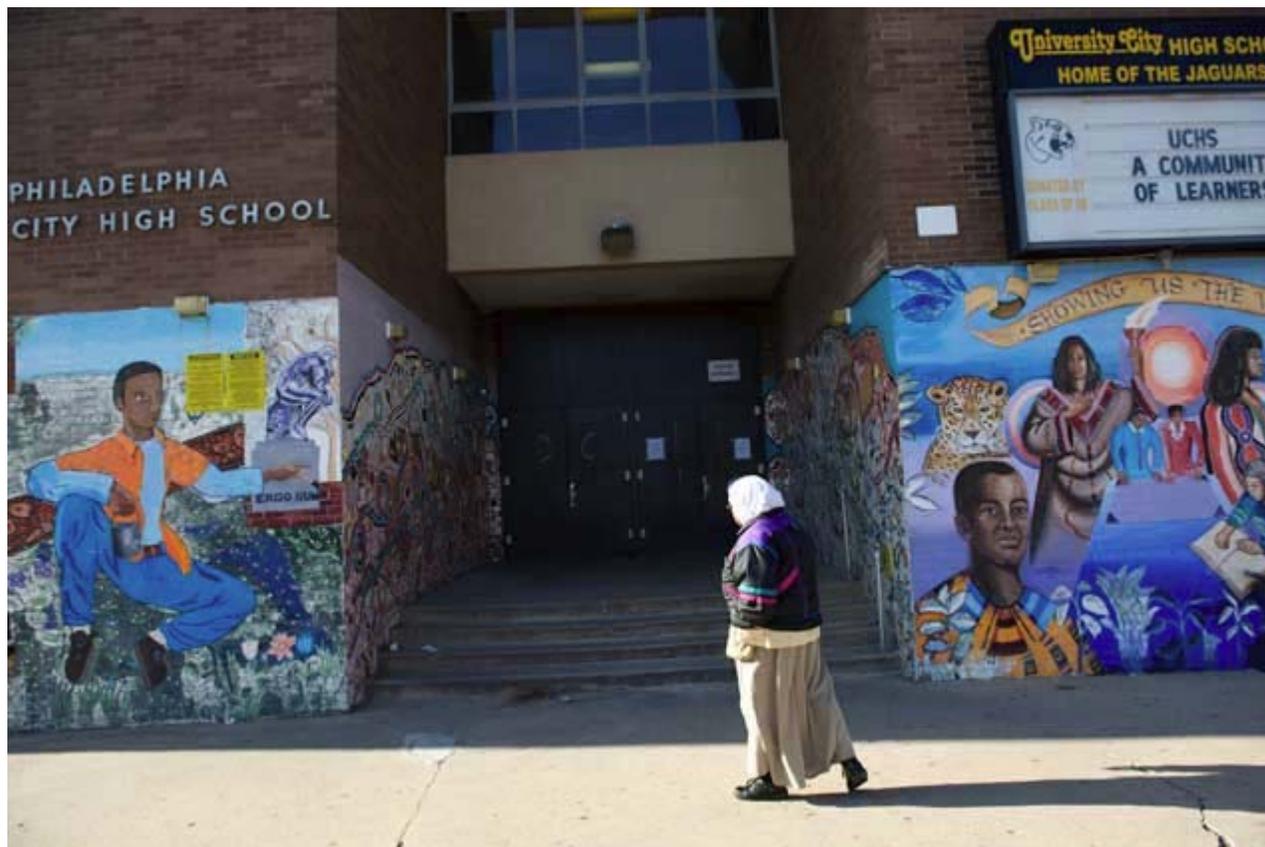


# Corporations Advise School Closings, While Private Charters Suck Public Schools Away

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By [Kristin Rawls](#), [AlterNet](#) | [News Analysis](#)



A pedestrian passes University City High School, which may be closed due to budget cuts, in Philadelphia, Dec. 19, 2012. The U.S. Department of Education is investigating complaints that plans to close public schools in Philadelphia and other cities discriminate against minority students, as well as those with disabilities, an Education Department official confirmed on Jan. 28, 2013. (Photo: Mark Makela / The New York Times)

On Dec. 13, 2012, Philadelphia became the latest major American city to recommend sweeping school closures for the next academic year. Under this new proposal, a [total of 37](#), or about 16 percent, of the district's [237 public schools](#) will be shuttered this June. That's down from the [40 schools](#) the city designated for closure back in May, but still represents an unprecedented move in Philadelphia's history. The School Commission Reform, an outside body appointed to govern Philadelphia schools, has scheduled its final vote for [March 7](#).

Overall, [44 schools](#) will be affected by the shakeup: Of the 37 to be [closed](#), three will relocate by merging with other Philadelphia schools. Beyond this, seven other schools will face major restructuring – i.e., though these school programs will remain intact, the schools themselves will be uprooted and moved to other buildings, merged with other schools, and/or forced to add or subtract grade levels. About [15,000 students](#) will be affected by the proposed changes. And though official numbers have not been released, hundreds of [teacher and staff layoffs](#) are also expected.

There is nothing democratic about how this happened to the City of Brotherly Love. Though officials gave lip service to the idea of “parental empowerment” through “[school choice](#),” in the end, parents had no role in deciding what policies would be enforced. Everything was outsourced. As a [Pew study](#) reports, the city consulted with “URS Corp., a

California-based engineering design firm, and DeJong-Richter, an Ohio-based company that specializes in school-closing issues” to come to its final consensus. Though town hall meetings were organized between 2010 and 2012 to hear citizen concerns, the closures, relocations and reconfigurations were ultimately decided by the consulting firms, with no serious input from locals.

This is how DeJong [describes](#) its contributions to the situation in Philadelphia on its Web site:

DeJong-Richter is assisting the District in creating a plan for more efficient use of facilities that better align demographics and curriculum. The School District of Philadelphia, like many urban districts across the country has experienced loss of enrollment in some regions and experienced tremendous growth in others. The long-range facilities planning process will review current and future enrollment/population trends and align this with programmatic and facility data that will lead to more efficient use of educational facilities in the District. This process will potentially engage thousands of community members in the City of Philadelphia.

Minus the jargon: The citizens of Philadelphia paid DeJong-Richter to provide consultants who studied Philadelphia school enrollment patterns, took note of low-enrollment and low test scores, and informed Philadelphia officials which school closures could save the city the most money. According to [Education Week](#), “Officials project that the moves would save the district roughly \$28 million in personnel and maintenance costs next year, with those savings recurring in future years.”

What Education Week and DeJong-Richter fail to mention is that enrollment in Philadelphia’s public schools is not low by happenstance. Yes, enrollment is low --about [70,000 students under capacity](#), by some estimates. But this is not an accidental occurrence. So where have all the children gone? Simply put, to (largely unproven) charter schools. And as more traditional public schools are closed, expect even more charters to take their place.

As is happening in virtually every major urban area in the United States, non-union charter schools are popping up across Philadelphia, and in the name of “school choice,” enticing parents to pull their children from under-funded traditional schools and place them in charters instead. Though there is [no evidence](#) that charter schools are the panacea they promise to be, they continue to sprout up -- helped along by investments from the Bill and Melinda Gates Foundation, among other education reform funders. For example, in early December, just days before the proposed school closures were announced, the Gates Foundation announced new plans to award Philadelphia [about \\$2.5 million in charter school funding](#) – specifically targeted to help the city [replace closing schools](#), and ostensibly, save money.

But as parent-organizer\* Helen Gym [points out](#) in the Washington Post, the savings achieved by these closures amounts to just one percent of the school district’s overall budget. She explains:

It’s worth remembering that in the spring, [the School Reform Commission](#) [the group of [governor-appointed officers](#) who make financial decisions about the Philadelphia school district] [authorized an unprecedented expansion](#) of more than 5,000 charter seats at a projected cost of \$139 million over five years – at a time when Chief Recovery Officer Tom Knudsen threatened that schools may not even open in September. Among the expansions were a 1,400-student high school for Performing Arts Charter, even though the district already has four performing arts high schools drawing from a citywide population. Charters with school performance index figures that ranked them among the worst in the district received five-year renewals and expansions. In fact, of the 26 charters up for renewal last spring, the SRC voted to close just three, and two are appealing.

So if this isn’t actually about reducing the school district’s bottom line, what’s pushing the move towards charters? Could it be the substantial amount of money to be made by individuals, private management companies and others through charterization?

Thanks to [a little discussed law](#) passed in 2000, at the end of Bill Clinton’s presidency, banks and equity funds that invest in charter schools and other projects in underserved areas can take advantage of a very generous tax credit – as much as 39% -- to help offset their expenditure in such projects. In essence, that credit amounts to doubling the amount of money they have invested within just seven years. Moreover, they are allowed to [combine](#) that tax credit with job creation credits and other types of credit, as well collect interest payments on the money they are lending out – all of which can add up to far more than double in returns. This is, no doubt, why many [big banks and equity funds](#) are so invested in the expansion of charter schools. There is big money being made here -- because investment is nearly a sure thing.

And it’s not just U.S. investors who see the upside of investing in charters. Rich donors [throughout the world](#) are now sending money to fund our charter schools. Why? Because if they invest [at least \\$500,000](#) to charters under a federal program called EB-5, they’re allowed to purchase immigration visas for themselves and family members -- yet another mechanism in place to ensure that the money keeps rolling in.

Proponents of education reform [insist](#) that investments like these are all about how successful charter schools are, and show how much support they've garnered in just a few short years. But it's hard to take this on faith when there are [billions of dollars](#) of profit—and, for some, a path to U.S. immigration—at stake in these investments.

Philadelphia teacher Kathleen Melville of the advocacy group [Teachers Lead Philly](#) tells AlterNet that for market-dependent actors like these it's all about finding “market-based approaches to funding education.” But she doesn't blame private investors alone for the educational crisis the city now faces. “In Philly, another major cause of our budget crisis (and the resulting closings) has been education budget cuts in Harrisburg,” Melville points out. “Years of inequitable funding and neoliberal policy [have] led us to this point.”

### **In Philadelphia, Resistance Grows**

There are real, documented problems with the quality and exclusiveness of charter education in the United States. But officials and business leaders, who have very little to lose and much to gain, promote them as a silver bullet solution for schools throughout the nation. This is why it's so important for parents, teachers and students to understand how the money flow is working. Charterization is not motivated by, or necessarily interested in, a just or equitable model for education. The current reformers apply neoliberal business logic to children. And as in business, there are children who lose and children who win in this model.

But Philadelphians are finding ways to fight back. Teachers Lead Philly has been actively providing resources and education to people who want to get involved. And the Philadelphia Coalition Advocating for Public Schools, a group that includes teachers, parents and students, has drafted a plan it is promoting as an alternative to the slated closures. It includes reforms that aren't being discussed, like “support for struggling schools,” “truly safe schools,” “citywide collaboration,” and “democratic representation” in school governance. Public forums that give families a chance to speak out, meanwhile, [attract opponents](#) on a regular basis.

Students are organizing protests on their own, as well. Because they have fewer resources than the billionaires spearheading the charter school effort, they have to find creative ways to get attention. So on January 15, members of the Philadelphia Student Union staged a zombie flash mob called “Student Apocalypse: A Brainless Future.” With Michael Jackson's “Thriller” blasting, they danced and brandished signs with slogans like, “No education, no life.” According to [The Notebook](#), Philadelphia high school senior Chris Riley said, “This event symbolizes what would happen if they go through with the plan. I want the District to look at us, take a step back, and think.”

None of the closures and incorporations are official yet. But the Philadelphia School Reform Commission, which makes the budget decisions, is comprised of people appointed by pro-charter Pennsylvania Republican Governor Tom Corbett, and millions of tax dollars have already gone to the plethora of outside agencies paid to draft the plan. The truth is that the parents, students and educators of Philadelphia do not have the upper hand, either in funding or public influence. But don't think they will go down without a fight.

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