PHILADELPHIA NEEDS CITY/SCHOOL CONSOLIDATION

Dealing with the Problems of the School District of Philadelphia

Pennsylvania Economy League (Eastern Division)
Philadelphia, Pa. 19107
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The public schools of Philadelphia are in serious trouble. They have chronic problems that have gone unsolved for many years, severely handicapping public education in Philadelphia.

The Pennsylvania Economy League (Eastern Division) believes that a change in the governance of the Philadelphia public schools is imperative if they are to successfully prepare children for the future.

**BACKGROUND**

The Commonwealth of Pennsylvania established the first public schools in Pennsylvania for the County of Philadelphia in 1818. In 1911, state law made the school district an independent unit of government. In 1965, an Educational Home Rule Charter Supplement created a Philadelphia home rule school district under local governance and enabled city council to authorize local tax revenues for public schools. The 1965 supplement established a nine-member Board of Education appointed by the mayor from candidates recommended by a panel. Board members serve for six years. The mayor appoints three new members every two years, so the terms overlap. Thus, a new mayor “inherits” a school board and its problems.

The board sets general school district policy, selects the superintendent and negotiates his contract, and appoints school personnel on the recommendation of the superintendent.

**FINANCING THE SCHOOLS**

As an appointed body, the Philadelphia Board of Education does not have authority to levy taxes without authorization from city council or the state legislature. If the board cannot meet its budget requirements, it must ask the city or the state or both for additional funds to balance the budget.
For the 1980-81 school year, there are about 280 school  
225,000 students and 30,000 employees, making Philadelphia  
the fourth largest public school district in the country.  
In fiscal year 1980, the state provided about 63 percent of support  
for Philadelphia schools, local sources about 36 percent, and federal government less than one percent.  
As the following figures show, between 1971 and 1981, school  
expenditures more than doubled, from $303 million to an estimated $776 million, while the student population decreased by 20 percent, about 55,300 pupils. During the period, expenditures per pupil almost tripled.

<table>
<thead>
<tr>
<th>Year ending</th>
<th>Expenditures</th>
<th>Enrollments</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1971</td>
<td>$303 million</td>
<td>263,000</td>
</tr>
<tr>
<td>1976</td>
<td>520 million</td>
<td>267,000</td>
</tr>
<tr>
<td>1981</td>
<td>776 thousand</td>
<td>225,000</td>
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The school district has had a financial crisis in almost every one of the past 15 years. Often, last-minute state aid or city grants have helped close budget gaps. The Philadelphia district has had to borrow money twice for operating expenses—a $28 million five-year loan in 1970 and a $50 million five-year loan in 1978.
In 1971, teachers were paid in "scrip" at the end of the school year because district funds were depleted. Davis honored the scrip, the next fiscal year the district had the money to redeem it.

From time to time the school system has announced "shortfalls" some months after adopting a "balanced" budget.

**A Current Crisis**

In May 1980, a budget of $749 million—balanced on paper only—was adopted. The settlement of the teachers' strike in September called for the district to provide another $20 million, which it didn't have. In November, the district announced that anticipated state funds of some $50 million had not come in.

In January 1981, the district submitted a revised budget, balanced—again, on paper—by revenues it expected to receive. The budget was challenged as not legally balanced by the city controller.

In February, school maintenance employees went on strike, and the mayor asked members of the school board to resign.

**Time for a Change**

While some believe that the problems of Philadelphia's schools can be solved under the current arrangement, many others are calling for a change.

One proposal is to elect the board rather than appoint it, giving it the same status as the other boards of education in the state, including the right to levy taxes.

The Pennsylvania Economy League (Eastern Division), however, recommends that the Educational Supplement to the Home Rule Charter be amended to provide that the school district become an integral part of the city government and subject to the Home Rule Charter.

We believe that all local public services in Philadelphia should be the responsibility of one governing body and that public education must thereby become accountable for its budget and performance in the same way that the city Police Department, Recreation Department, free Library and other city agencies are accountable.

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Under consolidation, the school district would be assured the full funding of its approved budget, avoiding the financial crises that have plagued it through the years.

Under consolidation, duplicate functions could be eliminated in order to save money. Both the city and school district have offices for purchasing, accounting, financial management, property management, tax collection, auditing, personnel administration and office functions. One office for each function would improve efficiency and save tax money.

A NEW LOOK

Here are some examples of how school functions could be combined with city government:

- The Board of Education could be attached to a new city Department of Education. Its mission would be to obtain the best possible educational product for the community and the students.
- Curriculum and other educational policy decisions would be the responsibility of the board and superintendent, both appointed by the mayor. The school superintendent should be a member of the mayor's cabinet, along with the managing director, director of finance, city representative, and city solicitor, to help set policy for Philadelphia.
- School administrative offices could be combined with city offices to offer a greater return on dollars invested. Informational services could merge with the city representative's office; legal counsel and legislative services, with the city solicitor; and legal functions, with the city director of finance. School personnel management could be handled by the Civil Service Commission of the city's Personnel Department. School facilities planning could become a responsibility of the City Planning Commission.

THE TIME IS NOW

This plan is not novel. In Baltimore, for example, education is the responsibility of a city department. Considering the urgent financial problems of Philadelphia schools, we believe that city-school consolidation should be accomplished as soon as possible.

If action is not taken, Philadelphia schools—and the children they educate—face a crisis that may well be beyond solution.
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