

**A Tall Order for Philadelphia's New Approach to School Governance:
Heal the Political Rifts, Close the Budget Gap, AND Improve the Schools**

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Perhaps the job of superintendent is too much for any one individual. With the exception of Connie Clayton, most of Philadelphia's school superintendents have left under a cloud of shame. --Editorial, *Philadelphia Daily News*, August 14, 2000.

Whatever our failures, they're not for lack of a good educational plan. Children Achieving is one of the best in the country. Our challenges are a lack of public will to educate our city's children and a lack of capacity to successfully implement our plan. . . . David Hornbeck is the most thorough and thoughtful school reformer in the country. But I've learned that knowing what you need to do is not the same as getting it done. It's a matter of the huge scale. For example, our school district has the second largest transportation system in the state. We're looking at the business model of leadership. It appeals to me. I want someone who has experience running a big, complex organization and who will allow educators to do their job. --Remarks of Pedro Ramos, President, Philadelphia Board of Education, March 5, 2001 at the University of Pennsylvania.

In 1994 David Hornbeck came to Philadelphia determined to do what "no city with any significant number and diversity of students" had ever done before: help "a large proportion of its young people achieve at high levels."¹ In his six years as Superintendent of the seventh largest school district in the country, Hornbeck aggressively implemented an ambitious and controversial standards-based reform plan called "Children Achieving." His message, "All students can achieve at high levels," his complex plan, and his passionate style made public education a frequent front page story in a city where "there used to be despair and no attention [to schools]."²

Unfortunately, Hornbeck's success in getting people's attention, improving student achievement on standardized tests, and making accountability the centerpiece of his reform plan was offset by his lack of political skill in dealing with key constituencies. Like all urban superintendents, of course, he faced many problems -- political, financial, and educational. But his confrontational approach in dealing with his key funders -- the state legislature and Republican Governor Tom Ridge -- and his failure to inspire and engage front line school staff --- teachers and principals --- increasingly exasperated even those who admired his vision and persistence. Ultimately, in the face of a huge budget deficit and declining political support in the Philadelphia business and civic community, Hornbeck resigned, on June 5, 2000, rather than oversee the dismantling of his vision for improving the achievement of all Philadelphia children.

This case study examines how Philadelphia shifted its approach to governing the school district, to cope with its political and budgetary problems, and the increasing threat of a state takeover. Philadelphia's shift to a corporate model of district management plus greater mayoral involvement in school governance paralleled patterns in a number of cities. But features of the proposed state takeover were unique, especially the possibilities of overall management of the school system by a for-profit firm (Edison Schools) and/or dividing the system into tiers of schools, in one of which schools would be managed by partnerships between community and for-profit organizations (Gewertz, 2001). Central questions addressed here include: What factors and actors drove the modifications in district governance and leadership, including the unprecedented proposals from the state? How did key players and constituencies negotiate their roles

and relationships during the transitional months? What were the early effects and consequences of the initial governance changes?

Although Hornbeck's weaknesses, in negotiating political relationships and in managing the district and its budget, were the most visible factors leading to a stronger mayoral role and the adoption of the corporate governance model, deeper currents of change were also significant, including:

- a greatly increased role for state government in local districts;
- the turn to market forces and school choice as a remedy for dysfunctional schools;
- a new urban economy that has changed the city's corporate community and its relationship to civic life.

Below we begin with an overview of developments in the Philadelphia case, and then turn to a more detailed discussion of the issues and principal actors and groups involved in the new governance system before the takeover of the system by the state.

Overview of Main Developments:

1993: The state freezes its funding formula for school districts and adopts yearly funding adjustments for districts that do not reflect changes in enrollment or social needs. This development contributes to the increasing financial difficulties of urban and property-poor school districts.

August 1994: Hornbeck arrives in Philadelphia and prepares to launch his ambitious "Children Achieving" Plan, which requires a huge increase in funding.

In 1995, Philadelphia receives a \$50 million Annenberg Challenge grant, which is matched by \$100 million from Philadelphia corporations, foundations, and federal

grants. This still provides only part of the needed funds, leading Hornbeck to fully implement Children Achieving in only 6 of 22 neighborhood “clusters” of schools in the reorganized District.

In 1995, the City Council denies district’s request for increased funding to schools. Mayor Rendell and Council President Street remain firm in their commitment not to increase tax burden on Philadelphia residents. They join with Superintendent Hornbeck to request more funding from the state.

Philadelphia files a federal civil rights lawsuit against the State, over alleged inadequate funding.

February 1998: Hornbeck threatens to adopt an unbalanced budget, if the State does not provide the needed funds, which could lead to the schools closing before the end of the school year.

Spring 1998: Governor Ridge and the Legislature respond to Hornbeck’s threat and pass a draconian state takeover law, Act 46, aimed at Philadelphia.

Hornbeck and the District “balance” the budget at the eleventh hour to avert state takeover, but with borrowed money from banks.

November 1999: Election of Mayor Street and passage of a referendum strengthening the new mayor’s role in education by allowing him to appoint a new School Board with terms identical to his own.

Mayor Street appoints a Secretary of Education for the city, Debra Kahn, who is charged with leading the district’s team in negotiation of a new teachers contract and working to mend fences with state leaders in an effort to get increased state funding.

May 2000: The Pennsylvania Legislature passes the “Education Empowerment Act” (Act 16 of 2000), a state reform and “takeover” bill targeted at eleven urban school districts (including Philadelphia) with high student failure rates.

June 2000: Threat of state takeover crisis in the District during the Republican Convention in Philadelphia is averted by a financial settlement between the District and Governor Ridge. Still facing a deficit, the School Board cuts the budget and Hornbeck resigns in protest.³

August 2000: Decision by the Board of Education to adopt a corporate style of district management made public. Deidre Farmbry, a veteran Philadelphia educator, named Chief Academic Officer.⁴ Chief Operating and Chief Financial Officers were appointed in May.

October 2000: Philip Goldsmith, a lawyer and journalist, named Chief Executive Officer, with a one-year interim appointment. (Goldsmith had been considered by the State as a possible CEO for the District in the event of a state takeover.)

End of October 2000: Teacher strike over a weekend settled with help from Mayor Street and pressure from Governor Ridge, who threatened a state takeover of the District.

January 2001: State accepts Philadelphia's plan for improvements, required under the "Education Empowerment Act," to avert a state takeover of the District.

March 2001: Proposed 2002 District budget reports a \$234 million deficit. Unclear how the District would deal with this deficit, as the State had proposed only a small increase in its funding for Philadelphia.⁵

May 2001: As an economy measure, the district's 22 clusters are replaced by eight academic offices, reducing administrative costs and reassigning some cluster staff to teaching positions. The school board adopts a budget with a \$216 million deficit, creating a new fiscal crisis with state takeover of the district possible.⁶

July 30, 2001: Mayor Street and Governor Ridge sign a Memorandum of Understanding providing for state funding to keep the district operating, but indicating the state will takeover the operation of the Philadelphia schools at the

end of October if no agreement between the city and state has been reached to resolve the budgetary crisis.

August 2001: Governor Ridge gives Edison Schools a \$2.7 million contract for a two-month study to make recommendations about the financial and educational problems in Philadelphia.

September 2001: The deadline for the state takeover is postponed until the end of November when Governor Ridge leaves Pennsylvania to take charge of Homeland Security.

November 1, 2001: Ridge's successor as Governor, Mark Schweiker, releases the Edison report, triggering mounting controversy over its recommendations, especially that failing schools and the central management of the school system would be contracted out to for-profit firms.

Mayor Street and community groups adamantly oppose for-profit management of the system and Schweiker, bowing to political pressure, agrees to remove this idea from negotiations over the proposed plan.

End of November, 2001: Opposition and street demonstrations continue and a three-week extension of the deadline is given, to provide more time for negotiations to work out the necessary agreements between the state and the city to avoid a "hostile takeover."

December 21, 2001: Governor Schweiker and Mayor Street announce an agreement to enable a "friendly" takeover, commencing the next day. In the unwritten agreement, both sides, but especially the state, made concessions.

The Backdrop for Superintendent Hornbeck's Systemic Reform Plan

Due to a drastic decline in the number of jobs available and a changing economy, Philadelphia's population decreased dramatically from the 1970's to the 1980's, as did its middle class tax base. When David Hornbeck began his tenure as Superintendent, the city

was still recovering from a serious fiscal crisis in which it was forced to borrow \$150 million from its employee pension fund just to stay afloat. With its credit ruined, the city had to pay more than \$5 million to obtain the loan, a fee equivalent to a 24 percent interest rate.⁷

During his eight year tenure, Democratic Mayor Ed Rendell brought Philadelphia back from financial collapse, creating a small budget surplus before he left office in 2000.⁸ Not giving in to demands of striking city workers early in his administration, he ultimately negotiated a contract that provided more discretion for management. Perhaps more importantly, Rendell made Philadelphians proud of their city. He put tourism at the center of Philadelphia's economic renewal and unceasingly and flamboyantly promoted "the city that loves you back." This was no easy feat given the image many Americans had of Philadelphia and its city government: a city block in flames after Mayor Wilson Goode and his managing director dropped a bomb on the headquarters of the radical group MOVE. Rendell worked with Republicans in the state to bring jobs to Philadelphia and by 1997 economic prosperity had even trickled into Philadelphia when the city showed a net gain in jobs and reversed a trend of decades.⁹

In school district matters, however, Mayor Rendell was a "silent partner." One civic leader quipped, "Frankly, there were years when Ed Rendell didn't even mention schools in his State of the City address."¹⁰ Rendell certainly did not lack for opportunity to be a player in public education. Like his predecessors, he had the power to appoint school board members as vacancies arose.¹¹ Still, because the mayor was not able to appoint the entire Board when he assumed office, the accountability of the Board to the mayor was considerably diluted. The Board had the responsibility for setting policy and

spending priorities. But although the school district had its own budget, the Board had no taxing power; City Council levied taxes.

In the thirty years previous to Hornbeck's arrival Philadelphia had two reform superintendents. Superintendent Mark Shedd, a national figure in education, brought a progressive approach to teaching and learning to Philadelphia. Under his administration, the district launched alternative schools, open classroom education, team teaching, and an early version of service learning. Like other districts across the country, Philadelphia experienced its share of political unrest during this period. In fact, one notable confrontation was between Police Commissioner Frank Rizzo and a group of student and adult activist protestors who advocated African American studies in the district's curriculum. A leader of that protest was David Hornbeck, who at the time was a civil rights lawyer and activist in the city.

Philadelphia had two "insider" Superintendents, Michael Marcuse and Matthew Costanzo during the 1970s when union rancor and fiscal crises prevailed. A series of bitter and disastrous teacher strikes rocked Philadelphia. One 51-day strike in 1973 left particularly deep wounds.

In 1980 Philadelphians elected their first African-American mayor and Dr. Constance Clayton became the first African-American and woman superintendent. Clayton made labor peace, and financial stability the first order of business in her plan to improve public education, and was largely successful in these areas. During Clayton's decade-long tenure there were no teacher strikes and the district both balanced its budget and improved its bond rating.

Clayton's education reforms included a standardized curriculum that offered an academic scope and sequence for all grades and subject areas. A city-wide testing program aligned test items with discrete curriculum objectives and provided schools with a tool to monitor student progress toward achievement goals specified in their School Improvement Plan.

Unfortunately, Clayton's strategy for improving the academic achievement of students reaped disappointing results. A special section of the *Philadelphia Inquirer* published in 1994 --- two years after Superintendent retired --- painted a dismal portrait of student achievement in the school system. According to the *Inquirer*:

- Over half of the city's public school students were failing to master basic skills. Fifty-one percent had failed the state reading test as compared to 13 percent statewide, and 50 percent failed the state math test as compared to 14 percent statewide. Seventy percent of African Americans and 75 percent of Latinos failed one or both parts of the state test.
- Forty-nine percent of ninth graders failed to earn promotion to the 10th grade.
- On any given day one in four students was absent from class, and in the average year, nearly one in four students was suspended from school.¹²

City corporate and civic leaders seized Clayton's retirement as the moment to influence the direction of Philadelphia public education. Under Clayton, the participation of the private sector in public education had increased. Higher education, foundations, and private sector partners had created PATHS/PRISM (Philadelphia Alliance for the Teaching of Humanities/Philadelphia Renaissance in Science and Mathematics) which

aimed to professionalize teaching through professional development activities and mini-grants for classroom teachers. And in 1986 The Pew Charitable Trust had heavily invested in local public school reform through its \$13 million grant to restructure Philadelphia's neighborhood high schools. However, civic elites believed that Clayton had sought their support, but not their input on matters of substance. They were disillusioned with a district administration that was not forthcoming with data on whether students were actually making progress.¹³ So, they established the Partnership for Public Education which worked with the mayor and Board of Education to recruit a superintendent who would put accountability at the center of the district reform agenda. By this time, the Pew Charitable Trust had assumed a prominent role in the national standards movement. The foundation hoped to recruit a leader committed to that brand of reform.

Philadelphia found its man in David Hornbeck. Although trained as a minister and lawyer, rather than as an educator, Hornbeck had previously served as Commissioner of Education in Maryland and had been the primary architect of the Kentucky Education Reform Act (KERA). KERA's emphasis on standards, accountability and comprehensive change resonated with city leaders.

Two factors forged an early alliance between Hornbeck and the business community. First, business leaders believed that the district's contract with the teachers' union, the Philadelphia Federation of Teachers (PFT) was a major obstacle to improving public schools. Convinced that management needed more control over teacher assignments and non-instructional time, they wanted the new Superintendent to wrest contract concessions from the PFT. Second, shortly after the Philadelphia School Board

adopted Hornbeck's reform plan, the Annenberg Foundation designated Philadelphia as one of a small number of American cities to receive a five-year \$50 million Annenberg Challenge grant to improve public education.

Among the conditions for receiving the grant was the requirement to produce two matching dollars (i.e. \$100 million over five years) for each one received from the Annenberg Foundation, and to create an independent management structure, preferably located in the city's corporate community, to provide program, fiscal, and evaluation oversight of the grant. Hornbeck turned to Greater Philadelphia First, an association of chief executives from the region's largest companies to establish the Children Achieving Challenge. As will be discussed below, the broad scope of Children Achieving distinguished it from other Annenberg sites. It was the "only city that attempted to leverage the Annenberg (and matching) dollars to redesign the whole school system -- all 257 schools, 13,000 teachers and 215,000 students."¹⁴

In hindsight the key differences between Kentucky and Philadelphia are obvious: Kentucky's ambitious reform carried the clout of state legislation; it also was accompanied by a significant increase in state funding for public education. Neither of these would be the case in Philadelphia.

Children Achieving: Comprehensive and Ambitious Educational Reform

In 1995 Superintendent Hornbeck launched Children Achieving, a ten point reform agenda that was based on the assumption that previous attempts at reforms have largely failed because they were too incremental, too piecemeal, too narrowly framed and did not attempt to alter the "system" itself.¹⁵ In contrast, Children Achieving intended to

offer a coherent and comprehensive reform design. As a systemic reform effort, it sought to raise student achievement and improve teaching and learning through implementation of standards for student performance and a strong accountability system, the empowerment of schools by moving authority for instructional decisions away from the central office, and increased capacity by providing strong supports for teachers and students. Content standards outlined the knowledge and skills that Philadelphia students should acquire. The accountability system assessed schools' performance annually and rewarded progress or sanctioned decline every two years. Decentralization offered new organizational structures -- clusters, local school councils, and small learning communities -- that moved instructional decision making closer to local neighborhoods, schools and classrooms. (Clusters were composed of a comprehensive, neighborhood high school and its feeder middle and elementary schools. There were 22 clusters in the district, and local school councils were envisioned but few materialized that had any real effect. Small learning communities were created in schools to offer teachers and students smaller and more intimate environments for teaching and learning. They were made up of 200-400 students and their teachers.)

Evaluators of the reform effort noted the complexity of the reform in their articulation of Children Achieving's theory of action:

Given high academic standards and strong incentives to focus their efforts and resources; more control over school resource allocations, organization, policies, and programs; adequate funding and resources; more hands-on leadership and high quality support; better coordination of resources and programs; schools restructured to support good teaching and encourage improvement of practice; rich professional development of their own choosing; and increased public understanding and support; the teachers and administrators of the Philadelphia schools will develop, adopt or adapt instructional technologies and patterns of behavior that will help all children reach the district's high standards.¹⁶

Children Achieving offered a powerful set of ideas to guide educational improvement in the city. These included:

Primacy of results: Results are what matter; how they are achieved is less important.

Equity is paramount: The School District must be an advocate for the poor children it serves. Equity --- of academic expectations, learning opportunities and achievement outcomes --- is a paramount objective.

School personnel need autonomy to meet the needs of their students; Those working closest to students know what's best for them, and want and need the freedom and authority to act on their decisions.

Strong incentives are necessary: To spur action at the cluster and school level strong incentives must be developed.

Do it all at once: Reform in all aspects of the system must occur simultaneously and immediately to achieve significant results.¹⁷

High standards and high expectations for Philadelphia's educators and students were the hallmarks of Children Achieving. School district leaders argued that, typically, adults' expectations of students have been too low and this has contributed to the consistently low achievement levels in Philadelphia's schools. As one district leader explained,

In its most essential form, Children Achieving is a set of values about how a school district serves and honors children and families. . . Some of the important things that have been a part of Children Achieving are the focus on rigorous standards, and rigorous standards for all children. It may take differentiated instruction and different amounts of time for children to reach those standards, but we can't start with an assumption that there are different standards for different children.¹⁸

The evaluators of the Children Achieving Challenge, in a summary report to Mayor Street on the progress of educational reform, pointed out a lack of consensus around the important values underlying Children Achieving, "particularly those that demand re-examination of deeply held beliefs, radically new behavior, persistent follow-through, and additional resources." They offered the example of opposition to

Superintendent Hornbeck's proposal to remove admissions criteria for student selection into special programs and schools. In a rare appearance at their meetings, Mayor Rendell successfully urged School Board members to leave the criteria in place. He argued that dismantling these programs would further increase the tide of middle class parents leaving the city in search of strong academic programs.

Children Achieving did not initially articulate a particular set of recommended practices for schools. As mentioned earlier, the architects of the reform envisioned the decentralization of decisions about curriculum and instruction. They originally intended that neighborhood clusters, local schools, and small learning communities would customize educational practices to meet the needs of their students and utilize the resources of their communities. But as achievement gains leveled off, District leaders became convinced that school staffs needed more guidance about curriculum and instruction. In addition, the urgency of the reform's principle "to do it all at once created pressure on central office staff simply to 'roll out' the reforms and move on to the next priority."¹⁹

Not surprisingly, people in schools, particularly principals, felt overwhelmed and confused by the overall complexity of the reform and by the number of district and cluster mandates. Over four years, the central office directed schools to:

- Reorganize into small learning communities;
- Implement the comprehensive support process and the school to career program;
- Receive training on a new set of standards, assessments, and curriculum frameworks;
- Adjust to a new administrative structure;
- Respond to new accountability policies; and
- Adopt new graduation and promotion requirements.

Research is clear that a sustained focus is essential to substantive educational improvement but in Philadelphia reform overload was a strong contributor to school staff's inability to focus their efforts around clearly defined and manageable instructional priorities. Furthermore, unfunded mandates resulted in rampant frustration and alienation among principals. They felt angry, disempowered, and disrespected as they received one directive after another that had not been shaped by their input and that was not accompanied with the necessary supports for implementation.

Children Achieving's High Price Tag

Children Achieving came with a high price tag. Its full implementation required significant additional funding from either the city or the state. In fact, its initial design was based on the *assumption* that more funding would be forthcoming. When Hornbeck became Superintendent in August 1994, he had reason to believe that he had the political support needed to win more funding from the state. He began his tenure with a Democratic governor, Democratic majorities in the state legislature, and a Democratic mayor, and he had strong backing from business and civic leaders in Philadelphia. It appeared as though the stars were aligned and the prevailing view was expressed by a local foundation staff member: "We believe that if not now in Philadelphia, then when?"

Children Achieving can be viewed as a calculated risk.²⁰ In this view, Superintendent Hornbeck was betting that the Annenberg Challenge grant and its matching funds could be used to improve performance, and that improved performance would generate the political will to obtain increased city and state funding, either through the courts or the legislature, thus allowing the reforms to be institutionalized and

continued.²¹ It turned out that this was a bad bet. Just three months into his administration, the political landscape in Pennsylvania and Philadelphia changed dramatically. The state elected a Republican governor and Republican majorities in the state legislature who were committed to reducing government spending.

Nor was the mayor or City Council willing to risk the financial jeopardy or political heat that increased city funding to schools would generate. When Hornbeck came seeking additional money for his reform plan, they argued that the city had “stretched its taxing ability to the limit” and refused to provide significant additional resources for Children Achieving.²² By 1997, the Superintendent, the Board of the Education, the City Council, and the Mayor were in agreement that it was the state that was failing to provide a fair share of the costs of educating Philadelphia’s students --- students who had many social, emotional, and academic needs.

Philadelphia’s spending for these students was well below what was spent in its surrounding counties, as much as \$5,443 per student. Teacher salaries were also higher in suburban areas. Starting salaries in the suburbs averaged more than \$3,500 higher than starting salaries in Philadelphia and maximum salaries were more than \$9,000 higher.²³

The funds the state of Pennsylvania provides to each school district are supposed to be based on a funding formula that takes into account the number of pupils, the special needs of the district, its ability to raise local taxes, and other factors. However, the state froze the formula in 1993, which meant that state aid to the district after that date did not rise in response to increases in enrollment. On a

per-pupil basis adjusted for inflation, the real value of state education funds coming to Philadelphia actually decreased by 5.9 percent between 1993 and 1998.²⁴

Relationships between the state and the district became tense when the new Governor pushed vouchers and charter schools as remedies for poor student performance and entrenched bureaucracy and reached a boiling point when David Hornbeck alleged that state funding policies were racist. With inadequate political support and personal antagonisms between state representatives and the superintendent, the School District was unable to persuade Pennsylvania state officials to significantly increase funding. Despite two court cases against the state and threats by the superintendent to adopt an unbalanced budget and close schools early in 1999, the Governor and legislative leadership were unwilling to alter the school funding formula or provide the money requested. They believed that funds were being used inefficiently in Philadelphia and that the district's teacher contract was a major obstacle to improvement. In their view better management and a better contract were prerequisites for additional state funds. The state did provide Philadelphia with some one-time grants, but these were small in comparison to what the school district said was required to continue with the Children Achieving reform agenda.

In addition to refusing to provide significant additional school funds for Philadelphia, the state passed legislation granting itself greater power and authority over public education in the city. In response to Hornbeck's threat to close schools early during the 1998-99 school year, the state passed Act 46, a draconian bill aimed directly at Philadelphia that would allow the state to take over the district if Hornbeck pursued his threat. All the unions opposed this bill, but it passed easily, despite its numerous

incendiary features, such as provisions for replacing the school board and superintendent, suspending the teachers contract, laying off teachers, and, in the words of the PFT, “unilateral school closings and privatization by converting public schools to charter schools without approval by teachers and parents”.²⁵ It was then Philadelphia’s turn to be “motivated” to find a way to avoid school closure and state takeover. Rather than cutting the proposed school budget, an eleventh-hour solution was found when two local banks issued the district letters of credit enabling it to borrow \$250 million to keep operating through June 1999.²⁶

A New Role for the Mayor in School Governance

In November 1999 the citizens of Philadelphia elected a new mayor, Democrat John Street, who supported Superintendent Hornbeck and his Children Achieving reforms. They also approved a change to the City Charter, which allowed the new Mayor to appoint all of the Board of Education members concurrently with his term of office.

Street, an African American and former community activist, who had served as City Council President during Rendell’s administration, ran with the powerful endorsement of Mayor Rendell. He faced strong opposition from Republican Sam Katz, a government finance consultant. Both candidates said that public education would be a top priority in their administration, but they had very different visions for how to improve city schools. Street believed in the Children Achieving reform plan and said that he supported David Hornbeck. Katz called for the removal of Hornbeck and looked to school choice reforms --- vouchers and charter schools --- as

the only solutions with enough muscle to improve the dismal achievement of Philadelphia students.

Governance of public education was a key issue in the mayoral primaries and election, as noted in the Philadelphia Inquirer:

In a departure from past mayor campaigns, when the schools barely rated a mention, this year's crop of candidates is talking often and avidly about public education. And in keeping with the national trend, many of the prescriptions center on changing how the school system is run and financed²⁷

All of the candidates, with the notable exception of Street, favored a stronger role for the city's chief executive in the governance of its public schools. They all supported a change in the city's Home Rule Charter which would enable the mayor to appoint a new nine member school board all at once (to serve the same four year term as the mayor) and to fire members at will. (Previously, there had been six year staggered terms with the mayor only able to make new appointments as terms expired. This meant that a mayor might not gain full control of the board until well in a second term.)

City Councilman Michael Nutter introduced the proposal to Council to include the amendment on the November ballot. Philadelphia good government groups, like the Committee of Seventy, had been pushing for a change in the charter for more than two decades. Rendell supported the change as did Ted Kirsch, president of the Philadelphia Federation of Teachers.

As a candidate, John Street was skeptical about increased mayoral responsibility and accountability for public schools. But as Mayor, Street increasingly signaled his willingness to lead. In his first year he created a cabinet level position, Secretary of Education; held town meetings on public education in all 22 cluster areas; exerted a

strong influence on teacher contract negotiations; began to craft a new conciliatory strategy in the city's dealing with state government; unveiled a plan aimed at keeping working and middle class families in the city which included attacking neighborhood blight, bearing down on predatory lenders, and improving educational options through strong magnet programs and charter schools.

Street appointed Debra Kahn, a former advisor of Mayor Rendell, to fill the position of Secretary of Education. She described her role as putting a "face on Street's education agenda," while the Mayor said that her immediate tasks would be to seek more funding from the state, lead a panel that would nominate new Board members, and play a key role in the district's negotiating team for a new teachers contract. Street's board appointments were generally held in high regard. Pedro Ramos, an attorney and Philadelphia public school graduate and parent served as President of the Board. Dorothy Summers, a leader in the African American community and a former middle school principal was Vice President. The nine-member board also included a former city budget director, a Black clergyman, a retired district administrator, and several civic leaders including the executive director of the United Way.

While Street proclaimed that David Hornbeck was his choice for Superintendent and that Children Achieving was the right reform plan for Philadelphia, the mayor's actions signaled to some that he was ready for a change. As one union leader put it, "Street loved Hornbeck to death."²⁸

Mayor Street wanted a new strategy for handling the politics of public education. David Hornbeck was confrontational and the mayor wanted something different. He and his Secretary of Education and the President of the

Board decided to look for a CEO type to deal with the political and financial stuff.²⁹

The political impasse between the district and the state came to a head again in the summer of 2000 when the district faced a budget deficit of \$205 million. Under pressure from the state takeover law to balance the budget, the Philadelphia Board of Education made cuts and adopted a budget of nearly \$1.6 billion which contained no new money for the programs the superintendent felt were required to fully implement the Children Achieving reform agenda. As a result, Hornbeck postponed the implementation of new promotion and graduation requirements and reduced the number of days allocated for teacher professional development. Not willing to remain to oversee the piece by piece dismantling of his reform agenda, Superintendent Hornbeck announced his resignation on June 5, 2000.

The Business Community

David believed you could make a social contract with the business community, but he looked up and they were gone. I don't think the corporate community is playing a healthy, visible constructive role in public education. But they carry tremendous weight. It's a combination of factors. So few businesses are local now. And there are some leaders who came through the Archdiocese system. They want to keep taxes down and have vouchers.³⁰

Initially, the corporate community was enthusiastic about Hornbeck's arrival and his bold plan for reform. Greater Philadelphia First (GPF) helped to raise the Annenberg matching funds and, in fact, by June 1996 Philadelphia had outdistanced all other Annenberg cities by raising more than 90 percent of the required \$100 million.³¹

Midway through Hornbeck's tenure as superintendent, board leadership at Greater

Philadelphia First changed. (By June, 2000 only four of Greater Philadelphia First's founding twenty-three CEOs remained.)

The turnover of leadership at GPF was a symptom of major shifts in the city's economic life. Nicholas Lemann (2000) offered this description of what happened in Philadelphia (and is happening in cities across the country): Despite increased financial prosperity and a city government that inspired confidence, the new urban economy was altering its civic life in ways that had repercussions for the role of the business community in public education. Multinationals took over regional institutions such as Scott Paper and Smith Kline pharmaceuticals. More importantly, the local banking industries vanished. These changes have increased the wealth of stock holders but Lemann argues that they have not reaped long term benefits for cities. One consequence of these changes has been diminished participation of the corporate community in public life.

The . . . complaint is that First Union and the other new outside companies don't care about the civic life of Philadelphia. People told me that you can't fill a nonprofit board of directors in Philadelphia these days.³²

A funder of reform agreed with that assessment:

What happened was a rapid transformation from businesses led by Philly people to businesses without a vested interest in Philadelphia, or an understanding of the city. And there was an expanding ambivalence about the ability of school systems to reform. And third, there was the trepidation of any business leader to oppose a popular governor who continued to support economic development in the city.³³

Disappointed that school district officials had not won major concessions from the teachers' union during contract negotiations in 1998, GPF began to withdraw its support of the district's reform agenda.

Hornbeck and [David] Cohen [City Managing Director during Rendell's first term and a lead city negotiator in the PFT talks] promised us they were going to negotiate some changes. They made a commitment and on the strength of that promise, the business community raised the match for Annenberg. We kept our end of the bargain but they didn't. We wanted the right to assign people to schools without going by seniority, the right to make hiring decisions at the school level, some control over how prep time is used, and several other changes but we got none of them.³⁴

GPF was also sympathetic to Pennsylvania's pro-business Republican governor, Tom Ridge and to his proposals for school vouchers and more charter schools. By this time Ridge had become engaged in a highly personalized battle with the district and Hornbeck in particular over two issues: the state funding formula and school choice. A GPF staff member described what happened:

The corporate community at the beginning, and along the way, had competing interests. I think that there was a struggle between the educational issues they knew to be critical to city's long-term health, and their own economic health, and wanting to support an accountability, standards-driven agenda. There was also a conflict between the economic stance and support of the governor, and his educational agenda. It was a constant tug of war. Later, David's personality made even more difference for them [corporate leaders]. The governor's commitment to economic development is pretty solid from the business community's perspective. While I was there (at GPF), I watched the scale start to tip, and split the business community. Being inside, I saw where it came from, even if I didn't like it.³⁵

Community leaders were disheartened by the erosion of business support for Hornbeck and their withdrawal from the arena of public education. One explained that business leaders' orientation made it difficult for them to be patient and persist in the face of serious social problems:

The business community thinks short term. They think in terms of quarters -- the furthest into the future they might look is two years. They pulled back because there were not results soon enough. Even though there was improvement on tests, people in the business community don't care about tests. They haven't seen results in the kids who are coming to them looking for jobs out of high school, and that's what they're really looking for.³⁶

Others were harsher in their assessment of the business community's role, asserting that the governor's voucher plan comported with corporate leaders' support for parochial schools. They were cynical about the potential of the business sector as a catalyst for improving education for poor children of color.

Right now this corporate community gets off the hook. It skates. It's having too good a party right now. Maybe when Wall Street crashes, they'll realize what's going on. It stands to lose eventually. We've allowed the development of ways for the education of the labor force to come from elsewhere and government brokers for corporate interests.³⁷

A former GPF board member described his frustration with Governor Ridge and his disillusionment with GPF at the time of the threatened state takeover:

I went to Harrisburg to talk to Governor Ridge. The message that I was trying to get across to the state 'We know that the district is not perfect. But we have a man running it today who is most unusual because he believes that he can fix it. This is an incredible asset for you. What do we have to do to link arms with you?' Honestly, Ridge believes that you can't fix the Philadelphia public school district. He'd rather skirt it by building an alternative system. In defense of Ridge, even if he had wanted to support Philadelphia schools, he might not have been able to politically because of opposition in the House of Representatives.

I dropped out of GPF when they decided to support vouchers. I thought it was a big card to play, and should have been worth \$50-100 million from the state. And I think that this last round --- getting \$15 million for dropping the deseg case was a sell out. They thought they'd get \$65 million. I knew they wouldn't.

As this discussion has shown, business community support for the school district has declined. Yet, its influence on the district remains significant, as demonstrated by the school board's adoption of the corporate governance model and its selection of an interim-CEO in 2001 with credibility in the business community. Later, when Governor Schweiker and Mayor Street were in a standoff over the terms of the state takeover, business leaders intervened, with some effect, to urge them both to return to the negotiating table.

Principals and Teachers

Like other urban districts, Philadelphia faces serious shortages of high quality personnel to guide and support the reforms. The district is at a disadvantage in recruiting and retaining qualified school leaders because its salaries are the lowest in the region, and because state legislation has made retirement an attractive option for many. Studies show that many prospective and current teachers are being lured to positions outside of the city, where salaries are higher, class sizes are smaller and teaching conditions are generally more appealing.³⁸

The School District's relationships with its professional unions, the Philadelphia Federation of Teachers (PFT) and the Commonwealth Association of School Administrators (CASA) were strained over the course of Children Achieving. Both the PFT and CASA sought salary schedules that were more competitive with the surrounding suburbs. And they offered strong objections to key components of Children Achieving, particularly to its accountability provisions. Alleging that the pay for performance system for school principals was not objective, CASA brought suit against the district. The PFT repeatedly questioned the alignment of the SAT 9 assessment with the new district standards and the use of a Professional Responsibility Index (PRI) to assess schools. They also criticized the clusters as increased bureaucracy, and argued that money would be better spent on early childhood education, smaller classes, and a district curriculum that would provide more direction to teachers.

In addition, the school district, under heavy pressure from the state and the business community, sought major changes in the teacher contract's work rules in the negotiations that began in January, 2000. Specifically, district officials wanted:

- A longer school day and school year without explicitly paying teachers for the additional time. The teachers' work day was already one hour less than the state average;
- A change in how teachers were assigned to schools. Rather than rely on seniority, the district wanted to give principals a greater voice in hiring and the ability to assign the most qualified teachers to schools with the most need;³⁹
- A pay for performance system. Under the current contract, teachers' salaries are based on years of service and their educational attainments. The district would like salary increases to be based on classroom performance.

The PFT was adamantly opposed to asking teachers to take on additional burdens without commensurate increases in compensation, and they were reluctant to give up work rules fought for and won in earlier contracts, much less agree to using test scores to determine salary increases.

The PFT and the school district worked for 10 months to negotiate a new contract. For the majority of this time, Mayor Street played a background role in the contract talks. But in the last two months of negotiations, Street became a far more visible and aggressive player, driven in part by the power given to him in Act 46. Street's first surge of authority came when the teachers' contract expired on September 1, 2000. According

to Act 46, the terms of the contract could not be extended past this date, and the state was given the power to take over the school district at any point they deemed necessary. Rather than risk a state takeover, teachers worked without a contract with hope of settling quickly. For more than three weeks Street refrained from asserting his authority to impose a new contract. But on September 27 he did so, stating that “The PFT understandably is more than willing to indefinitely continue the status quo, and the status quo is the one thing that I cannot accept for public education in Philadelphia.” He explained that it was his responsibility as mayor to be “very aggressive in representing the interests of the students, families and businesses that depend on the city.” Street received the public support of Governor Ridge who promised more state aid only if Philadelphia teachers would agree to contract concessions. Ridge also said that the state would consider a “friendly takeover” of the school district, if the teachers struck. When the teachers went on strike after classes ended on Friday, October 29, 2000, Street sat at the bargaining table until early Monday morning, October 31 when the district and PFT finally reached an agreement.

The Legacy of Children Achieving

In an interview study of more than 40 business and civic leaders, community activists, and parents,⁴⁰ almost all agreed that there had been progress under Children Achieving. Gains in student achievement and greater citizen engagement in the dialogue about public education were the two most frequently cited legacies of the reforms. However, interviewees mitigated the test score progress by arguing that the scores didn’t improve fast enough, or weren’t high enough, across all schools, or might not even be real gains in learning:

There's no denying there's been improvement. The test scores have gone up. Not just the district's tests. If you look at the Inquirer's analysis of the state tests, Philadelphia made more progress than anyone. It's encouraging but it's not fast enough. (Foundation leader)

There's been some improvement. Scores are up but not enough and not fast enough, but at least we're headed in the right direction. (Newspaper reporter)

I think the single most important accomplishment is that David has focused people on the bottom line—what kids can do. For whatever reason, maybe because of the test or whatever, people believe that kids need to be able to do more in school. I think he was way ahead of the curve on that issue. In spite of every obstacle imaginable, student achievement gains have been made at least in some schools. The issue is how do we transfer those gains to all schools. (Member of Mayor's Cabinet)

The scores went up. The bottom line is student performance. The reforms seem to be making progress. But what I worry about is what children are learning. Maybe it is just teaching to the test. I hope not. I want to believe that there has been some real progress. (Business leader)

The second most frequently cited improvement was the fact that public education in Philadelphia has become a more public issue over the past five years as the main source of progress. One parent and community activist said:

Education is much more on people's minds. There used to be despair and no attention. It is now widely understood that problems need to be addressed. Also there is more open sharing of data and we can look at where schools are working.

Supporters of this view also asserted, however, that the school district still has a long way to go in solving the problems that have now become public. As one community representative explained:

I do see progress. I think the ability to have a running conversation about achievement for all kids for four years running is a huge accomplishment. I think that people on the street have something to say about the education crisis we're facing because of David's efforts. It gives us something to build on, but we have to remember that it takes a long time.

Conclusion

Mayor Street's increased role and control of the school board, plus the corporate management structure the school district adopted, increased the centralization of control over the system. Further, steps taken to reduce the budgetary deficit, notably the decision to replace the 22 cluster groupings of schools with eight academic offices, reduced the decentralization of the system.⁴¹ But, as the summer of 2001 approached, both the new governance and leadership relationships were still being worked out, and some ambiguity remained about who really was in charge.

The Board's appointment of Philip Goldsmith as a one-year interim Chief Executive Officer after its appointment of the Chief Academic, Operating, and Financial Officers blurred his authority. Several "insiders" we interviewed expressed concern, based on what they had seen so far, about who was, or would be, actually exercising leadership within the corporate structure. The very active role being played in decision-making by the School Board and by Mayor Street's Secretary of Education, Debra Kahn, introduced further uncertainty. Some informants perceived them, at times, to be engaged in micro-managing the District.

Additional uncertainty revolved around the attitude of school administrators and teachers in the District, as well as that of the Philadelphia Federation of Teachers. Many administrators and teachers felt "burnout" and low morale as a result of the six years of pressure (and, some perceived, disrespect) from Hornbeck in his aggressive push for reform and accountability for results. With retirements, difficult working conditions, and

lower wages than in the suburbs, attracting and retaining sufficient qualified educators in the School District of Philadelphia continued as a huge challenge.

One change was quite evident: Mayor Street had taken a vigorous and prominent role in supporting public education and, indeed, made it virtually his top priority. He had been much more active in this regard than his predecessor, Mayor Rendell. Street visited all 22 clusters of schools in his early days in office. More important were his actions and the influence he had wielded, for example, in working closely and compatibly with Governor Ridge, and in helping to abort a brief teachers strike. Although he is a Democrat, Mayor Street had been quite visible and successful in collaborating with Republican Governor Ridge and, even, with President George W. Bush, who called attention to Mayor Street in his 2001 State of the Union address, in regard to faith-based “charitable choice” initiatives thriving in Philadelphia. It was widely hoped that Street’s “charm offensive” with Governor Ridge (in contrast to Hornbeck’s acrimonious relationship) would lead to substantially more state financial aid, to stave off the District’s budgetary crisis and avoid the threatened state takeover of the district.⁴²

In another important development, Mayor Street’s strong support of charter schools in Philadelphia District’s signaled an important shift in the attitude of the city’s leadership toward school choice and charter schools. It was further evidence of Street’s desire to reach out to Republicans, including especially Governor Ridge, whose main ideas about school reform revolved around vouchers and charter schools. Mayor Street’s support of charter schools also very much reflected his belief that the improvement of public education options for families in Philadelphia was a key to attracting and retaining middle and working class families in the city.

By contrast, the District and School Board had been very critical of the rapid growth of charter schools in Philadelphia, and the Board had been considering not renewing some of the charters they had granted. Without desiring it, the District had about half (34) of all the charter schools that now exist in the entire state. As Debra Kahn noted, in testimony before the Senate Education Committee in February 2001, “Charter schools [now] comprise 6.5% of [Philadelphia’s] public school enrollment. Taken alone, those 14,000 students would constitute the sixth largest school district in the Commonwealth.” She added, further, that “Charter school costs are projected to total \$79.2 million for the Philadelphia School District in the current school year, or about 5% of total operating expenses.”⁴³ A report by the Pennsylvania Economy League, commissioned by the Greater Philadelphia Urban Affairs Coalition and released June 2, 2001, called for greater state funding of the charter schools, which the District blamed for more than half of the \$216 million deficit in the budget it adopted for 2001-2002.⁴⁴

Many public educators view charter schools with great suspicion. They see them as a threat, draining funds and students away from the District. But the Board and public education establishment have been unable to stop the growth of charter schools in the district because they are very popular with parents and, as a result, with the state and local legislators representing these parents. The Board knows that even if they reject charter school proposals, they are quite likely to be approved by the state’s Charter Schools Appeals Board. That, plus strong support from influential state legislators, a number of whom are seen as “sponsors” having their own charter schools, causes the Board to be reluctant to reject charter school proposals, unless they are obviously inadequate.

In August 2001, the pace of developments toward a state takeover of Philadelphia's school system accelerated greatly. Controversy began to mount as it became clear that Governor Ridge was envisioning a takeover that could include significant steps toward privatization through the involvement of Edison Schools, the nation's premier for-profit educational management organization (Johnston, 2001, August 8). As the state authorities became more aggressive, and the threat of substantial privatization loomed ever larger, Mayor Street abandoned his "charm offensive" and hopes evaporated for a cooperative partnership between city and state authorities (Johnston, 2001, October 31). During the fall of 2001, events and acrimony escalated rapidly, as actors in Philadelphia increasingly perceived the state engaged in a "power grab" and a "hostile takeover" that should be resisted by all possible means, including street demonstrations and lawsuits (Gewertz, 2001, November 7; Gewertz 2001, December 5).

The rapid flow of events and thrusts and counter-thrusts throughout the fall between the contending parties became the subject of almost daily newspaper articles in the Philadelphia Inquirer and the Philadelphia Daily News. A synopsis of the main events will suffice here.⁴⁵ To begin with, the Memorandum of Understanding that Mayor Street and Governor Ridge signed on July 30 established provisions to try to solve the district's fiscal and educational crisis by the end of October.⁴⁶ The state agreed to advance funds to enable the district to pay its bills and meet its payroll until the end of October. The district agreed to cooperate fully with an outside study the Governor would commission to present a plan by the end of September to solve the crisis. Further, it was agreed that during October the City and the State would try to agree upon a mutually acceptable

version of this plan, but that if no agreement could be reached the state would takeover the operation of the district at the end of October.

The week after the memorandum was signed, Governor Ridge announced that Edison Schools was being commissioned to do a \$2.7 million study over two months, in order to present a plan for resolving the district's fiscal and educational woes. Speculation was rampant that Edison Schools, already controversial in other cities, would propose (and the Governor would support) a large role for itself in Philadelphia (Johnston, 2001, August 8). Opponents of Edison Schools, and of for-profit management in education, began to organize and campaign against both.

In September, Governor Ridge's appointment, by President Bush, to oversee Homeland Security caused a month's extension of the timetable set in the Memorandum of Understanding. Ridge's successor, Lt. Governor Mark Schweiker, pledged to carry forward Ridge's plans concerning Philadelphia.

A major flash point came on October 23rd, when the state legislature rushed through a bill in one day to strengthen Act 46 of 1998, the bill that had been passed to facilitate a state takeover of Philadelphia's schools. The new provisions strengthened the Governor's hand, by enabling him to appoint four out of five members of a new board that would rule the schools under a takeover. The mayor's one appointee would serve for three years, but most of the Governor's appointees would serve much longer (two for seven years, one for five years, and one for three years), and well beyond his own term of office. Mayor Street called this abrupt move "disrespectful" and Philadelphia school advocates denounced it as a "naked power grab" (Mezzacappa, Snyder, & Wiggins,

2001; Johnston, 2001, October 31). City leaders, who were Democrats, were still smarting from a recent seizure by Republicans of control over the Philadelphia Parking Authority and its rich patronage resources. They saw the legislature's actions as a further Republican power grab.

The next flash point came with the release of Edison's report, which sparked immediate controversy and opposition to it. The most explosive features of the plan were provisions for the central management of the school system by a private operator (most likely Edison Schools), and a division of the system's schools into three groups, based on performance: the 60 worst-performing schools, which would be run by Edison or other private firms in partnership with community groups; the 34 best-performing schools, which would be supervised by the district's private operator, but essentially left alone; and the 170 remaining schools, which would receive special assistance, such as curriculum improvements and teacher training (Gewertz, 2001, November 7).⁴⁷ Mayor Street responded to the report by stating that he would not begin negotiations with Governor Schweiker until the proposal for central management by a private firm was dropped. Moreover, as the Philadelphia Inquirer reported, "In a symbolic move Mayor Street yesterday opened an office for himself in the Philadelphia schools administration building and vowed to fight total privatization of the district in the legislature, in the courts, and in the streets" (Snyder, 2001, November 10).

Similarly, Philadelphia's board of education denounced the plan, noting that Edison's proposal combined "inexperience [in managing a large urban district] with conflict of interest" since, as the central managers, Edison would be able to enter into contracts with itself.⁴⁸ Edison's report also came in for scathing criticism from the

Council of Great City Schools (2001) for both its cost (\$2.7 million) and quality. Michael Casserly, the executive director of the Council, said that “One could have conducted a review of the school system that would have been more objective and detailed for a lot less money” (Dean, 2001, December 12).

In the face of widespread opposition and street protests by community groups and students adamantly against for-profit management of the school system, Governor Schweiker ultimately bowed to political pressure and agreed, on November 20th, to remove this idea from negotiations over the proposed plan (Gewertz, 2001, November 28). Under his revised plan, Edison would still play an important role as a consultant and service provider.

Facing the deadline at the end of November, with street demonstrations continuing, the state agreed to give a three-week extension of the deadline, to provide more time to achieve the necessary agreements (especially over financial matters) between the state and the city to avoid a “hostile takeover” (Gewertz, 2001, December 5). But, political “hardball” continued. The Governor’s Office next said that it “would not give the district a \$70 million advance so that it could meet its December 21 payroll” (Mezzacappa, 2001, December 7). Governor Schweiker wanted to split the amount and have the city pay \$35 million that it had promised but never given to the district.

The gulf was actually increasing between the state and the city about the financial contributions each should make for the resolution of the district’s budget crisis. The state had proposed that the city and state each contribute \$75 million in new money for the first year. The city’s latest offer was \$15 million against \$110 million from the state.

After five years, this proposal would have the city contributing \$100 million and the state \$900 million. Referring to this 9 to 1 ratio, the Governor's spokesman said, "The mayor [earlier] called our proposal 'Fantasyland.' This is not even in Fantasyland's ZIP code" (Dean & Davies, 2001, December 14).

To make matters worse, on successive days it was learned, first, that during the negotiations the state had already proposed a \$101 million, six-year compensation package to Edison, with substantial cuts to be imposed on the school system and, second, a secret 67-page report to the Mayor with legal advice on how to fight or undermine the takeover was leaked to the press (Dilanian, 2001, December 14). These two developments infuriated leaders for both the city and the state (Dean & Davies, 2001, December 14). Philip Goldsmith, the district's interim CEO, resigned in protest.⁴⁹ A 'friendly' takeover seemed further away than ever.

Nevertheless, on December 21 Governor Schweiker and Mayor Street announced an agreement that would permit a takeover of the school district, to commence the next day (Snyder & Schogol, 2001). To enable a "friendly" takeover, a number of important concessions were made, mainly by the state. Mayor Street agreed that the City would give \$45 million more per year toward the operation of the schools, while the state would contribute \$75 million more. This still left a gap of \$80 million to be covered through unspecified economy measures (Steinberg, 2001). Governor Schweiker agreed to give Mayor Street two appointees, rather than just one, to the five-member School Reform Commission that would run the district. Further, Schweiker agreed that at least a 4 to 1 vote by the Commission would be required for four kinds of decisions: the selection of the system's CEO and its legal counsel, and decisions to incur debt or change by-laws.

Finally, Schweiker also agreed that any decisions to hire for-profit educational management firms would have to be made by the whole Commission, after it was appointed.

The unwritten agreement announced by Schweiker and Street left unclear the role that Edison Schools might play, in assisting with the management of the district or in operating an unspecified number of schools (Mezzacappa, 2001, December 24). On one hand, the Governor and the interim chairman of the School Reform Commission he appointed, James Nevels, spoke very favorably about Edison Schools. On the other hand, opposition to privatization by a coalition of public employee unions and citizen groups continued.

In an insightful commentary on the takeover, Mezzacappa (2001, December 23) asked why, of all the troubled urban school districts, Philadelphia had become the largest to be taken over. She observed that, "Outside Pennsylvania, Philadelphia is seen as an urban district that has made some progress and is nowhere near the bottom nationwide. In the state, however, it is seen as a total, abject failure, immune to improvement from within and in need of drastic, historic intervention." Mezzacappa then showed how a compelling case can be made that the state itself caused most of Philadelphia's increasing school budget deficit by suspending its school finance formula in the early 1990s, and then allowing the state's share of the funding to dwindle in subsequent years.

Despite the agreement for a state takeover, along with solving the budget deficit problem one of the greatest challenges facing Philadelphia for the rest of the decade will be obtaining the needed leadership and public support for its public schools. Will the

state be able to recruit a strong CEO to replace interim CEO Goldsmith? And, even if a strong CEO can be attracted, will the – school system’s new leadership be able to elicit sufficient civic and business community support? Whoever is leading the school system will be facing a business community in Philadelphia that has reduced its activity and engagement with public education, and that increasingly is characterized by absentee ownership. With globalization and multi-national corporations, not just cities but, indeed, nation-states find themselves unable to count on the support and loyalty of major corporations. In It Takes a City, Hill, Campbell and Harvey argue eloquently for strong and sustained civic coalitions as the critical component for successful urban school reform.⁵⁰ Unfortunately, cities increasingly find it harder to mobilize business leaders for this purpose. This will be a critical test for the future of Philadelphia’s schools, however they are managed.

Also critical and, indeed, the ultimate test, for whomever is managing the school system, will be to build upon and continue Hornbeck’s accomplishments in improving student achievement. This sine qua non of urban education reform will now likely have to be achieved under the conditions of a controversial state-takeover that is still likely to feature a significant role for privatization and for-profit management. Can the state and Philadelphia in partnership find ways to productively combine these competing and controversial strategies for reform, despite the continuing opposition to privatization in Philadelphia?

About a less controversial set of strategies, Kirst and Bulkley observed that, “A key issue is whether mayoral control can improve classroom instruction and the every day lives of teachers and children.” They noted that governance change usually has had

little effect on classrooms, but that Chicago and Boston demonstrate that it can make a difference with the right leadership and policies.⁵¹ Finding this combination of attributes, while operating under fiscal constraints in a state takeover likely to involve privatization, will be Philadelphia's ultimate challenge.

Endnotes

¹ School District of Philadelphia, 1995, p.i.

² Interview with parent activist May, 2000. The Philadelphia Public School Notebook (2001) reported that press coverage of Philadelphia public schools in *The Philadelphia Daily News* and *The Philadelphia Inquirer* increased from 577 stories in 1993 to 717 stories in 2000.

³ Johnston (2000).

⁴ Reid (2000).

⁵ Johnston (2001).

⁶ See Snyder (2001, May 1; Snyder, 2001, May 31; 2001, June 1).

⁷ Whiting (1999).

⁸ Perhaps the city and Rendell's greatest accomplishment, at least symbolically, was attracting the Republican National Convention -- an irony given that by the time of the convention, in August, 2000, Rendell, no longer mayor, was the Democratic National Committee Chair.

⁹ Lemann (2000).

¹⁰ *Philadelphia Daily News*, August 24, 2000.

¹¹ Philadelphia, unlike other cities discussed in this volume, had not completely uncoupled the relationship between the mayor and the school board during the progressive reforms of the mid-twentieth century.

¹² *Philadelphia Inquirer* (1994).

¹³ Interview, Business leader, October, 2000.

¹⁴ Finn and Kanstroroom (2000, p.20).

¹⁵ Christman, Corcoran, Foley, and Luhm (forthcoming).

¹⁶ Consortium for Policy Research in Education, Research for Action and OMG Center for Collaborative Learning (1996). Superintendent Hornbeck accepted this description as an accurate statement of his theory of action.

¹⁷ Foley (2000).

¹⁸ Philadelphia Public School Notebook (2001).

¹⁹ Foley, 2001.

²⁰ Although we have emphasized the high cost of Children Achieving, Michael Masch, a school board member and financial expert, argues that Hornbeck's plan was not so costly, that it made cuts and reallocated funds, but enrollments have grown, special education costs have soared, and charter schools have been a growing financial drain.

²¹ Christman, Corcoran, Foley, and Luhm.

²² School District of Philadelphia (1998, p. 28).

²³ School District of Philadelphia (1998, pp. 11, 29).

²⁴ Century (1998).

²⁵ As quoted in the Wall Street Journal (May 15, 1998). The strong support for this bill reflected the legislature's negative view of Philadelphia as an insatiable and 'bottomless pit,' as well as their antipathy toward the unions and Philadelphia's school superintendent.

²⁶ White (1998).

²⁷ Mezzacappa and Snyder (1993).

²⁸ Interview, October, 2000.

²⁹ Interview, District administrator, February, 2001.

³⁰ Interview with advisor to Superintendent Hornbeck, February, 2001.

³¹ Consortium for Policy Research in Education, Research for Action and OMG Center for Collaborative Learning (1996).

³² Lemann, 2000, p. 48.

³³ Interview with funder, October, 2000.

³⁴ Interview, August, 2000.

³⁵ Interview of GPF staff member, October, 2000.

³⁶ Interview, October, 2000.

³⁷ Interview, May, 2000.

³⁸ Useem (1999).

³⁹ Teacher turnover is high in Philadelphia. From 1995 to 1999 in the average school in Philadelphia, nearly 40 percent of teachers were new to the school in which they were teaching. In some elementary and middle schools, turnover rates were as high as 60 percent. The district's analyses show that their teacher transfer policies (as spelled out in the collective bargaining agreement with the teachers' union) result in the least experienced faculties serving in schools with lowest achievement, highest poverty and greatest proportions of African-American and Latino students.

⁴⁰ This study was part of the evaluation of the Children Achieving Challenge conducted by the Consortium for Policy Research in Education and Research for Action.

⁴¹ Philadelphia Inquirer (2001, May 6), Stricherz (2001).

⁴² Philadelphia Inquirer (2001, June 1).

⁴³ Kahn (2001). A "Financial Update" of the School District of Philadelphia (2001, March, p. 13) reported that \$25.6 million of the district's costs for charter schools was for children who were not previously enrolled in public schools.

⁴⁴ Snyder (2001, June 2).

⁴⁵ An internet archive of documents and newspaper articles on the takeover controversy is available at <http://www.researchforaction.org/edison.html>. See also the Education Week's archive on the internet: <http://www.edweek.org>.

⁴⁶ This Memorandum of Understanding is available on the internet at <http://saa.phila.k12.pa.us/communications/MOU.pdf>

⁴⁷ The entire Edison report is available on the internet at <http://www.pde.psu.edu/philadelphia/philasdrpt.html>

⁴⁸ The Board of Education's statement is available on the internet at <http://www.researchforaction.org/edisonschoolboardletter.html>.

⁴⁹ Goldsmith's one-year interim appointment was to end on January 1st anyway, so his resignation was largely symbolic.

⁵⁰ Hill, Campbell, & Harvey (2000).

⁵¹ Kirst and Bulkley (forthcoming).

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