

# Cities on a Hill

## Contents

CITY AND COUNTY INNOVATIONS SUMMIT 2004 ..... 1

PANEL SAYS SOCIAL PROMOTION  
CRIPPLES NYC PUBLIC EDUCATION ..... 1,2

SENIOR FELLOW BILL EGGERS SHARES  
IDEAS WITH SAN FRANCISCO MAYOR ..... 2

NO SAFE HAVEN: STUDY FINDS SUBURBAN  
SCHOOLS ARE NO REFUGE FROM URBAN  
SOCIAL PROBLEMS ..... 3

STUDY SHOWS HOW PRIVATE COMPETITION  
CAN IMPROVE PUBLIC SERVICES ..... 4

## Panel Says Social Promotion Cripples NYC Public Education

On December 10, the Manhattan Institute assembled a panel of prominent education policymakers to discuss the need to end social promotion in New York City schools. Social promotion, passing children along to the next grade despite their failure to master critical academic skills, plays a decisive role in New York City's high dropout rate.

The keynote speech of the conference was delivered by the Hon. Edward I. Koch, Mayor of New York (1978–1989). Panelists included Anthony Coles, former Deputy Mayor, City of



*Mayor Edward I. Koch*

New York; Herman Badillo, former Chairman of the City University of New York and former Deputy Mayor; Michael Gecan, Senior New York Organizer for the Industrial Areas Foundation; Frank J. Macchiarola, President of St. Francis College and Former Chancellor, New York City Schools; and Benno C. Schmidt, Jr. Chairman of Edison Schools, and former President of Yale University.



*Dr. Benno Schmidt*

Mayor Koch recounted the effort by his administration to end social promotion through a “Promotional Gates Program”, which required fourth and seventh graders to attain passing scores on reading and math tests before they could be promoted to grades five and eight. Failing students were offered summer school tutoring and an opportunity to retake their tests at the end of August. The Gates Program achieved some notable successes, but was ended by the Dinkins administration in 1990.

Dr. Schmidt emphasized the importance of ensuring that young students mastered basic reading skills before they were allowed to advance. “If you can’t read, you can’t do anything else,” Dr. Schmidt said. He called on the city to institute reading tests in kindergarten through second grade so that struggling students could be identified as soon as possible. Today, he said, “there are many third- and fourth-graders who can’t read.”

## City and County Innovations Summit 2004



Please join city and county officials at the fourth annual City & County Innovations Summit (CCIS), April 28–30 in San Diego. Hosted by the Performance Institute and in association with the Manhattan Institute, CCIS is the most comprehensive performance management event of the year for city and county managers. Featuring six different management tracks and five workshops, the summit will help public managers overcome budget shortfalls and implement results-based management into their organizations. For more information and a full conference agenda, please call James Lewis at 703-894-0481 or visit [www.cityandcounty.org](http://www.cityandcounty.org). A special discount is available for friends of the Manhattan Institute at:

<http://www.cityandcounty.org/ccis04/p210-x5s.pdf>

*continued on page 2*



## Senior Fellow Bill Eggers Shares Ideas With San Francisco Mayor

Gavin Newsom, entrepreneur and former city Supervisor, won San Francisco's November mayoral election by promising to revitalize the city's flagging economy, encourage small business development, and improve public services.

In early February, Manhattan Institute Senior Fellow Bill Eggers visited San Francisco to meet with leading officials in Mayor Newsom's administration and speak to the mayor's Municipal Finance Advisory Commission on ways that the city could bridge its ongoing budget deficit.



*San Francisco Mayor Gavin Newsom*

Eggers, a nationally recognized expert on government reform, cost reduction and e-government, advised the Commission on how the city could close its budget gap without tax increases through structural reforms. In attendance at Egger's presentation were the mayor's budget director and the City Controller. "Many companies have left San Francisco in recent years due to the high costs of doing business in the city," said Eggers. "A city-wide cost reduction initiative could help the city solve its budget crisis without the growth-dampening effects of tax increases."

Another bold idea proposed by Eggers was that the city institute a "congestion charge" that would toll commuters different rates based on peak usage of bridges and other selected hi-traffic thoroughfares. In addition to raising much needed revenue, congestion charges would also reduce rush hour traffic, decrease air pollution, and improve the mobility of police and other emergency vehicles during critical time periods.

Eggers complimented Mayor Newsom and his new administration for their commitment to innovative, non-partisan government reform. "I was very impressed by



*Manhattan Institute Senior Fellow Bill Eggers*

how well-versed Mayor Newsom was in many of the most innovative urban policy and management reforms," said Eggers. Indeed, Mayor Newsom has proposed a package of new government programs based on the experience of other successful urban mayors. For instance, Mayor Newsom is hoping to institute a Chicago-style "311" system to centralize access to government services and a CitiStat program to monitor the productivity of city agencies (a program first pioneered by Baltimore Mayor Martin O'Malley). At the same time, Mayor Newsom has promised to keep his campaign pledge to end cash payments to the homeless in favor of treatment programs and other services.

## Social Promotion *cont'd from page 1*

Herman Badillo cited the City University of New York (CUNY) system as one example of what could be achieved by ending social promotion. He chronicled how, in 1998, CUNY ended open enrollment, the equivalent of social promotion at the college level, in spite of fierce public opposition. Since the end of open enrollment, CUNY has enjoyed an educational renaissance, with rising test scores, improved academic achievement, and increased minority enrollment.

The day after the Manhattan Institute's conference, Mayor Bloomberg's administra-



*Hon. Herman Badillo*

tion promised to re-examine the city's school promotion policy. "Our goal is to improve high standards. We're going to tighten up the promotional policy," said Deputy Mayor Dennis Walcott. Chancellor Klein followed up this announcement with an initiative to hold back third grade students who scored in the lowest level on math or reading exams. These students would then be invited to attend summer school and receive remedial services and additional help in small classes. At the end of the summer these students will be allowed to retest, with passing students proceeding to the fourth grade.

# No Safe Haven: Study Finds Suburban Schools are No Refuge from Urban Social Problems

For the last several decades, middle-class families have fled from the cities to the suburbs, in part because many parents see suburban public schools as sanctuaries from the social disorder they perceive as endemic to America's urban school districts.

On January 28th, the Manhattan Institute released *Sex, Drugs, and Delinquency in Urban and Suburban Public Schools*, showing that these comforting perceptions of suburban schools are largely unfounded. The report, by Manhattan Institute Senior Fellow Jay P. Greene, Ph.D., and Senior Research Associate Greg Forster, Ph.D., examines hard data on high school students from the National Longitudinal Study of Adolescent Health, perhaps the most comprehensive behavioral study of American high school students. The report finds that suburban public high school students have sex, drink, smoke, use illegal drugs, and engage in delinquent behavior as often their urban peers.

Students also engage in these behaviors more often than parents realize. For instance, urban and suburban high schools are virtually identical in terms of widespread sexual activity. Two thirds of all suburban and urban 12th graders have had sex; 43% of suburban 12th graders and 39% of urban 12th graders have sex outside the context of romantic relationships. Pregnancy rates are very similar, although they are higher in urban schools; 14% of subur-

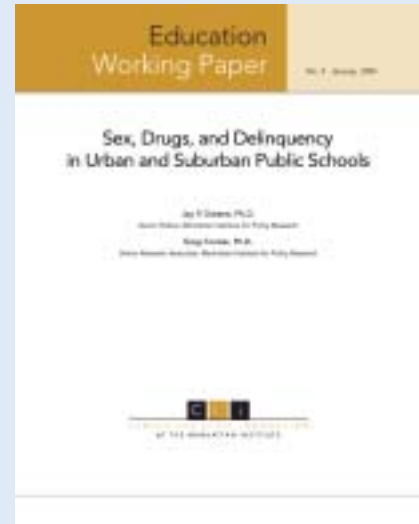
ban 12th grade girls and 20% of urban 12th grade girls have been pregnant.

Teenage use of illegal drugs, alcohol, and cigarettes is similarly widespread. Still, suburban students are more likely to have tried cigarette smoking than their urban peers (60% compared to 54% of urban 12th graders), and they are more likely to have taken up the habit (37% have smoked at least once a day for at least 30 days, compared to 30% of urban 12th graders).

Alcohol use followed a similar pattern; 74% of suburban 12th graders and 71% of urban 12th graders have tried alcohol more than two or three times. More disturbing, from a safety perspective, was the finding that 22% of suburban 12th graders and 16% of urban 12th graders have driven while drunk. Teenage drug use also ignored city boundaries—about four out of ten 12th graders in both urban and suburban schools have used illegal drugs. Both cohorts were equally likely to engage in other delinquent behaviors such as fighting and stealing.

While debates on American public education often assume that there are stark differences between urban and suburban students and schools, the data shows that fleeing from the city to the suburbs doesn't produce much difference in the levels of sex, substance use, and delinquency one finds at the local public high school.

*Despite the pastoral setting, suburban students and their parents will face the same adolescent social problems as their urban counterparts.*



Access this report at: [http://www.manhattan-institute.org/html/ewp\\_04.htm](http://www.manhattan-institute.org/html/ewp_04.htm)

# Study Shows How Private Competition Can Improve Public Services

In December, the Manhattan Institute released *Private Competition for Public Services: Unfinished Agenda in New York State*, by Manhattan Institute Senior Fellow E.J. McMahon. This report shows how the state's current fiscal crisis provides Governor Pataki with an opportunity to pursue his unfinished first-term agenda by allowing private providers to challenge New York's entrenched public-sector monopolies.

For example, McMahon notes that New York currently spends more than \$3 billion on a handful of programs (from highway maintenance to welfare and Medicaid administration) that other states have outsourced successfully, and there is no reason why New York should not follow suit.

By establishing an effective, permanent framework for competitive sourcing, the state can provide much-needed practical guidance to counties, municipalities and public schools, while bringing about cost savings of anywhere between 5 and 50 percent.

McMahon suggests that the Governor institute competi-

tive sourcing reforms through an executive order establishing a new oversight agency, the Empire Competition Council. The Council would serve as a vehicle for instituting competitive contracting as the standard way of doing business for every level of government.

In addition to promoting "best practices" for competitive sourcing, the Council would conduct annual inventories of all state services and activities, as well as common activities of local governments. This would allow officials to distinguish between inherently governmental functions and potential commercial activities.

McMahon also recommended that the Governor create a permanent Sunset Review Commission. This Commission would review 20 percent of state programs each year, assess the importance of each agency functions, and recommend elimination or consolidation of outdated programs. Working together, the Empire Competition Council and Sunset Review Commission would allow New York state and local

governments to create the same competitive mechanisms and efficiencies that drive private sector success.



Access this report at: [http://www.manhattan-institute.org/html/cr\\_41.htm](http://www.manhattan-institute.org/html/cr_41.htm)

The Manhattan Institute is a 501(C)(3) nonprofit organization. Contributions are tax-deductible to the fullest extent of the law. EIN #13-2912529