



PUTTING CHILDREN FIRST:  
THE NUTTER PLAN FOR  
PUBLIC EDUCATION

## INTRODUCTION

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Children in Philadelphia’s public schools have suffered for too long because of decisions that adults have made over the past thirty years. It is time for adults to put our children first.

--Michael Nutter

I have a child in a public school, so I relate to the School District of Philadelphia as a parent as well as a candidate. Although Philadelphia has some excellent public schools, the overwhelming majority of them are inadequate. Every day, many families leave the city because of our inadequate schools.

Thirty years ago, the Commonwealth of Pennsylvania paid 55 percent of local education costs. Today the state’s share is 36 percent — thanks in part to a 1991 re-negotiation of the state’s funding formula. A decade later, this formula change in the state’s support for Philadelphia schools had helped to push the School District to the brink of bankruptcy. Schools were underperforming, teachers were leaving the system, facilities were inadequate and our students suffered. The response to that crisis in 2002 was a state takeover of School District in return for additional state money and an agreement to give the Governor three seats on a new five-member School Reform Commission (SRC). Unfortunately, the financial condition of the School District was so weakened by the earlier deal that negotiators in 2002 had few options and trading control for more funding was necessary.

However, despite the infusion of “new” state money, the School District continues to struggle financially. Last fall, the SRC and the School District’s Chief Executive Officer (CEO) were surprised to learn of a \$73 million deficit in the budget, which required layoffs and other cuts. The estimated deficit was nearly \$140 million by early 2007. In addition, recent reports of a declining bond rating have raised serious concerns about the viability of the current financial structure. The School District continues to struggle with a lack of resources, crowded classrooms and buildings that are a hundred years old and completely ill-equipped for the 21<sup>st</sup> Century.

In the past four years, a new CEO has been hired and test scores have begun to move upward. Thanks to the infusion of new funds and a bond financing, new construction and upgrading projects have begun on a number of schools. In addition, charter schools have provided parents with new choices.

However, despite this progress, it is increasing clear that the District has few options left: Philadelphia’s schools need a new state funding formula that is based on the true needs of preparing students for success. Any realistic solution to the School District’s fundamental

challenges must begin with a significant increase in state funding, matched by additional funding from the City of Philadelphia. Anyone who pretends otherwise is being irresponsible.

My plan for responsible reform of public education in Philadelphia starts with two fundamental commitments. As Mayor, I will:

- **Lead the fight for fair funding of public education in Philadelphia in order to ensure that Philadelphia has the resources it needs to educate all of our children for success in today's economy, including providing a safe classroom environment.**
  
- **Focus on proven reforms and see them through to full implementation with the resources we have now and will have in the future. This will improve the School District's ability to provide an excellent classroom experience to our children. Those reforms are:**
  - **Reduce class size**
  - **Increase early childhood education**
  - **Expand programs to retain good teachers and principals**
  - **Improve safety inside schools/create a safety zone for students and teachers**
  - **Improve high schools in ways that have been proven to increase success and decrease drop out rates**
  - **Make it easier for parents to get involved**

## FAIR EDUCATION FUNDING FOR PHILADELPHIA

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My vision for Philadelphia's children is that they do not get short-changed in their education because they live on the "wrong" side of City Avenue.

--Michael Nutter

Any responsible solution to the financing of public education in Philadelphia must move simultaneously on two fronts. First, the Commonwealth must fix the formula that has led to fiscal distress in Philadelphia and other school districts across Pennsylvania. Second, the City must reassert its responsibility to Philadelphia taxpayers to ensure that our money is being well-spent.

**As Mayor, I will work with Governor Rendell and the General Assembly to revise the state funding formula for public schools.**

The state funding formula was changed in 1991 to de-emphasize special needs of students and now bases the state's payments on the previous year's funding (plus some ad hoc calculations). However, the Philadelphia School District has grown by more than 10,000 students in that time, which has resulted in an annual shortfall for Philadelphia. Since this change in the formula in 1991, the gap in per pupil spending between Philadelphia and the surrounding school districts has increased from \$1,109 to \$2,125.

Over a 12-year school lifetime, the average suburban school district invests \$25,000 more in preparing each student for the future than Philadelphia does. No wonder so many of our children are not as prepared to enter college or the job market or are simply dropping out.

As Mayor, I will lead the effort to revise the state's funding formula in a way that will provide additional funding for Philadelphia's children. The state's funding system should be based upon the true costs of preparing a student for success in today's world – early childhood education, great teachers, small classes, tutoring support, a rigorous high school curriculum and safe schools. It should be set at a level that allows all school districts to reach success, with a fair share of local funding, by including these elements:

- expanding accountability grants for targeted priorities
- lifting the enrollment cap in the subsidy formula
- developing a fair special education funding mechanism
- enhancing funding for services to English language learners
- eliminating the charter school funding penalty

- creating new incentives for reducing truancy/dropouts and increasing graduation rates.

**In my first month as Mayor, I will call on the School District to cooperate with an independent audit of its finances by an outside firm.**

We need an audit to determine whether the School District's funds are being well spent. Because the Commonwealth of Pennsylvania controls the School District, the Pennsylvania Intergovernmental Cooperation Authority (PICA) is the right entity to lead a process to bring in an outside audit firm. We should have an open request-for-proposal process, with evaluations by a team of interested parties. In addition, we need a more inclusive school budget advisory team that would include parents' organizations, civic leaders and business leaders from our active chambers of commerce. These budget decisions have been made by a small handful of people for too long.

This would also help to address the lack of transparency in the School District's budget. It is virtually impossible for the public or parents to understand where their money is going or for what it is being spent. The School District must become more transparent.

**As Mayor, I will direct my appointees to the SRC to clarify budget priorities and eliminate administrative costs in order to put money back into the classroom.**

During my 15 years in City Council, I regularly reviewed the budget of the School District (as well as the City of Philadelphia), so I understand the School District's finances and operations. As Mayor, I will use that expertise to find ways to eliminate duplication and save administrative money. Some of the ideas that I will explore include:

- Combining services with the City of Philadelphia, including joint purchasing and waste disposal agreements, using City physical and mental health service providers in schools to increase students' access to care, and ensuring that City facilities, such as libraries and recreation services, are available to serve children during and after school, on school holidays and in the summer.
- Limiting the role of the School District's Central Administration to functions that create economies of scale, and directing as many Central Administration personnel as possible back into the schools to serve as teachers or principals.

**As Mayor, I will work with City Council to pass legislation that will increase the allocation of the property tax revenues going to schools.**

As a member of City Council, I supported then-Mayor Rendell's request for an additional tax on drinks, which provided additional funding for the School District. As Mayor, I will work

with Council to provide additional City funding for the School District, by changing the allocation of local property taxes that go to schools - from 58 percent to 60 percent. This would shift approximately \$18 million per year to schools. These new educational resources will be evidence of the City's increasing financial commitment to the educational success of its children, and this commitment should be matched by a new state commitment and private sector/foundation funding of at least the same amount. As a result, \$18 million in new city revenue will leverage a minimum of \$36 million in total new resources for education.

**As Mayor, I will call for a reduction in contracts with outside contractors unless there is a compelling educational purpose for renewing the contract.**

The recent report by the RAND Corporation<sup>1</sup> about the increasing tendency for the Philadelphia School District to contract out services recently requires a re-thinking of its contracting strategy. There are good reasons to privately contract services, but there are also dangers. We should be disciplined about contracting out only when it is based upon an agreed-upon set of management principles, such as:

1. When there is a short-term need, with a quick deadline that could not have been foreseen.
2. A particular expertise is required that the School District doesn't have and doesn't need to have.

Too many of the education contracts that have been let by the School District may violate these principles. Too many of them are not competitively bid. Moreover, we are contracting out skills and expertise that the School District needs to have in-house, such as teacher capacity building. Even if we bring in temporary advisors, we should be building the School District's capacity in this area.

As Mayor, I will call for a reduction in these outside contracts and a re-thinking of the School District's contracting strategy. I know that better management can drive efficiencies in the public sector, just as it does in the private sector. Since I used to work in the private sector, I know that contracting out should not be used as an excuse for poor management. To that end, the School District also needs to develop a better capacity to monitor contracts.

Finally, we need to remember that contracting out often has a cost on the people who do the work. If the savings result from management efficiencies, then contracting out can be good for the taxpayers, but if the savings result from paying low wages to workers or not providing health benefits, then we are not really helping the citizens of Philadelphia. It may make the School District's bottom line look good, but those workers who have less money to spend or who are now getting sicker because they have no access to medical treatment are worse off. And in the long run, the City is worse off as a result. As Mayor, I will make sure the School District does not create more public problems while managing public dollars.

**As Mayor, I will work with the Governor to identify and pursue other sources of funding from private and philanthropic sectors**

Although the School District has been doing a good job of bringing in new funds, the City has not played a large enough role in this effort. The Mayor has been largely missing from the School District leadership since the state's takeover. As a member of City Council for 15 years, I worked closely with the business community on many issues, including tax reform and expansion of the Pennsylvania Convention Center. As Mayor, I will use those relationships to bring in new corporate and philanthropic dollars to supplement governmental funding for programs serving children.

## FOCUS ON PROVEN REFORMS AND SEE THEM THROUGH

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Good education leadership requires all of us to be disciplined and focused on what works in our public schools. It's time to stop experimenting with our children.

--Michael Nutter

### **As Mayor, I will be an advocate for results-oriented education leadership**

The School District needs to focus on expanding and instituting instructional and professional development programs that work and eliminating those that are less effective. There is a danger in spreading resources too thin by pursuing too many agendas or programs with unproven effectiveness. I will encourage the School District to focus on the following proven strategies for success:

#### **1. Reduce Class Size**

The research clearly shows that children learn better in smaller, more manageable classes. Smaller class sizes, particularly in early grades, result in higher performance levels, graduation rates and test scores, and lower drop out rates. As Mayor, I will support the reduction of class sizes with a goal of ultimately lowering average class size to 20. When the physical layout of the school will not allow for additional classrooms, we will bring extra teachers into existing classrooms to reduce the student-to-teacher ratio.

#### **2. Expand Early Childhood Education**

Research shows that children who have attended high-quality child care, preschool and all-day kindergarten do better in many areas, including school attendance, social and emotional well being, continued participation in higher education and reduced rates of juvenile crime and violence. A 2003 study by a University of Pennsylvania researcher reported that the nearly 5,000 children and families served by the Philadelphia School District's Head Start program outperformed their counterparts who received only home-based or parent-only care at the beginning of kindergarten and performed just as well as children whose parents paid for early childcare.<sup>2</sup> Economic research shows that each dollar invested in high quality early learning avoids thousands of dollars in later expenditures on special education, welfare, and juvenile justice. As Mayor, I will work to expand early childhood education, leveraging federal Head Start and other funds where possible.

### **3. Improve programs to retain good teachers and good principals:**

- Research has shown that when new teachers have the support of a new-teacher coach, they are much more successful than those who do not."<sup>3</sup> As Mayor, I will restore successful teacher coaching models that were implemented by the School District.
- Many of our most effective principals and teachers have left their schools and are working in Central Administration. As Mayor, I will encourage the School District to develop a management incentive system that rewards good principals for staying in schools, rather than rewarding them for working in Central Administration. I will also provide management incentives to keep good teachers in the school classroom.
- Research shows a clear correlation between effective school leadership and high levels of student achievement, yet highly qualified school leaders are still in short supply, especially where they are most needed—in schools with high concentrations of poor and minority students.<sup>4</sup> I will expand proven programs like New Leaders for New Schools, an initiative of the Gates Foundation, which provides leadership training for principals.

### **4. Increase safety inside school buildings and create safety zones for students and teachers**

The recent media reports of assaults on teachers is yet another reminder of the horrible lack of safety in many of our schools. Children cannot learn unless they feel safe; teachers cannot be effective unless they feel safe. I am outraged by a system that provides inadequate protection for students, teachers and staff. We owe it to our families and teachers to do everything possible to create safe school environments.<sup>5</sup>

Moreover, the School District just released a report on school safety in Philadelphia's public schools, which cited numerous areas for improvement. Many of them require improved management systems and do not involve large expenditures of money.<sup>6</sup> As Mayor, I will provide leadership on this issue and insist on improved management practices and additional resources that are necessary to create safe school environments, including:

- Rewarding school leaders who engage all stakeholders in developing a supportive and caring school climate.
- Ensuring that every school has a well-staffed "accommodation room" that provides an immediate relief valve for teachers and students.
- Providing alternative programs for students with chronic behavior issues and re-entering students from incarceration or disciplinary schools.
- Instituting management policies that encourage continuity among teachers, principals and staff in schools. The School District's report emphasized that schools that had less turnover were more likely to have good safety records.

- Providing better staff training in classroom and safety management, and a belief among teachers and staff that the school leadership is responsive to their needs
- Encouraging more engaged parents and community partners, for example by using schools as community and adult learning centers, in order to get parents and community members to visit schools and get more involved.
- Providing adequate staff to monitor and support school safety

**5. Improve high schools, in ways that have been proven to lead to success and prevent dropping out.**

Each day, 46 children stop attending school in Philadelphia. Two excellent reports recently highlighted the alarming dropout situation in Philadelphia.<sup>7</sup> As Mayor, I will make sure that every student is prepared for good careers and college by making sure that they take the math, science, English, social studies courses that give them the skills that they need to succeed, and making early connections to colleges and universities. In particular, I will encourage the School District to expand proven programs that have successfully improved performance and retained students in our high schools, including:

- Continue the School District’s efforts to create smaller high schools, which provide a better learning environment
- Require a more rigorous high school curriculum
- Continue to encourage public school choices for high school students, including magnet schools, vocational and technical schools and academies that provide options and address different learning styles for high school students.
- Encourage more dual enrollment programs with Community College of Philadelphia (CCP), in order to allow students to obtain college credits while in high school. As a member of City Council, I obtained additional funding for CCP, and as Mayor, I will provide dedicated funding for these dual enrollment programs to leverage existing state funds for this purpose.
- Increase the use and availability of technology in schools:<sup>8</sup> As a member of City Council, I worked with Microsoft to bring their cutting-edge technology school to my City Council district. As Mayor, I will encourage other businesses to help the School District to incorporate technology into all aspects of the student’s experience, including:
  - Creating fully-networked schools
  - Giving parents online access (using a password given to their child at the beginning of the school year) to their child’s teacher’s grade book and lesson plans, so that they can monitor their child’s progress throughout the year.
  - Allowing parents who don’t have a computer at home or can’t use one at their workplace to use one of several at the school to check their child’s teacher’s grade book and lesson plans.
  - Using computer-assisted instruction in the classroom.

**6. Increase parental involvement by making it easier for parents to get involved in school and educational activities.**

As a parent of a public school student, I know first-hand that involved parents are a large part of student success. I also understand the challenges faced by busy working parents who are short on time and resources. As Mayor, I will encourage the School District and other education partners to implement policies and practices that make it easier for parents to get involved in school activities, including:

- Making the budget process more transparent so that parents can understand how funds are being spent, as discussed above.
- Involving parents in school decisions, as required by the federal No Child Left Behind law.<sup>9</sup>
- Encouraging businesses to offer two hours off each semester so that parents can attend parent-teacher meetings at their child's school.
- Establish a Parents Advisory Council and a Youth Advisory Council, to encourage parental and student involvement. These groups would be comprised of, respectively, 25 parents and 25 high school and college-aged citizens selected by their peers from neighborhoods across the city who will meet on a regular basis with the Mayor and President of City Council to discuss public issues and make policy recommendations. As a member of City Council, I led the effort to put a student on the School Board, so these advisory councils would continue my work to engage parents and students in School District decisions.
- Using school facilities for community and adult activities, such as evening and weekend recreation activities and adult education. This will encourage parents and other adults to use their neighborhood schools.

Public education is a cornerstone of community building and a city is judged on the quality of its schools. Families exercise that judgment every day when they base their decisions about where to live on schools. Businesses exercise that judgment every day when they base their investment decisions on the quality of local workers. And voters exercise that judgment when they choose a Mayor capable of improving the educational opportunities facing Philadelphia's children. As Mayor, I will address these challenges with focus and discipline.

## ENDNOTES

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<sup>1</sup> RAND Corporation and Research for Action, *State Takeover, School Restructuring, Private Management and Student Achievement in Philadelphia*, 2007.

<sup>2</sup> <http://www.nhsa.org/download/research/Fantuzzo.pdf>

<sup>3</sup> <http://www.philly.com/mld/dailynews/news/local/16570128.htm>

<sup>4</sup> Education Policy and Leadership Center, *Strengthening School Leadership: Preparing and Supporting Superintendents and Principals*, October 2006 ];

<sup>5</sup> Research shows that improving the safety of our schools helps students to learn and keeps them in school. Philadelphia Youth Network, *Turning It Around: A Collective Effort to Understand and Resolve Philadelphia's Dropout Crisis* (2007) p.9.

<sup>6</sup> Ellen Green Ceisler report – March 2, 2007 - philly.com.

<sup>7</sup> *The Dropout Crisis: An Invisible Epidemic* by Philadelphia Citizens for Children and Youth (2006), and *Turning it Around* by the Philadelphia Youth Network (2007).

<sup>8</sup> In 2006 the Hill-Freedman Middle School, located at 6200 Crittenden Street in Northwest Philadelphia, was selected as a No Child Left Behind National Blue Ribbon School. When asked what factors contributed to her school's being selected as Philadelphia's first National Blue Ribbon public school, Principal Diane Hathaway's first response was "technology." Interview with Ellen Rose, January 18, 2007.

<sup>9</sup> On April 20, 2006, the Education Law Center (ELC) filed a complaint with the Pennsylvania Department of Education's Division of Federal Programs, charging that the Philadelphia School District had failed to involve parents in its plans to improve failing schools, as mandated under NCLB. Representatives of several Philadelphia groups endorsed ELC's complaint. "We do think the school district makes an effort to include parents, but we'd like to see more of the parents' opinions actually included in the decision-making process," said Ali Kronley, head organizer for the Philadelphia office of the Association of Community Organizations for Reform Now (ACORN). Pat Raymond, president of the home and School Council, the district's parents' group, said that parents had largely been excluded. "I honestly don't know what they're doing with parents in regards to the schools in Corrective Action II. They have not included us," she said. See <http://www.elc-pa.org/pubs/downloads/litigation/lit-Parent%20engagement%20in%20Phila%20Inquirer%20article%204-21-06.pdf> For a copy of the ELC complaint, see <http://www.elc-pa.org/pubs/downloads/litigation/lit-Parent%20participation.pdf>