

April 18, 2001 San Francisco

N.C. District Seeks to Oust Edison Schools Mid-Contract

The school board in Wayne County, N.C., voted unanimously on April 10 to cancel its contract with for-profit Edison Schools to run two Goldsboro schools, two years before the contract is due to expire.

The Goldsboro action follows a March move by the San Francisco Unified School District to revoke an Edison Schools charter midway through the contract. Edison has denounced the San Francisco action as an ideological attack on school privatization, bolstering its accusation with the boast that no other school district had ever moved to rescind an Edison contract.

School officials in Goldsboro said the Edison schools cost the district as much as \$300,000 a year more than expected. Edison officials have defended the additional cost as an "annual adjustment factor" in the contract.

School districts in San Antonio and Sherman, Texas, have previously declined to renew contracts with Edison, citing excess costs of the privatized schools. Recently, Dallas school board members voiced alarm at indications that seven Edison schools in Dallas could cost the district as much as \$20 million more than projected.

The Goldsboro move is the latest in a series of blows to Edison, topped by the resounding rejection of a March bid to take over five New York City schools. Parents in the schools rejected the Edison proposal by a vote of 80 percent to 20 percent. Mayor Rudy Giuliani, the Wall Street Journal editorial page and other Edison supporters responded by insisting that the schools should have been privatized without any input from parents, though no further action has been taken to implement that proposal.

In San Francisco, Edison has vowed a bloody, costly legal battle against the district's move to revoke its charter. It was not known if the company would wage a similar fight in Goldsboro.

Edison has denounced its San Francisco critics as "left-wing ideologues, most of them teachers-union militants and race-baiting outside agitators," according to the online magazine Salon, while a Wall Street Journal column called them "Soviet-inspired." It was also not known whether Edison would characterize the Wayne County, N.C., school board members in similar terms.

Edison claims to run 113 schools nationwide, though the company's figures are based on counting all kindergarten-through-eighth-grade schools as two separate schools. In the wake of recent events, the company has seen its stock price plummet to a 52-week low. The 10-year-old firm, headed by controversial entrepreneur Chris Whittle, has never made a profit.

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