have also given principals orders to ride herd on their teachers or face reassignment, creating an unstable and discontented work force.

There are more administrators in 2014 for 3,100 teachers and 6,500 employees than DPS had in 2005. Yet in 2014 DPS failed to file paperwork for \$4 million in federal Head Start money. When reporter Chastity Pratt Dawsey discovered the error, a press spokesperson trotted out to say the problem was "technical difficulties uploading information" but the problem was "solved" because the district would use an increase in the state's Great Start Readiness money to cover the difference. [5]

Voters had approved \$2.1 billion in bonds for capital improvements on schools in 1994 and 2009, with \$1.5 billion still owed. Yet 110 of the renovated schools are empty or torn down. Additionally, Detroiters owe \$331.8 million plus interest for renovated buildings or new schools that DPS is leasing to the EAA or charters, or has sold. One hundred properties are listed on the DPS website as available for rent or sale, although many buildings have been vandalized. In March 2015 Moody's Investors Service downgraded DPS' rating to Caa1. [6]

While under successive emergency managers the number of students in Detroit public schools keeps declining, both the long-term and short-term debts keep growing. The school year ending in June 2015 is projected to be \$92 million in the hole. This massive debt means that debt service diverts nearly \$1,200 per student from the classroom.

According to the DPS website, there are now 26,000 "excess seats," so part of the strategy outlined

in the budget is encouraging parents to send their children to DPS. By 2016, if enrolment does not rise, the projection is to close 15 more schools.

As for the standardized MEAP test on which teachers, schools and principals are evaluated, the scores for the majority of DPS and EAA schools have continued to decline since the latest state takeover in 2009. (See Dr. Thomas C. Pedroni's Detroit Data and Democracy Project website.)

Detroit teachers have fought to lower class size and stop the closing of neighbourhood schools as well as to defend their wages and benefits, which have taken a hit. Sometimes they have been able to prevent a particular school closing, but others proved impossible despite community support.

About 350 city teachers took the day off to join the AFT-Michigan Lobby Day in Lansing or at the State Office Building in Detroit, where the Governor announced his latest plan. Given that DPS no longer has a roster of substitute teachers, this action resulted in 18 school closings for the day.

### **Snyder's Latest Scheme**

Governor Snyder has toyed with various options for the Detroit Public Schools, starting with the EAA, which is now a failed venture; proposing a DPS board appointed by the mayor; floating the idea of replacing the DPS schools with a charter system; or implementing the "Oxford Plan" for a statewide voucher system.

Although these proposals haven't gone anywhere, Snyder refuses to consider turning DPS back to the elected school board. His latest idea is to imitate the GM bankruptcy model and split DPS into an "old" district and a "new" one.

The "old" district would have the debt, now at \$483 million, and the elected school board along with the power to collect property taxes and pay down the debt. The "new" one would have a seven-member board initially appointed by the governor and mayor to administer the infrastructure, teachers and students. It would only become a fully elected body in 2021.

Over the board would be a Financial Review Commission, similar to what is in place after the city was taken through bankruptcy. The final layer would be a commission to oversee charters, Detroit public schools and the EAA. This Detroit Education Commission would be charged with closing the "worst" 5%.

But this latest proposal may not go anywhere either. As a Detroit News editorial remarked, "The biggest question he [Snyder] must answer is how this new round of state intervention will work when other overhauls have failed."

Second, all other school districts, many also struggling, would have to take a \$50 per student cut. What legislator would vote for that?

Third, it doesn't envision an elected school board anytime soon. This is a big sticking point even for Detroit's mayor Mike Duggan. Initially he stated "I do not in any way support it." Later he indicated he'd like to compromise, but having an elected school board (not the current one) was necessary to such a deal.

Most importantly, Snyder's proposal doesn't deal with the failed EAA system nor even include any ideas about how students would be transported.

It also stands in contrast to the report submitted by a 36-member Coalition for the Future of Detroit

Schoolchildren that was put together by Snyder's own education team. Their recommendations included returning control to an elected school board, transitioning EAA schools back into the public schools system and demanding that the state assume responsibility for a debt that it ran up. As the May 10 Detroit Free Press editorial noted:

"Much of the district's debt was racked up under state control. The state is constitutionally responsible for the bulk of DPS' debt — and it's also morally obligated. The district has suffered through not one but two state takeovers, all predicated on the theory that the state would leave the district in an improved condition. That hasn't happened. The district's debt is crushing its ability to operate — interest alone consumes about 13% of revenue, compared to 2% or 3% in other districts. DPS spends about 43% of its operating funds on instruction; other districts spend up to 64%...."

The level of corruption and willingness to subject children to unproven educational methods is shocking, all the more so given that Detroit has more children living in poverty than any of the country's 50 largest U.S. cities. These students also have high lead levels — with almost 35% of the students at eastside schools with confirmed lead poisoning that affects learning.

In the annual Annie E. Casey Foundation "Kids Count" report, the number of poor children in Detroit increased by 34% since 2006 and now stands at 59%. Detroiters see this "colossal failure" as part of the elite plan for a very different city.

**Dianne Feeley**

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**P.S.**

\* From Against the Current n°177, July-August 2015. <http://www.solidarity-us.org/>

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## Footnotes

[1] Educational Trust-Midwest Charter Schools Authorizers Report, "Accountability for All: The Need For Real Charter School Authorizer Accountability In Michigan,"

[2] See "DAA embellished bid to get \$35M in fed grants" and "EAA's funding a challenge to trace," Detroit News, 5/24/13.

[3] "EAA's expenses raise questions," 5/12/14 and "EAA head exits with \$74K," Detroit News, 6/26/14.

[4] "Robert Bobb and the Failure of PA 72: A Case Study," by Russ Bellant: <https://criticalmoment.files.wordpress.com/2011/03/bobbreport.pdf>.

[5] "Enough to Make You Cry, by Jack Lessenberry, Metro Times, 6/18-24/14.

[6] "438M for what?" by Chastity Pratt Dewsey, Detroit Free Press, 10/27/13.