



Cities, Regions, and Schools: A Report to the Brookings Institution Metropolitan Policy Program

Governance and Finance as a Means to Support Increased School Performance

Executive Summary

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GUIDING QUESTION:

Our group approached the role of governance and finance in the improvement of school performance and community involvement by asking the following question:

“What governance and finance structures would support greater integration of schools and cities/metropolitan regions and lead to increased school performance?”

Overview of Presentation and forthcoming Policy Brief:

- Background information
- The Importance of Governance and Accountability
- Trend Connecting Cities and Schools: State-Level School Finance
- Trend Connecting Cities and Schools: Strong Mayor Initiatives
- Conclusion and Recommendations

Background Information

Historically, the administration of education was largely the responsibility of a locality, rather than the state or the federal government. In recent decades this governance structure has shifted away from local control, particularly in large urban districts. The financing mechanisms that fund school operations today are also being reconsidered. Public schools are primarily administered by school districts, which constitute separate governance and finance systems from city government. A recent emphasis on the need for increased accountability of schools and local school districts has resulted in a call for more centralized administration of education – and the increasing involvement of city government and communities/community leaders.

The Importance of Governance and Accountability

Public education, particularly in large urban districts, requires a system of governance that defines who sets policy and is accountable for results. Traditionally, the accountability for school performance has fallen on local school boards, which are often elected but sometimes appointed. The onset of standards-based reform across the nation has increased the degree to which the state is responsible for accountability in schools. Recently, the federal No Child Left Behind Act not only reinforced the role of standards, and extended the power of the state in holding schools accountable, but has also increased attention to individual school performance.

Different governance and finance mechanisms are being tested to increase the accountability of schools and districts, while also addressing the connections between schools, communities and the surrounding regions. Three main approaches to increasing accountability are commonly implemented:

- (1) In some cases, local school boards are held accountable by citizens through their electoral power.
- (2) Recently, mayors have taken on more direct responsibility for school performance, centralizing the accountability on one elected official.
- (3) Elsewhere, market-based approaches, such as charter schools and vouchers, assume that by establishing competition, individual schools are held accountable by parent choice.

While the state is designed to unobtrusively administer funding, the governance structure becomes the market itself, removing regional input and reinforcing divisions that exist in the region. Meanwhile, in communities with high levels of civic capacity and social capital, the community itself holds schools accountable for their performance. Active community involvement and participation ensure mutually supportive relationships between cities and schools, by bringing a diverse group of constituents and stakeholders to the table. Attempts have been made to institutionalize this civic capacity by establishing local councils which are themselves accountable for school performance.

Trends Connecting Cities and Schools: State-Level School Finance

Traditionally, local property taxes have funded schools within the municipality, but differences in accessibility to quality schools became tied to the relative wealth of surrounding neighborhoods. Recent litigation has propelled states to develop strong state-level financing mechanisms, a measure that holds the state accountable for providing an equitable and adequate education for all of its students. This intervention is particularly important given the achievement gap that persists due to housing segregation by socio-economic status, and the association between funding levels and school quality. Sixteen states are currently facing school finance litigation, along with suits in twenty other states that have already been decided or settled.¹ As a result, states have gradually become active participants in school funding to ensure adequate education for all of its students.

The increasing shift to a more state-controlled school funding system has put further pressure on ever-shrinking state budgets.¹ Together, state and local government revenues represent 92% of all public school revenues. Historically, the largest single source of public school funding has come from local sources such as property taxes.¹ In recent years, however, state dollars leveraged mostly through corporate, income and sales taxes have become the majority of revenues. Federal dollars generally represent less than 8% of dollars spent on public elementary and secondary education in a given school year.¹

State governments have been struggling to develop financing mechanisms at the state level that provide schools with the resources they need, given the revenue available. As a result, states have gradually become active participants in school funding to ensure adequate education for all of its students. Thirty-one states are currently reevaluating their funding formulas and funding distribution strategies.¹ With increased accountability measures and inadequate resources, many local leaders have responded to the state management of finances with increased control over school operations.

Trends Connecting Cities and Schools – Strong Mayor Initiatives

In the last 15 years, a trend has emerged in large urban school districts such as Chicago, New York, and Boston, where mayors have taken charge of not only student achievement, but school performance overall. Many of these leaders recognize the decades of research showing that school performance does not solely measure student achievement, but also numerous external socio-economic factors, such as family income, housing, transportation and health. Mayoral takeover, or “integrated governance,” typically involves:

- reducing the size of existing boards of education,
- appointing its members, and
- making them responsible for rehabilitating failing schools.

This last segment has most recently been the job of the state. The degree to which reorganization at the city level has benefited school performance and integrated community efforts varies from city to city, but cities with the highest levels of mayoral involvement - Chicago, New York, and Boston- show some positive effects.¹

Strong mayors have had an impact on increased funding for schools, streamlined and coordinated municipal bureaucracy, and proven gains in student achievement. Mayors have used their position

to integrate policymaking across issue areas, such as community development, housing, urban planning, and health policy, for example. The effect of strong mayors is due, at least in part, to charismatic leadership, which may mean that the effect mayoral leadership of schools has been overstated. Increasing civic capacity must also be a part of the puzzle as a means to institutionalize this shift. School district leaders and school boards have not succeeded in affecting cross-issue area policymaking in a city, due to their limited roles. A mayor, however, has the unique capacity to coordinate citywide initiatives to positively influence school performance, more broadly defined.

Case Studies

- The **Chicago Public Schools'** experience under Mayor Daley's control has been marked by a reduction in bureaucratic authority, and increased measure-based accountability at all levels. The city has seen test scores rise every year since the takeover, at both elementary and secondary levels, and a steadily declining dropout rate. Increases in per-pupil expenditures and private-sector money have also been overseen by Mayor Daley. The Mayor has also spearheaded a community redevelopment initiative called Renaissance 2010 which makes an effort to coordinate education policy with housing and urban policy.
- Before Mayor Bloomberg took over **New York City's** public schools in 2002, they were governed by 32 boards of education without a single unifying curriculum. In 2004, the overall graduation rate in the city's high schools went up to 54 percent, from 50.8 percent in 2002. The recently negotiated teachers' contract makes it easier for principals to deal with underperforming staff, which has been partly responsible for the fact that all New York City teachers are certified, while 15 percent were still not four years earlier. The city's new single, unified curriculum has been cited as a large reason for gains in test scores and a shrinking achievement gap between white and minority students.
- **Boston's** Mayor Menino was the first mayor to appoint the members of the reorganized seven-member board of education in 1992. The Mayor oversaw a \$60 million increase in the budget for Boston's schools. The Mayor has aligned his policy priorities with those of the Superintendent of Boston Public Schools, allowing for coordination and cooperation. His major accomplishments so far have been to end social promotion, wire every school to the internet, and oversee a significant increase in test scores at all levels.

Conclusions and Recommendations

Revamped local governance structures and school finance mechanisms are a response to the increasing demand for school district accountability at state and federal levels. Strong mayors who have taken a leading role in the administration of large, urban school districts is one effort to support greater integration of schools and cities/metropolitan regions. However, as this is a new movement, it is too soon to conclusively determine whether this effort alone has a significant, positive effect. In order to address the external factors influencing school performance, including segregation, educational equity, funding, poverty and health, governance structures must support and encourage coordinated planning between school districts and the municipalities where they are located. In order to ensure the success of school reform efforts, there must be increased civic capacity to draw stakeholders from various sectors within the region.