

NO SCHOOL TODAY



PREPARED AS A PUBLIC SERVICE BY THE COMMITTEE OF SEVENTY

PROJECTED DEFICIT

\$223,000,000

Despite one of the largest school budgets per student in the country, the children of Philadelphia have not received a quality education for a very long time.

The Philadelphia school system has fallen into an abyss of broken buildings, angry parents, disillusioned teachers, and children who are not learning. The purpose of this report is to examine why this has come to pass, and what can be done about it. Our aim is not to recommend a short-term solution to the present crisis. Rather, it is to propose fundamental changes in the structure of the Philadelphia School District which will ensure its revitalization and long-term health.

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As this report shows, basic flaws in the design of the Philadelphia School District have played a major role in this catastrophe. A shortage of funding is not the central problem with Philadelphia's school system; rather, the problem is the virtually complete absence of financial accountability to, and coordination with, the City of Philadelphia. Unless these basic flaws are remedied, no amount of money poured into Philadelphia's coffers, no change in the identity of the Superintendent or the members of the Board of Education, and no short-term solution to this year's woes will prevent future collapses from occurring.



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I NO SCHOOL TODAY

School's out. The teachers and students are not in the classrooms. Principals and clerical workers are not in the office. Coaches are not in the gym, and

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cafeteria workers are not in the lunchroom. But it's not a holiday, and it's not summer vacation. There's a strike going on. A strike on learning, society's most valuable tool for economic self-sufficiency and emotional well-being.

This year's fourth graders have suffered three such interruptions in their primary education. The 1982 graduates of Philadelphia's school system will have endured six strikes in their academic careers. Six times in the last eleven years public education in Philadelphia has ground to a halt, and two-thirds of an entire school year has been lost. The strikes have occurred with alarming frequency and duration:

September 1970—three days

September 1972—twenty-four days

January/February 1973—fifty-three days

September 1978—seven days

September 1980—twenty-two days

September 1981—??

Founded in 1818, public education has a rich tradition in Philadelphia. Most of the City's public school students of yesteryear recall their schooldays with memories of teachers at the blackboard, spelling bees, multiplication drills, and athletic events. Indelibly etched in the minds of today's school children are the images of pickets, negotiators, and empty buildings.

The School District of Philadelphia is in a state of severe crisis. The recurrence of budgetary deficits has necessitated one school shutdown after another. Yet even when school is in session, the school system is hardly a system at all anymore. Instead of uniformity, there is wide variance of instructional quality, student performance, and general operations among the 273 schools. Buildings have



fallen tragically into disrepair. In too many cases, students, teachers, and administrators are adversaries rather than helpmates. The management of the schools is wracked by inefficiency and fiscal irresponsibility.

Student needs are at the bottom of the allocation barrel. Among the ten major urban school districts in the country, Philadelphia spends the least amount on textbooks. In some cases, students this year will be using texts twenty and twenty-five years old. Not only are the textbooks out-of-date, but they are also in critically short supply. Teachers

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cannot assign homework because there are too few texts to go around and because books are too precious a commodity to be taken out of the school building overnight. In the past five years, the amount budgeted by the Philadelphia school system for books has decreased, though the cost of books is up by one-third.

The City's school system is ranked ninth in the ten largest districts in spending for library books and general supplies, including paper, pencils, crayons, and glue—the most rudimentary materials of teaching. The budget for supplies also includes warehousing and distribution costs which, in other districts, are absorbed in the overall budget of the district. Philadelphia ranks eighth in spending for audio-visual materials.

Even the most tangible part of the school system has been sorely neglected: the schools themselves. Half of the District's 412 buildings were built before World War II; fifty-two of them pre-date World War I. Repairs are desperately needed, and everywhere roofs are leaking, wooden window sashes are rotting, and floors are buckling. Though the system employs a maintenance force of more than four hundred workers, they cannot keep pace with the work orders. Even as they fall further behind, less money is spent on the awarding of major projects to outside contractors. As a result, in several schools children must wear coats all day to keep warm in rooms where the temperature drops to freezing. Some classrooms must be abandoned altogether on rainy or cold days, forcing overcrowding.

Where does the money go? The School District is burdened by a top-heavy bureaucracy, employing an excessively large staff of administrators, both for the central direction of planning, curriculum, and personnel, and for the in-school administration of instruction. In addition, Philadelphia's school

system is replete with a multitude of nonteaching aides and assistants who relieve the teachers of their traditional responsibilities outside the classroom: lunch and recess duty, hall and restroom monitoring, and the supervision of school bus loading and unloading. The ratio of aides to students in Philadelphia is one of the highest in all urban districts. Nevertheless, the number of administrators and nonteachers has not reduced the size of Philadelphia's teaching corps. The number of teachers in the system is among the highest in the nation's major cities; the ratio of teachers to students is among the lowest.

Where does the money go?

The scarce and outdated textbooks, the swollen ranks of administrators, teachers, and nonteachers, the crumbling buildings—not to mention the frequent cessation of school—are grave issues which must be resolved. There is no time to waste, for the minds of Philadelphia's youth are at stake. Yet these issues must be considered in the long run merely as symptoms of a more fundamental

problem: the basic design of the School District. The misallocation of funds in favor of personnel costs rather than student materials calls into question the very mechanism by which budget decisions are made and money is spent.

In the past, the Board of Education responded to increasing financial demands by beefing up its budgetary requests to the Mayor, City Council, the Commonwealth, and the financial community, in expectation of ever-larger contributions. These sources of funding have complied, always managing to secure the bail-out funds needed to underwrite the School Board's appeals. But in 1981, the limit of expansion was reached. The coffers in Philadelphia, Harrisburg, and Washington had been stretched until they could give no more, precipitating yet another crisis. To break out of this vicious cycle, the structure of school governance—the way things are run—must be scrutinized and changed.

II THE PHILADELPHIA SCHOOL DISTRICT: A SYSTEM ADRIFT

The Philadelphia School District exists for the single purpose of providing a decent education to the public school students of the City. By any measure, it has not served its purpose. The school system is in a physical and educational shambles. It is closed too often and, when it is open, in the view of many it may as well be closed.

The most striking feature about the Philadelphia School District—and its most fundamental weakness—is its isolation from the City government of Philadelphia.

If the central problem were a shortage of money, things would not be as they are today: there would not be too many administrators, teachers, and nonteaching aides. Rather, along with decaying school buildings and a general shortage of supplies and books, there would be a shortage of personnel. All of a school system's basic needs would be unmet. Today, however, even though school has been closed and the School District's budget is \$223 million in the red, there is an abundance of personnel. And when school is open, it is barely open because there is a dire lack of supplies, and the buildings are ruined. The students of the Philadelphia School District suffer, not

from a shortage of funds for their schools, but from a continuing, outrageous misallocation of those funds. A system which permits such profound inequities at the expense of those for whom it was established must be inherently flawed—and the Philadelphia School District is.

The most striking feature about the Philadelphia School District—and its most fundamental weakness—is its isolation from the City government of Philadelphia. Philadelphia's school system was intentionally designed to be insulated from other municipal activities and from control by municipal officials. Unfortunately, the design has worked all too well: the separation that has existed has guaranteed, not the establishment of an effective system of public education, but the fiscal and educational disaster facing us today.

The School District's steady decline has been assured by three related characteristics of its operations. First, the School District's budget is prepared and adopted separate and apart from the City's budget. The Board of Education has exclusive control over the preparation and adoption of the School District's budget. Neither the Mayor nor City Council has any legal authority to affect this process. Instead, with the assistance of the Superintendent of Schools, whom the Board appoints, the Board alone decides how much money to allocate to each of the competing claims within the school system, and how much funding in total will be required to run the schools for another year.

Second, although the Board of Education adopts the school budget, it is not responsible for raising the necessary revenues to balance that budget. Because Board members are not elected, the Board does not have taxing authority. Instead, it presents to City Council and the Mayor what is, in effect, a bill to be paid by taxpayers in Philadelphia, for the amount needed to balance the School District's operating budget. This bill is in the form of a lump sum statement of anticipated receipts and expenditures for the next fiscal year, and a request for authorization to levy taxes to balance its budget for that year. The lump sum statement is submitted only for informational purposes: beyond making suggestions, Council and the Mayor cannot in any way alter the priorities reflected in the School District's budget. They cannot, for example, reduce an excessive allocation for administrative salaries, or increase an inadequate one for the purchase of goods and materials. Nor can Council or the Mayor reduce the total proposed expenditure under the school budget and thereby reduce the amount of taxes that will be required locally to support the School District. Council can only authorize the necessary taxes or, upon refusing to do so, throw the School District into a state of fiscal crisis such as it is experiencing now.

Third, the Board of Education and the Superintendent of Schools are not directly accountable to the Mayor or City Council for their fiscal decisions, nor for the operation of the school system in general. Although members of the Board of Education are appointed by Philadelphia's Mayors (from lists prepared by a nominating panel), any Mayor's ability to control the policies of the School District by controlling the Board is sharply curtailed by the length and timing of Board members' terms: each Board member's term is six years, or two years longer than that of the appointing Mayor. Further, the terms of Board members are staggered, so that no more than three vacancies automatically arise every two years. Finally, Board members are appointed in December of odd-numbered years, while an incoming Mayor takes office in January of every fourth even-numbered year. These features together mean that a newly elected Mayor will make no appointments to the Board of Education until the end of his second year in office. The Mayor will not make a second set of appointments until the last month of the first term. Only a Mayor serving two terms ever will have the opportunity to appoint a full Board—but not until the end of six years in office.

The Mayor and City Council also possess no formal controls over the actions of the Superintendent, who is appointed by the Board of Education to a term of up to six years, renewable

at the Board's discretion. A six-year term assures that an incoming Mayor will have no say in the identity of the Superintendent for at least the first two years of his term. The Superintendent also remains virtually unaccountable to the City during his tenure. This unaccountability drastically limits the City's ability to affect the school system, because the Superintendent's powers to recommend spending priorities to the Board and to manage the schools make him a central factor in the success or failure of public education in Philadelphia. Yet, neither City Council nor the Mayor can revise his recommendations to the Board, nor can they oversee his management of the schools. No matter how poorly the Superintendent performs, and no matter how greatly Philadelphians may disapprove of his spending priorities, no elected City official can alter the Superintendent's actions, which are subject solely to the Board's approval. The power to remove the Superintendent rests with the Board—not the Mayor.

A look at these characteristics of the School District—a budget preparation process that is separate from the City's; the separation of the power to spend school funds from the responsibility to raise them; and the absence of accountability to any elected City officials—reveals the built-in weaknesses of the School District as it is designed today.

The design of the School District is, in a word, reckless. By requiring that the School District and City budgets be

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prepared separately and by different entities, it thwarts any rational allocation of Philadelphia's limited resources. The design ignores the critical fact that there is a finite amount of funding available within Philadelphia to support City and School District programs; the same taxpayers are asked to shoulder the burden. Because the School District and City budgets are prepared separately, however, it is impossible in Philadelphia to develop a comprehensive plan of public spending.

A rational budgetary process would allow the Mayor and Council to evaluate all public needs at one time, taking into account the relative priorities of those needs, and the capacity of the federal government, the Commonwealth, and local taxpayers to fund them. Such a process would yield an integrated spending program which would make clear how much would be spent for each of the municipality's competing needs—education, police and fire protection, and health, for example—and how much in total taxes would be required locally to cover these expenditures. Accountability for the entire program, including the priorities set within it, would clearly rest with the elected Mayor and City Council.

The process in Philadelphia is irrational, however, because the local cost of education in fact has been removed from the City's total spending picture. The City establishes priorities for all municipal expenditures *except* those relating to education, and enacts sufficient taxing measures to balance the City's budget. Separately, the School District adopts its budget and submits its request to Council for the authority to raise the necessary local revenues. In effect, then, two separate governments determine local tax rates and no one entity is responsible for the total local tax liability for all public services. There is, therefore, a great risk that local taxes will be excessive, because the Mayor and Council are restricted to preparing what amounts to an incomplete plan of public expenditures. Moreover, the Mayor and Council can deny responsibility for the total obligation placed on local taxpayers, blaming the School District budget instead. They also can avoid having to take a position on the importance of funding education relative to other public needs. The result of withholding financial control over the School District from the Mayor and City Council is a hazardous reduction in the accountability of any elected officials for Philadelphia's school system.

The design of the School District shields the Board of Education and the Superintendent from virtually all accountability to Philadelphians. Since the Board and Superintendent have the exclusive power to prepare the school budget and to administer the school system on a daily basis, the Mayor and City Council cannot



prevent indefensible school budgets or administrative policies such as those that have governed in recent years. And because the Mayor and Council cannot control the School District, the public is also bereft of all control. This is in direct contrast to the public's role in City government.

The City's proposed operating budget is prepared by the Mayor. In it, he reveals the priorities he has established for responding to the City's diverse needs, and the level of funding that will be required. Council in turn reviews that budget and, where it sees fit, amends it. Council also must enact the revenue measures necessary to balance the budget. Thereafter, as head of the executive branch of the City, the Mayor must see to it that City services are furnished efficiently

and fairly. Assisting him are the Managing Director—whom the Mayor appoints—and the appointed heads of the City's various service departments.

With respect to Philadelphia's City government, all lines of accountability run to the City Council and Mayor. Obviously, since both are elected, they have an incentive to act in the electorate's best interests. If Council or the Mayor ignores the priorities the voters favor; or if the voters conclude that they are not receiving the public services to which they are entitled; or if the level of taxation is excessive; the voters have a remedy. They can elect other officials to carry out their wishes.

The School District of Philadelphia has not been removed from politics. What has happened is that the public schools have been removed from the public.

No such remedy exists with respect to the School District, because the control over the school system's budgetary process is diverted from the elected Mayor and City Council to the appointed Board of Education and Superintendent. The result is a School District which is completely insulated from the public. This insulation has led to unprecedented levels of waste within the school system, to the enactment of unnecessarily high budgets, and to the failure to satisfy the fundamental needs of the children.

All along, the Board of Education and Superintendent have been protected by the very importance of the mission they are supposed to have achieved. They have been free to enact excessive budgets and to condone wasteful administrative practices because the only form of external control over the School District has been the power of the City, Commonwealth, or the financial community to trigger a shutdown of the schools by refusing to fund the budget. But the victims of a school closing are the children. As a result, the alternative course—paying for the exorbitant school budget and keeping the schools open—has usually been taken. Even this is no real solution, for the students remain victims in an inept school system and the Board of Education remains immune from public efforts to improve the schools.

Unfortunately, this frustration of the public's will continues as long as the present structure of the School District is retained. So long as the City Council and Mayor do not control the preparation of the school budget, the public's voice at the polls will not guarantee a different school budget with new priorities. Nor will that voice

help bring about a better-run school system, so long as the Board of Education, rather than the Mayor, appoints the Superintendent. The design of the Philadelphia School District has stripped Philadelphians of their power to affect their school system.

When the School District was planned, the thinking in insulating the School District from the City was that education somehow could be kept "out of politics." The thinking was wrong. No activity which relies upon federal, state, and local funding ever can be kept apart from the political process—and no such activity should be. Public education is a function of government; it is a public need, as are the needs for adequate housing, police and fire protection, public health, and public transportation. Because the fiscal pie is finite, priorities must be set for fulfilling these and other public needs. We look to our political leaders to set those priorities and to find the means for adhering to them. Thus, the decisions in Washington, Harrisburg, and Philadelphia concerning how much money to allocate to public education are inherently political decisions; they *are* the political process.

The School District of Philadelphia has not been removed from politics. What has happened is that the public schools have been removed from the public. Operating in a fiscal cocoon, and unaccountable to any elected officials or to the public, the School District has come up with one bloated budget after

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another. It has depended upon bailouts by the Commonwealth, the City, and the financial community to balance its budgets. And even those bloated budgets have failed to provide for such basic necessities of education as books and decent school buildings.

The future is just as bleak. Unless the School District's structure is revised to increase its financial and administrative accountability, public education in Philadelphia will remain a travesty. There will be more school closings. There will be a further deterioration of Philadelphia's education resources. And more children will grow up without the benefit of a quality education.

While the special status of public education must be preserved, the Mayor and City Council—and through them the public—must be given control over the School District of Philadelphia. Part IV presents our proposal for accomplishing this result and for redesigning the School District. But first, Part III explains why Philadelphians do not have the power to enact our proposal, and why the General Assembly must intervene if our ailing school system is to be cured.

III

THE GENERAL ASSEMBLY MUST ACT NOW

The students who are enrolled in Philadelphia's public schools have had their educations disrupted long and often enough. They are entitled to be in class every day of every academic year. To that end, steps must immediately be taken to open the schools, now closed by the sixth strike in eleven years. But this time, along with any short-term measures that are taken, a long-term solution must be put into place. As Part II of this report showed, the basic structure of the School District is fundamentally flawed, and the result has been fiscal madness. The General Assembly, which is the *only* legislative body with the power to enact the basic changes which are needed, must do so now. There must not be a seventh strike . . . and an eighth . . . and a ninth.

The General Assembly already has been called upon to intervene in the Philadelphia School District's immediate budgetary crisis, a projected year-end deficit of \$223 million. Virtually all of the proposals for making up that deficit would fund a substantial portion by increasing taxes paid in Philadelphia. Under the Philadelphia Home Rule Charter, however, Philadelphia's City Council cannot enact such an increase without prior authorization from the General Assembly. Thus, the General Assembly's near-term participation in Philadelphia's school emergency is assured. Given this, the General Assembly must take the opportunity to revise fundamentally the School District's structure as well.

Philadelphians do not have the power, either by referendum or through action of City Council and the Mayor, to adopt the major structural reorganization of the School District that is needed.

No short-term infusion of funds will avert future crises. Philadelphia's School District has become a bottomless well into which hundreds of millions of dollars can be thrown without improving the quality of education or fostering a reasonable, balanced budget. Certainly, decisions made by past School Boards, Mayors, and City Councils have helped produce this result. But the root cause is that identified in the second section of this report: no one within or without the School District is forced to assess realistically how much money will be available for school-related expenses in the coming years. Year after year, the School District's budgets have ballooned beyond all reasonable proportions. Furthermore, the City of Philadelphia, which *has no role* in preparing the budget in the first place, has had to pass a taxing measure to balance these inflated budgets. On numerous occasions, the City has been unable to cover the deficits presented to it and the School District has nearly gone bankrupt. This is no way to run a financially sound school system. The General Assembly must change the basic relationship of Philadelphia's School District to the City.

The General Assembly is the *only* legislative body which can resolve the long-term causes of the Philadelphia School District's problems. Philadelphians do not have the power, either by referendum or through action of City Council and the Mayor, to adopt the major structural reorganization of the School District that is needed. This is so because of legislation enacted by the General Assembly defining the scope of educational home rule in Philadelphia.

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In 1963, the General Assembly enacted the First Class City Public Education Home Rule Act. This legislation gave to Philadelphians—for the first time—a *limited* amount of decision-making authority over the manner in which their public schools would be run. Thus, although Philadelphians could now adopt by referendum home rule charter provisions relating to education, there were several restrictions in the Act on what form of school system Philadelphians could design.

The most important restriction concerned the relationship between the School District of Philadelphia and the City of Philadelphia. Section 19(a)(2) of the Act forbade the City to have any ongoing role in the budget preparation process and financial activities of the School District. The section, which still applies today, states that the home rule powers granted elsewhere in the Act do not include “[a] grant of authority to the city council of such city of the first class to enact legislation regulating public education or the administration thereof, except in respect to the setting of maximum tax rates for school purposes as shall be authorized by the General Assembly from time to time.” In other words, as Judge Harry A. Takiff of the Philadelphia Court of Common Pleas noted in his recent opinion, this limitation “excludes the

City from the regulation and administration of public education.” (*Philadelphia Federation of Teachers v. Board of Education*, May Term, 1981, No. 4369, filed August 10, 1981.)

In 1965, the voters of Philadelphia approved charter provisions relating to the Philadelphia School District which had been drawn up subject to the restriction described above. Those charter provisions appear as the “Education Supplement” to Philadelphia’s 1951 Home Rule Charter. They limit the City’s role in the School District’s budgetary process to that of authorizing the School District to levy sufficient taxes to balance the latter’s budget. The City is deprived of all other financial controls over the School District.

The limitation contained in Section 19(a)(2) applies with equal force to any attempts to amend the Education Supplement. Therefore, Philadelphians cannot adopt charter provisions which would transfer the power to prepare and adopt the School District’s budget from the Board of Education—where the power now rests—to the Mayor and City Council—where the power should rest. The Mayor and City Council cannot locally be given the identical budgetary control over the public schools that they now possess with respect to the City. Yet, this is precisely the most fundamental, and absolutely essential change, to be made. It is vital, then, that the General Assembly intervene.

... the General Assembly must act. No one else can.

The power of home rule—to design and alter one’s local government—is one for which Philadelphians and the Committee of Seventy repeatedly fought in the early decades of the twentieth century. Only in 1949 did Philadelphians obtain the power of home rule with respect to their municipal government; not until 1963 did they obtain similar powers with respect to their School District. These are essential powers which the Committee of Seventy will strive to preserve when they are challenged. Whenever possible, the right forum to consider changes in Philadelphia’s local government is here in Philadelphia by the process of voter referendum. But today we are dealing with a problem for which we do not have the power to enact a solution. As this part of this report has explained, Philadelphians’ powers of home rule have their limits. We cannot locally bring about the long-term changes which must occur if Philadelphia’s School District is to become fiscally sound and educationally effective. For that reason, we turn to the General Assembly. For that reason, the General Assembly must act. No one else can.



IV PROPOSAL

In order to remedy the problems identified in this report, the Committee of Seventy proposes that legislation which incorporates the following changes be adopted. Parts I and III(B) of the proposal are modeled after provisions in the Philadelphia Home Rule Charter which now apply to the City, but not to the School District, of Philadelphia. Similarly, Part IV(C) is modeled after a provision in the Charter which now applies to the City's Managing Director.

I. Preparation and Adoption of Annual Operating Budget and Capital Program

A. The annual operating budget for the School District shall be prepared and adopted in the same manner and at the same time as is the annual operating budget for the City:

1. The Board of Education shall deliver to the City Director of Finance such relevant financial information as is necessary to prepare an annual operating budget for the School District.

2. The City Director of Finance shall, in consultation with the Mayor, develop a proposed operating budget for the School District, taking into account all of the needs of the City and its ability to finance them.

3. The Mayor, after reviewing both the proposed School District operating budget and the proposed City operating budget, shall submit both to City Council simultaneously. The Mayor shall include an estimate of the anticipated revenues of the School District for the ensuing fiscal year, which shall be binding on City Council.

4. City Council, upon receipt of the proposed operating budgets for the City and School District, shall review them, make such changes in lump sum appropriations as it deems appropriate, and adopt both budgets. Council shall also, not later than the passage of these operating budget ordinances, enact separate revenue measures for the City and School District which will, in the opinion of the Mayor, ensure balanced budgets for both entities. The annual operating budget ordinances shall not become effective and the City Controller shall not approve any order for any expenditure thereunder until the Council has balanced both budgets.

B. The capital program (and budget) for the School District shall be prepared and adopted in the same manner and at the same time as are the capital program and budget for the City:

1. The Board of Education shall deliver to the Director of Finance such financial information as the City Planning Commission needs to prepare a proposed capital program and budget for the School District.

2. The City Director of Finance shall transmit such information to the City Planning Commission, which shall prepare and submit to the Mayor a recommended capital program and budget for the School District, taking into account the capital needs of the City and its ability to finance them.

3. The Mayor, after having reviewed the proposed School District capital program and the proposed City capital program, shall submit both to City Council simultaneously.

4. City Council, upon receipt of the proposed capital programs, shall review them, make such changes as it deems appropriate (after consultation with the City Planning Commission), and then adopt both.

II. Collective Bargaining Agreements with Unions Representing School District Employees

A. All collective bargaining agreements entered into with unions representing School District employees shall be subject to the approval of the Mayor.

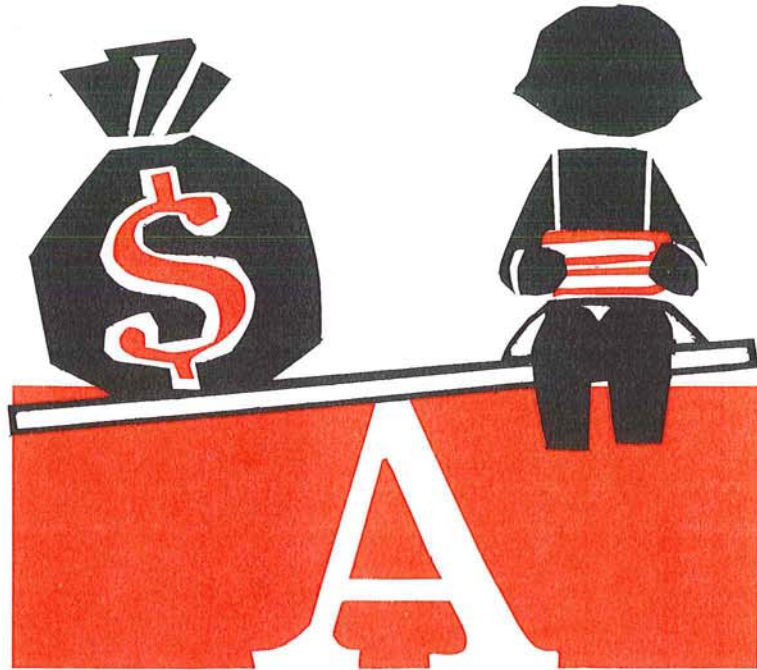
III. Use of School District Funds

A. There shall be established in the City treasury a school fund, to be under the custody and control of the City Treasurer. The fund shall be administered separate and apart from other funds in the treasury and shall be used only for School District purposes.

B. The expenditure of School District funds shall be subject to the same pre-audit requirements as currently apply to City expenditures. No School District funds may be expended until:

1. Both the City Director of Finance and the Auditing Department are satisfied that there are sufficient and available funds for the proposed purpose; and,

2. The Auditing Department has authorized the City Treasurer to disburse such funds.



IV. Office of Superintendent of Schools

- A. The Superintendent shall be selected by the Mayor, subject to confirmation by a majority of the Board of Education.
- B. The Superintendent's term of office shall be four years and shall be coterminous with that of the Mayor and City Council. There shall be no limit to the number of terms an individual may serve as Superintendent.
- C. The Mayor may remove the Superintendent so long as the Mayor specifies in writing the reasons for doing so. If, at the Superintendent's request, the Civil Service Commission finds that the Mayor's charges were not cause for dismissal, the Commission may order that the Superintendent be paid for all or part of the remainder of his term.

D. The Superintendent's salary shall be set by City Council.

V. Board of Education

- A. The Board of Education shall be responsible for policy decisions pertaining to school curriculum.
- B. The term of office of all Board members shall be four years and shall be coterminous with that of the Mayor and City Council.
- C. No individual may serve more than three terms.
- D. In all other respects, Board members shall be selected and removed as provided by existing law.

V WHY MUNICIPAL CONTROL OVER THE SCHOOL DISTRICT'S FINANCES IS CRITICAL TO SAVING PHILADELPHIA'S SCHOOLS

The dire straits in which the Philadelphia School District finds itself today have already been detailed. These woes will exist as long as the present system is allowed to continue. What is needed now is a new system, which will turn over control of the School District's finances—both in terms of raising and spending funds—to the Mayor and City Council.

Such a system of municipal control would have two distinct advantages. First, it would finally resolve the question of control over the School District's finances. Second, the public would play a greater role in determining how much money the School District would have for both its operating and capital budgets.

If financial responsibility for the School District were fixed in the hands of the Mayor and City Council, all local services in Philadelphia would be the responsibility of one government. The voters would then be able to hold the City government leaders accountable for the school system. Under the current system, responsibility is difficult to fix, and both municipal and school officials are able to evade the blame for the school crisis. This is true because spending power resides in the Board of Education, while the taxing power is vested in the City Council and the Mayor. Thus, Councilmembers, Board members, and the Mayor frequently attribute the School District's problems to each other. Under municipal control, however, the City Council and Mayor would shoulder full responsibility for the School District.

What is needed now is a new system, which will turn over control of the School District's finances—both in terms of raising and spending funds—to the Mayor and City Council.

With the Mayor preparing, and the City Council reviewing and adopting, the operating and capital budgets of both the School District and the City concurrently, the financial needs of the school system would be reviewed in relative importance to those of the City. Thus, local services would be weighed against one another. In years when money was available, the School District's appropriation would increase along with those for City services. In lean years, the School District, like City agencies, would be subject to reductions. An analogy may be drawn with the Commonwealth of Pennsylvania. The Commonwealth does not have one government for education, and another for all other government functions. Instead, the Governor submits and the legislature acts upon a tax package for all functions. Thus, a total tax bill is decided upon, in which the Commonwealth's resources are allocated among the various functions which are to be carried out during the year.

Critics of this proposal argue that the City government will shortchange education. In addition, they often object to the notion that education appropriations will be handled in the same manner as those made for police or fire protection. Municipal control over the School District's finances, however, does not mean that education

funds will be treated in the same way as those for police or fire services. First, the School District's capital and operating budgets will be presented by the Mayor to the City Council separate from those for such services as fire and police protection. Second, the monies appropriated to the School District will be kept in a separate fund within the City treasury. Thus, rather than be swallowed up by the municipal services budget, the School District is insured a special role by a budget that is set apart from the others. The advantage of joint review by the Mayor and the City Council, however, is maintained by requiring the Mayor to submit, and the Council to pass, the School and City budgets concurrently.

More importantly, City leaders will have built-in motivation not to shortchange public education. Since the financial needs of the school system would now be their responsibility, and the Mayor and City Council could no longer blame the Board of Education for overspending, the City leaders would be forced to see that education not be allowed to run a deficit.

This lodging of personal responsibility so that it cannot be shirked will be especially beneficial in the case of the Mayor, for three reasons. First, our proposal provides that the tenure of Board members will run concurrently with that of the Mayor. When taking office, therefore, each Mayor will be able to select a new team. Second, the Mayor will be given the power to appoint and remove the

Superintendent of Schools. Thus, the person in charge of the schools on a day-to-day basis will also be appointed by the Mayor. Finally, all collective bargaining agreements pertaining to School District employees will have to be approved by the Mayor.

Consequently, the Mayor will be directly responsible for the final version of any union contract that is negotiated.

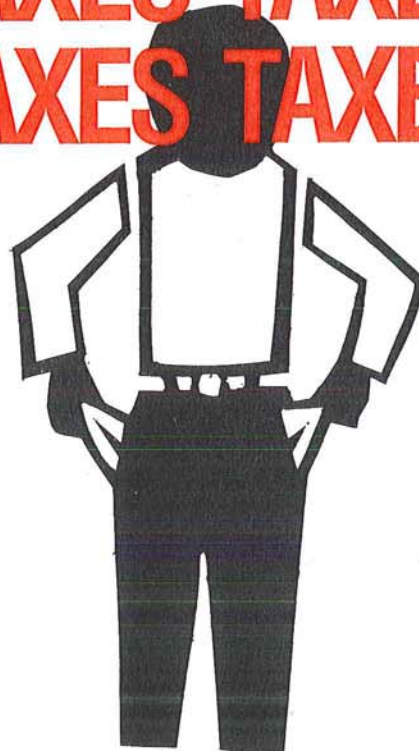
Besides decreasing the opportunity for elected officials to deny responsibility, our proposal also looks to the voters to take an increasingly active role in the school system. They will have the opportunity to see that the School District budget comports with their wishes, as they do for City budgets. The means for accomplishing this, of course, is the ballot box.

Another advantage of municipal control over the School District's finances is the increased representativeness of the fiscal decision-making process. By placing total control in the hands of the Mayor and City Council, both of whom are popularly elected, it is likely that whatever decisions are made will be tempered by the knowledge that they will be severely scrutinized by the electorate. While such knowledge cannot guarantee that good decisions will be made, or that bad but politically

popular decisions will not be made, it does inject a degree of leverage now lacking in a Board of Education that is virtually unaccountable for its decisions.

In attempting to rescue the School District, some observers have called for the creation of an elected Board of Education with independent taxing powers. Such a plan, however, would

**TAXES TAXES
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be disastrous. Philadelphia does not need a second popularly elected board with taxing powers to fund the schools. It already has such a board in the City Council. Moreover, a second board would not solve the problems of the School District but compound them.

An elected board is often proposed because of a belief that it is more democratic and responsive to the electorate. It is likely, however, that an elected Board of Education would not be very representative of the City as a whole, especially if special interest groups came to control board elections. For example, an elected school board could be dominated by households with no children in public schools. This is particularly true in a city like Philadelphia, where a large number of families either have no school age children or have sent them to private or religious schools. These families would therefore have an interest in electing a parsimonious school board that would give short shrift to public education.

Philadelphia does not need a second popularly elected board with taxing powers to fund the schools. It already has such a board in the City Council.

An equally harmful effect of an elected school board would be the negative impact on the City's economy. Appointed boards do not have taxing powers, but elected boards can be given such powers. The result of a new Philadelphia Board of Education with taxing powers operating within the City would be fiscal chaos.

Philadelphians are already highly sensitive to any increase in taxes. Yet, it is likely that a school board with taxing powers would, as one of its first acts, increase taxes to support the schools. In comparison with other Pennsylvania school districts, the local tax effort made for public schools in Philadelphia is relatively low. Because the school board would be working solely in the interest of its own fiscal needs and wishes, it would likely raise the school tax to a level comparable to that of other Pennsylvania school districts.

The result of a new Philadelphia Board of Education with taxing powers operating within the City would be fiscal chaos.

But a raise in school taxes would have a devastating effect in Philadelphia. This becomes clear with examination of the total tax package in Philadelphia as compared with other Pennsylvania jurisdictions. Taxpayers in Philadelphia are already saddled with exceptionally high taxes, as shown by recent studies. The average Philadelphia family was found to be paying higher taxes than any other Pennsylvania taxpayer, mainly because of the city wage tax. Philadelphia businesses were also found to be paying taxes at or near the top of the scale for all Pennsylvania businesses. Thus, an increase in local school taxes, while it might be justified as merely

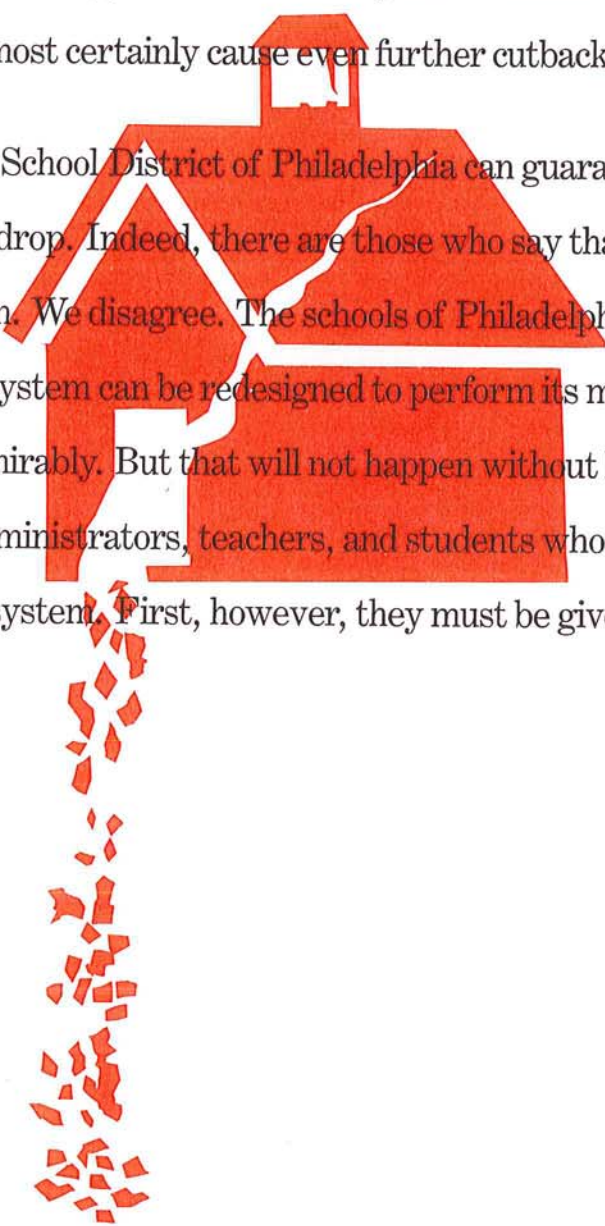
bringing Philadelphia school taxes in line with other school districts, would be ruinous, given the already unusually high taxes that Philadelphia residents pay. With the City's already unfavorable tax climate, any further increase could only spur businesses and individuals to leave the City.

A community's total tax burden is a major factor in the decision of where to locate; it is also one of the few factors subject to government control. As such, only the city government should have the power to decide how heavy the local tax burden should be, and how tax receipts should be divided among such services as education and police and fire protection.

Finally, others have proposed that the Commonwealth should take over the complete funding of the Philadelphia School District. Proponents of this plan find support for their position in the Pennsylvania Constitution, which declares that public education is a function of the Commonwealth. Should the General Assembly ever choose to take over the funding of local school districts such as Philadelphia's, municipal control over school finances would not in any way block such a move. Rather, municipal control seeks simply to centralize and harmonize the revenue raising process with the budget allocation mechanism of the School District.

The schools of Philadelphia are in deep trouble today. Parents lament the decline in educational quality and competence, and students find themselves in decaying classrooms without needed supplies. The school system is faced with serious budget problems, which will almost certainly cause even further cutbacks.

No proposal to save the School District of Philadelphia can guarantee success against this dismal backdrop. Indeed, there are those who say that the schools are already beyond salvation. We disagree. The schools of Philadelphia can be revitalized. The school system can be redesigned to perform its mission of educating Philadelphia's youth admirably. But that will not happen without hard work—hard work by the parents, administrators, teachers, and students who today comprise the Philadelphia school system. First, however, they must be given a chance. Our proposal is that chance.





NO SCHOOL TODAY OR TOMORROW?

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