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# CRC Memorandum

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## PROPOSAL E: FORM OF GOVERNANCE FOR THE DETROIT PUBLIC SCHOOLS

On November 2, 2004, Detroit voters will choose a new method of school board governance. A 'yes' vote on Proposal E will result in a 9-member elected Detroit Board of Education with a chief executive officer appointed by the mayor and confirmed by the board. A 'no' vote will return school governance to an 11-member elected school board with no role for the mayor.

### The School Reform Board

In Michigan, education is a state responsibility. The State discharges this responsibility through local school districts; however, the State is ultimately accountable for providing citizens with a K-12 education. In 1999, in response to perceived failure of accountability, the State stepped in and revised the 1976 State School Code to suspend the powers of the elected school board in first class school districts and appoint a school reform board to take over the duties of the elected board for a minimum 5-year period. First class school districts are defined as those having at least 100,000 enrolled students, i.e. Detroit Public Schools. Since inception of the school reform board, the elected members of the former school board only had the authority to meet as an advisory board to provide input to the school reform board until each individual

member's term expired.

The school reform board consists of 7 members: the state superintendent of public instruction and 6 appointees of the mayor. The reform board appoints the chief executive officer of the district to work under the supervision and with the assistance of the board. A 5-member school district accountability board was also created to review the progress being made by the CEO and the school reform board and to make recommendations to the governor for additional resources. The school district accountability board is made up of the state superintendent of public instruction, the state treasurer, the state budget director and 2 members of the general public appointed by the governor.

### Ballot Initiative

When the School Code was revised in 1999, it was provided that the revisions would expire 5 years after the initial appointment of the school reform board and the question of what to do next would be put to a vote of all qualified electors in Detroit. Originally, the plan was to let Detroit voters choose between retaining the school reform board and returning to a traditional elected school board. However, Public Act 303 of 2004 amended the revisions to the School Code to give Detroit voters a choice between a 9-member school board, with the members elected by districts and the CEO appointed by the mayor, or an 11-member school board, with 7 members elected by districts and 4 elected at large. If a 9-member elected board with a CEO is chosen, the CEO would manage the

school district and have the authority over all contracts over \$250,000, including teachers' contracts. The members of an 11-member elected school board would have all the conventional powers of a school board and would appoint a superintendent to run the school district.

Members of the school board, regardless of which system of governance prevails, will be elected in the 2005 November general election. The chosen system of school district governance will take effect on January 1, 2006. All powers of the school reform board and CEO appointed under the 1999 revisions will cease on this date. This does not prevent the current CEO from continuing to serve in that capacity under the new school board.

### History of the Detroit Board of Education

Unlike other school districts in the state, the history of the Detroit City School District illustrates a system of governance where the school system has been intertwined with and dependent upon city government for much of its existence. Detroit's first "public" school, where tuition for the poor was paid by the territory, opened in 1817 and public education expanded greatly from that point on. The board of education

responsible for the first public schools in Detroit was composed of the mayor, the city recorder, and 2 inspectors elected from each of the 6 wards. The first school superintendent was appointed in 1856.

**First Comprehensive School Code.** Public Act 319 of 1927 established first class school districts, and specified that the

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board of a first class school district was to comprise 7 members elected at large to 6-year terms. The Act defined and created a close relationship between the board of education and the municipal government. The Detroit Board of Education was required to obtain city approval of budget requests, payrolls, contracts, vouchers and borrowing. The City was required to sell board of education bonds and pledge full faith and credit of the City. Although members of the board were directly elected and had authority over school policy, the power of the mayor and city council over the activities of the school district effectively made the public school system a department of the City.

**Fiscal Independence.** The achievement of fiscal independence from the mayor and city council was considered a triumph by the Detroit Board of Education. Public Act 2 of 1949 removed the board of education from the requirement for city approval of budgets and borrowing. For the first time ever, the elected school board was given the authority to adopt a budget, determine what part of the capital plan was to be funded by bond proceeds, incur debt, and determine the tax levy required. The City would levy, collect and distribute the property tax, as is the case for all school districts. The board was still required to obtain the consent of city council to borrow for one year or

less sums necessary to pay condemnation awards. The board was further required to obtain annual financial audits of the school district books.

**The Current School Code.** The School Code of 1976 was revised in 1982 to require an 11-member Detroit School Board, with 7 members elected from districts and 4 elected at large. This School Code retained the board's right to adopt a budget and determine the tax levy to be collected by the City; the requirement of an annual financial audit; and the requirement of city council approval to borrow any amounts necessary to pay awards in condemnation proceedings.

### Other Michigan School Districts

A key to understanding the critical issue of school governance in Detroit lies in understanding the governance of the Detroit Board of Education in respect to other school boards throughout the state. As Michigan's only first class district, the Detroit City School District is treated differently than general powers school districts.

General powers school districts are governed in a form parallel to the council-manager form of government that is

found in many cities and villages. The council-manager form gives the council both policymaking and administrative authority, and the power to hire a manager to handle budget control and administration responsibilities. The school board, like the council, represents the desires of the residents and provides policy direction for the district. Boards throughout the state consist of between 3 and 9 members, elected at large. Superintendents, like city managers, are

appointed by their boards to bring professional management to running school districts. The superintendent of each general powers school district is responsible for executing the board's policies and all phases of the operation of the schools. Currently the Detroit City School District is the only one in the state with an appointed board; if Proposal E passes, it will continue to stand out as the only district with a CEO appointed by the mayor.

### Governance of Other Public School Systems

To compare the Detroit City School District with its peers, CRC has investigated the governance structures of the school districts in America's largest cities. Of 20 large school districts studied, 13 are governed by some form of an elected school board.<sup>1</sup> While there are some individual differences in how the school boards are set up and how they govern, they all operate in a man-

ner similar to an elected board in a general powers school district in Michigan. The other 7 school districts are located in major cities across the nation: Chicago, Boston, New York, Philadelphia, Cleveland, Baltimore and the District of Columbia. They all operate under some variety of a reform school board. This demonstrates that Detroit is not unique in its problems or in the method

chosen to address those problems.

**Chicago Public Schools.** In Chicago, reform began in 1988 when the state passed the Chicago School Reform Act, which fundamentally restructured Chicago Public Schools. The focus of the reform was on decentralization and shifting key decisions to the school level. While the reform led to some successes

<sup>1</sup> Atlanta Public Schools, Dallas Independent School District, Denver Public Schools, Houston Independent School District, Los Angeles Unified School District, Memphis City Schools, Milwaukee Public Schools, Metropolitan Nashville Public Schools, New Orleans Public Schools, San Antonio Independent School District, San Diego Public Schools, Seattle Public Schools, and St. Louis Public Schools.

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at the school level, further reform was undertaken when a 5-member reform board of trustees, appointed by the mayor, was created in 1995. The Reform Act was amended once again in 1999 to restore the original title of the Chicago Board of Education and to expand the board to 7 members, still appointed by the mayor. The mayor also appoints the CEO of the district. The Chicago Public School System, like Detroit Public Schools, is the only district in its state with an appointed board.

**Boston Public Schools.** A voter referendum to replace Boston Public School's 13-member elected school committee with a 7-member committee appointed by the mayor was approved in 1989 and re-approved in 1996. Boston's experience is unusual because the school committee is dependent on the City for taxing authority; this caused a major budget battle every year between the mayor and city council and the elected committee. Failure to agree on a budget often paralyzed progress and made it difficult for the district superintendent to move forward with educational policies. The voters of Boston determined that there needed to be a closer relationship between city government and the school department in order to facilitate fiscal and educational progress. The mayor may choose committee members only from a list of candidates recommended by a 13-member citizens nominating panel. School committee members set the policy to govern the school district and appoint a superintendent.

**New York City Department of Education.** Recent changes in the New York City Department of Education led to department consolidation under a district chancellor who is appointed by the mayor and acts as CEO of the school district. The mayor also appoints 8 of the 13 members of the Panel for Educational Policy, including the chancellor who serves as chairperson. The other 5 members are appointed by each New York City borough president.

**School District of Philadelphia.** The School District of Philadelphia is governed by a school reform commission that consists of 5 members: 3 appointed by the governor of Pennsylvania and 2 appointed by the mayor of Philadelphia. The reform commission was instituted in December 2001 to address the fiscal and educational challenges facing the school district; it replaced a mayorally appointed school board. Like the Boston School Committee, the School Reform Commission has no direct taxing authority and must submit "lump sum" budget requests to city council for approval. The commission appoints the school district's CEO and other top administrative positions.

**Cleveland Municipal School District.** In the mid-1990s, the State of Ohio took over the Cleveland Municipal School District in order to address its fiscal crisis. In September 1998, the U.S. District Court returned the school district to local control after 3 years of state control, citing the progress made during those 3 years. However, reform

is still underway in the district in order to accelerate and maintain progress. The board of education is made up of 9 voting members that are appointed by the mayor of Cleveland. The mayor is required to choose members from a slate of nominees selected by a local nominating panel. This appointed board functions as the governing body of the district and hires the district CEO, with the concurrence of the mayor.

**Baltimore Public Schools.** Reform began for the Baltimore Public School System in April 1997 when the state legislature passed a bill dictating broad reforms for the district and instituting a new 9-member board of school commissioners, effectively removing the school system from the control of the mayor's office. Board commissioners are appointed jointly by the mayor and the governor from a list of nominees submitted by the State Board of Education. The CEO of the district is appointed by the board and is a member of the mayor's cabinet. In exchange for a certain level of state control, the school district is provided with additional state funds.

**District of Columbia Public Schools.** The board of education for the District of Columbia Public Schools has a hybrid system of elected and appointed board members. Five members of the board are elected; four from districts and the fifth member is elected at large as board president. The other 4 members are appointed at large by the mayor. The board has the authority to appoint a superintendent.

### Current Issues

Governance of the school system is a divisive issue within the City of Detroit. Few issues are as emotionally charged as the education of our youth and election of policymakers charged with setting policies that affect the quality of that education. Without systematic

evidence of the effect on student performance of the method of choosing the superintendent, voters will be faced with a choice turning on accountability and local control.

**Accountability.** Each alternative has

strengths and weaknesses for providing accountability. A conventional school board/superintendent arrangement is aimed at providing accountability through the school board, which is elected by the residents. That body sets the budget, determines district policies,

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and hires the superintendent to carry out those policies. The downside of such an arrangement is that the board is composed of several members, and it is difficult to pinpoint responsibility through the electoral process.

The appointment of a CEO by the mayor provides a single person to hold responsible. Mayoral appointment frees the CEO from the school board micromanagement witnessed prior to imposition of the reform board and creates a clear line of accountability. The mayor may be held to account for appointment of the school CEO just as the mayor is accountable for the police chief, budget director, and other directors of city departments. The downside of this arrangement is that accountability for execution of school policies may be diffused between the elected school board and the mayor. The school board can blame the mayorally-appointed CEO for failing to execute policies they have set, or the mayor can blame the school board for setting faulty policies, not budgeting to meet the priorities important to the mayor, or purposefully obstructing the CEO from

carrying out his/her role.

**Local Control.** Opponents of Proposal E believe that legislators have once again tampered with the democratic process and voting rights. They feel that the reform board was an unwanted state takeover of their school district, and that changing the scheduled November vote is just another example of the state breaking faith with Detroit voters.

Regardless of the outcome of the vote, the reform board's existence will come to an end. Each alternative returns full control of the Detroit Public Schools to the people of Detroit. The electors of the city are responsible for electing the members of the school board. Since the school district is coterminous with the City, those same voters are responsible for electing the mayor and city council. The success or failure of the district under the new governance system, whichever is chosen, will depend on the actions of officials elected by residents of the city.

**School Improvement.** Proponents of the option incorporating a mayorally-

appointed CEO suggest that such a system allows Detroit voters to elect a school board while maintaining one of the positive aspects of reform. In this way, the November vote may be viewed as a referendum on the success of the policies of the reform board.

The form of governance over any school district cannot be directly correlated to student educational performance. Student performance may relate to several factors outside the control of the school governance system, such as parental involvement and socio-economic status. That said, Detroit, like the other major school districts with school reform boards (see above), has experienced mixed results on measures of student achievement, but the trends tend to be positive. The district's MEAP scores have risen dramatically in some subjects, but fallen in others. The district has also seen a rising graduation rate and declining drop-out rate over the years of the reform board. However, these rates and scores are still well below the state averages, which signals that Detroit still has much room for improvement.<sup>2</sup>

<sup>2</sup> Michigan Department of Education, MEAP downloadable data files, [http://www.mi.gov/mde/0,1607,7-140-22709\\_31168\\_31530--00.html](http://www.mi.gov/mde/0,1607,7-140-22709_31168_31530--00.html), and MEAP Summary Reports, [http://www.mi.gov/mde/0,1607,7-140-22709\\_31168\\_31175--00.html](http://www.mi.gov/mde/0,1607,7-140-22709_31168_31175--00.html); Standard and Poor's School Evaluation Services, <http://www.ses.standardandpoors.com>.