

**A DRAFT REPORT**

# **School Takeover: Evidence of Impact and Conditions for Success**

prepared by

**Kenneth K. Wong, Brown University**

and

**Francis X. Shen**

for



**THE LABORATORY FOR STUDENT SUCCESS**  
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# **School Takeover: Evidence of Impact and Conditions for Success**

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An emerging trend in the governance of urban school systems is the replacement of a traditional, elected school board with mayoral- or state-appointed boards. Takeover integrates educational performance with political accountability, and this distinguishes in many ways from the governance structure of public schools as currently practiced. (See Table 1). The fundamental goal of this research project on school district ‘takeover’ is to determine how school district takeover can improve the quality of struggling urban school systems. To meet this goal, we have focused our research in two broad areas. First, we examine how and why are these appointed school boards put in place. Takeovers have come about through a mix of state legislation, citywide referenda, and changes in city charters. Our research strategy has included analysis of the political factors that usher in takeover reform, and the institutional dynamics that are then put in place. Second, we consider the wide range of effects resulting from appointed school boards. Takeover can have an effect on productivity (e.g. student achievement, public confidence), governance (e.g. school board leadership), human capital (e.g. characteristics of teachers & leadership), and management (e.g. financial & organization operations).

## **R&D Project Design:**

To answer our first question on the determinants of school takeover, we have conducted institutional analyses that focus on the social, political, and economic climate that are most favorable to the creation of appointed school boards. A large number of urban school boards have considered takeover reform, but have not been able to implement it. To understand why takeover occurs in some cities and not others, we have relied on both quantitative analysis (described in our methodology section) and case studies. We also examine differences in the implementation of takeover across cities. No two takeovers look exactly the same, yet many share key institutional designs. Recognizing this variance allows us some leverage to understand which approaches may be more effective than others.

The project has spent the majority of its time engaged in a number of quantitative analyses to systematically assess a broad set of potential consequences from mayoral takeover. Since previous assessments conducted in this area had relied primarily on case studies, our research approach has drawn attention from practitioners, legislatures, and researchers who are all eager to see what the “numbers” show. In a climate of accountability, strengthened by the No Child Left Behind Act, quantifying gains has become even more important. To conduct our analyses, we have drawn on a variety of data sources to create multi-city, over-time databases.

## **Methodology:**

The project has utilized a number of statistical methodologies. In looking at state adoption of takeover legislation, we performed an event history analysis (EHA) using pooled

cross-sectional time-series models. EHA is the standard in the field of studying state policy innovation, but because model specification remains problematic, we later extended this research by incorporating Bayesian Model Averaging techniques. This analysis required state level panel data, stretching nearly a decade and including a number of key political and economic variables.

In evaluating the effects of takeover, we have used an array of approaches, from simple correlation analysis, more advanced multivariate regression analysis, and most recently a time-series ( $t=10$ ), cross-sectional ( $n=100$ ) approach using fixed effects. The fixed-effects model is appropriate since we believe that the fixed effects are not independent of our regressors, in particular the measure of mayoral takeover. We can control for the between-district differences that are not captured by our covariates, as well as the between-year differences that are not captured in our controls. We used this approach to look at management and human capital outcomes, and we controlled for enrollment, student poverty level, citywide unemployment level, the percentage of African-Americans in the school district, and the duration of the takeover.

### **Research Questions:**

In assessing the factors that facilitate or hinder the emergence of takeover, our research questions include: What role do state electoral dynamics play in the implementation of takeover reform? What impact do local and state economic conditions have on the adoption of takeover reform? How does the adoption of takeover reform differ from the adoption of charter school legislation? Why have some cities been able to move forward more quickly with takeover reform? How does the private school marketplace interact with the adoption of takeover reform?

Because the effects of takeover can potentially be quite broad, we have a large number of research questions to consider. On achievement, we ask: Has student achievement in mayoral takeover districts improved? Are these gains consistent over time? Are some schools being “left behind”? On school board and school district leadership, we ask: How does mayoral takeover work to consolidate power? What unique concerns might it raise for school board governance? In looking at human capital effects, we ask: Will mayoral takeover result in increased spending on central office, supervisory, or administrative services? Will expenditures on instruction be reduced with a larger central office? Does a new management structure under mayoral takeover produce unique staffing allocations? Are greater percentages of employees assigned to the central office? In looking at management reform, we ask: Will mayoral takeover result in an increased in-flow of resources? Will these resources be earmarked for certain sub-categories? Will these resources come from different sources? Will mayoral takeover introduce additional expenditures for capacity building via capital outlays? Will mayoral takeover finance programs through increased debt? Alternatively, will mayoral takeover be able to reduce debt levels? Is mayoral takeover associated with stronger fiscal health in school districts?

### **Measures, Data Collection, Sampling, Methods and Sources:**

We have drawn a wide variety of data sources to compile our over-time, multi-city, multi-state databases. In each individual school district, we collect multiple years of standardized achievement data at the school level (See Table 2). In conjunction with school demographics,

this allows to look not only at district level trends, but also to see if certain types of schools are getting better or worse under the takeover regime. For instance, it allows us to track the progress of the “bottom 20%” of schools, relative to the district as a whole.

When comparing across school districts, the bulk of the data comes from the Annual Survey of Government Finances conducted by the United States Bureau of the Census. The Annual Survey gathers data on revenues, expenditures, and debt from over 15,000 school districts. In addition to this financial data, we use the National Center for Education Statistics’ Common Core of Data (CCD) as a source for our demographic control variables, as well as data on district staffing patterns. Both data sources provide data that is comparable across time and across districts. When looking at state level determinants of adopting takeover legislation, we constructed political indicator variables to capture dynamics such as the relative strength of political parties and the governor, state level education performance levels such as high school completion rates, achievement on NAEP and SAT, state level financial indicators such as fiscal health and revenues, and state level census demographics.

In conducting our latest round of analysis on the effects of takeover, we also had to select a purposeful sample of districts for analysis. Determining the appropriate sample is an especially important step in the context of mayoral takeover, because it is not a policy reform designed for all school districts. Specifically, mayoral appointed boards have gained prominence as policy options in large, urban districts. Our takeover cities are dispersed throughout the hundred largest districts in the nation. To determine a set of peer districts, we make use of two classifications made by the National Center for Education Statistics. First, we focus on school districts that are designated as serving “primarily the center city of a Metropolitan Statistical Area.” Second, we look at large cities. We restrict our analysis to the 100 largest school districts serving central cities.<sup>1</sup>

Finally, at various points throughout the research project, we have supplemented these data sources with a number of alternative data sources such as: public opinion polls conducted in cities by local papers or blue ribbon commissions; determining the number of standardized tests employed in different cities; and gauging public opinion through examination of editorials in local newspapers.

### **Evidence of Impact:**

*Politics of Grantsmanship.* Related to revenue streams, when we don’t control for the duration of the takeover, we find a positive relationship between takeover and the percentage of revenue from state sources. In both models, takeover is inversely related to the percent of revenue from local sources. When we control for duration, however, it is not takeover per se, but the duration of the takeover that is positively related to state funding. This may suggest that states are more

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<sup>1</sup> We are thus able to construct a data set containing data from the 100 largest urban school districts, from 1992 through 2001. The timing of the first mayoral takeover (Boston in 1992) coincides well with the starting points for the two national data sets. We make adjustments for inflation in order to make all dollar figures constant in 2001. To make these adjustments, we use the Bureau of Labor Statistics’ Constant Dollar Employment Cost Index. Because the majority of school district expenditures are used on salaries and wages, we use the index for State & Local Governments’ Educational Services. To adjust for geographic cost differentials, we use the geographic cost of education index (GCEI) developed by Chambers (1998).

willing to provide funds as mayoral takeovers establish legitimacy. Although we cannot specify the mechanisms using the data in this study, the increase in state funds may still indicate a “politics of grantsmanship” at the state level as mayors demonstrate over time to state officials that mayoral appointed boards can be successful.

*More Central Office Expenditures.* When we examine the level of expenditures on instruction, capital outlay, general administration, school administration, and the central office, the only relationship rising to statistical significance in the final model is an inverse relationship between takeover and the level of central office expenditures. This finding is consistent with districts’ choices to adopt a corporate model of school governance and “transform” the central office.

*Staff Re-allocation to Improve Teaching and Learning.* Mayoral takeover appears to be linked to a greater percentage of staff allocated to teaching and student support. This shift in staffing allocation may suggest a broader reform strategy. From the mayor's office, which takes into consideration the interest of the city as a whole, failing schools are constrained by broad community and institutional context, such as gangs, crimes, health, etc. In order to turn around failing schools, mayoral appointed school boards are likely to allocate more supportive staff to combat social problems in the immediate school environment. At the same time, takeover is also positively associated with increases in the percentage of staff categorized as supervision. This may be an indicative of the centralized nature of takeover regimes.

*Cities with mayoral appointed school board seem to be enjoying improved student performance in the elementary grades.* Some of the findings which support this conclusion include the following. In four of the five districts, elementary schools are improving their standardized test scores in both reading and mathematics. Only Detroit, the most recent case of mayoral control, showed mixed results in student performance. In Boston the percent of students who met proficiency in the MCAS rose in both 4th and 8th grades for both reading and mathematics. For example in reading, 4th graders who met proficiency increased from 5% to 29% between 1998 and 2002. In mathematics, 8th graders who were proficient increased from 17% to 23% during the same period. In Chicago, the percent of K-8 students at or above national norms on the reading ITBS increased from 37% to 43% during 1998 and 2002. In mathematics, the improvement was from 39% to 47%. In Cleveland, reading proficiency for all 4th graders improved from 23% to 33% and for all 6th graders from 17% to 22% during 1998 and 2002. In mathematics, improvement was even greater: 22% to 38% in 4th grade and 12% to 24% in 6th grade.

*Cities with mayoral appointed school boards also report gains in high school student performance.* In Boston, the percent of 10th graders who were proficient in the MCAS increased in both reading and mathematics. In reading, 10th graders improved their MCAS performance from 23% to 41% between 1998 and 2002. In mathematics, the improvement was from 14% to 30%. In Chicago, TAP reading performance for 9th and 10th graders slightly improved from 32% to 34% during 1999 and 2002. In Cleveland, reading proficiency at the 10th grade improved from 76% to 86%, while mathematics proficiency rose from 41% to 52% at the 10th grade.

*Gains in achievement in the mayoral appointed districts are especially significant for the lowest performing schools.* To examine whether the achievement gains occurred in the lowest

performing schools, we conducted a more detailed analysis in Boston and Chicago, the first two districts with mayor-led accountability reform. School level data for this analysis are from 1998 to 2002 in Boston; and from 1994 to 2002 in Chicago. The lowest performing elementary schools are making significant improvements, while the lowest performing high schools showed smaller gains in standardized test scores.

*Appointed boards have tended to be a big-city phenomenon, and despite an increase in occurrence, elected boards remain the overwhelming standard.* Although there has been increased interest in mayoral appointed boards, it is important to note that overall, elected school boards remain the norm for most of the nation's largest school districts. Of the 75 largest school districts in the nation, only 9 (12%) have school boards on which some members are appointed. Further, these 9 districts are clustered disproportionately at the high end of the distribution, resulting in a much larger average district size for appointed (vs. elected) board districts. This pattern has implications for the evaluation of appointed boards. Most importantly, because the number of occurrences of appointed boards remains relatively small, it is difficult to evaluate the potential for the reform to be successful on a larger scale. Especially because it has been implemented in larger, more high-profile cities, it remains to be seen whether or not such a reform effort will be more (or less) effective in smaller venues.

*Boards with appointed members have shorter average tenures than boards with only elected members.* A logical by-product of school boards that have appointed members is a reduction in the average job experience. When we look at the 75 largest school districts in the nation, we find that in the 66 elected school board districts, the average number of years of service on the board is almost 6 years. In cities where there are appointed board members, however, the average is just over 4 years. This difference is likely the result of several mechanisms. First, mayoral and state appointed board members are a relatively new phenomenon, and therefore these appointed board members may not have had as long an opportunity to serve. Equally important, however, is the mechanism by which mayors can remove board members who are seen as hindering district achievement growth. Finally, appointed board members may not have the same electoral incentives to retain their posts for additional terms.

*There is strong public support for introducing mayoral appointed school boards as a school reform strategy.* Voter referenda held in Boston (1996) and Cleveland (2002) are evidence of strong public support for this reform strategy. Public opinion data from other cities suggests that this belief is widely held. At the same time, public support may waiver if performance is not perceived to be improving. In Detroit, for instance, voters chose in Fall 2004 to return to the elected school board system. In addition to the voting public, takeover has received strong support from local business communities, who see the reform as a means toward more efficient school management.

### **Lessons Learned about School District Takeover:**

Does school district takeover work? In answer to that general question, it can be said that school district takeover can work, but that it works better when certain elements are in place. Specifically, components for success in mayoral appointed school board systems include:

- establishing clear and attainable strategic goals
- the mayor’s willingness and ability to allocate financial and political resources to leveling up failing schools
- working together with the existing administration for a smooth transition
- recruiting managers who bring diverse expertise
- making administrative heads as well as the principals, teachers and students accountable for results.

*In practice, takeover reform can take on a number of forms.* While the cities that have implemented takeover reform share many similarities, they have also tailored their governance strategies to their unique challenges and resources. Where, as in Chicago or Boston, there exists a strong mayor with much political capital, the mayor can take a more hands-on role in school governance. But in cities, such as Cleveland, where the school district superintendent is better positioned to run the system, the mayor may allow her more discretion.

*Increasing accountability can enhance public confidence.* In the mayoral control districts, in addition to statewide achievement tests, there is sometimes a strong emphasis placed on additional tests administered by the local authorities. In Chicago, for instance, the district created its own “Chicago Academic Standards Examination” (CASE) in order to better test its high school students. In Detroit, the Metropolitan Achievement Test is used in addition to the state assessment. Baltimore employs the Comprehensive Test of Basic Skills and Boston uses the Stanford 9 in addition to state tests. The use of these additional measures of evaluation in the mayoral takeover cities provides the city’s residents with clear evidence that the school district is willing to take extra steps to improve their schools.

<b>Table 1. Institutional Characteristics of School Governance Models</b>						
<b>Reform Strategies</b>	<b>Scales of Reform</b>					
	<b>Systemwide Institutions</b>					<b>Individual/ Parents</b>
	<b>Existing Public Schools</b>	<b>Districts w/ Alt. Leaders</b>	<b>Integrated Gov.</b>	<b>Charter Schools</b>	<b>State Funded Vouchers</b>	<b>Home Schooling</b>
<b><i>Management</i></b>						
Corporate Management (e.g., CEO, info. networking)	X	+	+	X	X	X
Leadership with Diverse Expertise	X	+	+	X	X	X
Reform in Financial Administration & Labor Contract	X	+	+	X	X	X
Restructure Human Resource Practices	X	+	+	+	+	X
<b><i>Standards</i></b>						
System wide Academic Standards	+	+	+	+	X	X
Alignment of Curriculum & Assessment	+	+	+	+	X	X
Performance Based Accountability (e.g. Academic Promotion Policy)	+	+	+	+	X	X
<b><i>Capacity Building</i></b>						
Sanctions on Low Performing Schools / Students	+	+	+	+	+	X
Support for Low Performing Schools / Students	+	+	+	X	X	X
Instructional Improvement Policy	+	+	+	X	X	X
Efforts to Narrow the Achievement Gap	+	+	+	X	X	X
<b><i>Incentives for School Self Governance</i></b>						
Site Based Recruitment of Principals & Teachers	X	X	+	+	+	X
Support Charter School	X	X	+	+	+	X
Options to Contract Services w/ Alternative Suppliers	X	X	X	+	+	X
Strong Parental Preferences	X	X	X	+	+	+

<b>Table 2. Assessment tools used in seven school districts with mayoral appointed school boards</b>	
<b>District</b>	<b>Assessments Used</b>
Chicago	Iowa Tests of Basic Skills (ITBS); Tests of Achievement and Proficiency (TAP)
Boston	Massachusetts Comprehensive Assessment System (MCAS)
Detroit	Michigan Educational Assessment Program (MEAP)
Cleveland	Ohio Proficiency Test
Baltimore	Maryland School Performance Assessment Program (MSPAP)
Philadelphia	Pennsylvania System of School Assessment (PSSA) a
New York City	NYC Citywide English Language Arts (ELA) test; New York State English Language Arts (ELA) Test; NYC Math Test (NYC-M); New York State Math Test
<p><b>NOTES:</b> All achievement data analyzed in the following set of tables was obtained at either the relevant State Department of Education or school district web sites. a. Also introduced the Philadelphia Citywide Proficiency Exam in 2000-2001.</p>	