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CCI Survey Results: America's Mayors Concerned About Economy and Education; Hungry for New Ideas

In January, CCI conducted a survey of mayors from cities across the nation. Our lead question—"What areas are of greatest importance to your city?"—yielded the following responses:*

- Economic & community development: 57%
- Education: 38%
- Land usage and suburban sprawl: 28%
- Crime: 23%

In addition, when asked "What resources or information would you find most interesting or useful in making policy decisions?", 62 percent of the mayors surveyed said they would value contacts in other cities, as well as a resource for learning about what policies and ideas have worked—and which have not—in other localities.

To meet this need, CCI is publishing a briefing book for mayors and other local officials that presents a number of ways mayors can address specific problems and advises officials on how to put them into practice. Written by mayors and urban policy experts, the book is divided into chapters on various issues (e.g., welfare, crime and economic development) and will be available this fall.

The Center for Civic Innovation invites your suggestions on other ways we can meet the need for information on effective policies that can work in any city. Please e-mail your thoughts to holsen@manhattan-institute.org.

*Percentage totals do not equal 100 because mayors were asked to name more than one issue.



Cities on a Hill

Education and Welfare: Meeting the Challenge

A Message from CCI Chairman Mayor Stephen Goldsmith

America is in the midst of an "urban renaissance." There is hardly an aspect of urban life—or of thinking about cities—that has not been fundamentally transformed over the past decade.

Welfare reform is a prime example. Welfare policy and its underlying ideas could hardly be more different than they were even five years ago. CCI's April conference "Next Steps in Welfare Reform" highlighted just how far we've come. The conference brought together public officials like Wisconsin Governor Tommy Thompson and scholars like Dr. Charles Murray to discuss how governments and private groups have reduced dependency and increased self-sufficiency.

But today's mayors recognize that, despite our many successes, daunting challenges still remain—particularly in reforming education. Far too many American children continue to languish in failing schools. Voucher efforts in Milwaukee and Cleveland and innovations like those in Chicago and Detroit that put mayors in charge of their schools signal the first ripples of an impending wave of educational improvement. CCI explored some of these reforms at a conference co-hosted with the Progressive Policy Institute, and at a forum in New York for the dynamic Arizona Education Superintendent Lisa Graham Keegan. The consensus that emerged from both events shows that the debate on education right now is in the same place thinking about welfare reform was just a few years

back—on the verge of a major revolution in thought that will presage an even more promising revolution in deed.

Cities are where the wheels meet the road in the national policy debate, and the best thinking on urban governance is on display within



CCI's Chairman, Stephen Goldsmith.

these pages. We thank you for your continued commitment to good government and a brighter future for America's cities.

More information about the events discussed above, including transcripts of the proceedings, is available on CCI's website, www.manhattan-institute.org.



CCI Conference Highlights Welfare Reform's Successes, Poses Warnings for the Future

The good news about welfare reform is that it's working. People are leaving the roles in droves, and they're staying off. And contrary to the dire predictions of welfare reform's naysayers, former recipients have not been plunged into a life of desperate poverty and homelessness. The vast majority are working, and earning more than their government check used to provide.

That is the consensus of the nation's leading welfare experts, as presented at the Center for Civic Innovation's conference, "Next Steps in Welfare Reform," held April 14th in Washington, D.C. Fifteen years after the Manhattan Institute published Charles Murray's landmark study of American welfare policy, *Losing Ground*, the presentations showed that ideas once seen as radical now form the mainstream of the welfare debate. Policy makers, scholars and people who work closely with welfare recipi-

ents all agree that policies which foster self-reliance and discourage dependence on government are the only viable means of addressing poverty and joblessness.

Among the encouraging facts presented at the conference:

- America's welfare rolls now stand at 7.6 million, down from their peak of 14 million—a decline of almost 46 percent.
- The drop began in 1994, but rapidly accelerated after the enactment of the 1996 welfare reform bill.
- This drop cannot be attributed solely to a surging economy; during the last economic expansion and tight labor market, the welfare rolls increased by 30 percent.
- Roughly two-thirds of those leaving the rolls are employed.
- There has been a sharp increase in employment among poor adults, and income levels for the poorest Americans are rising while poverty rates are falling.
- Black poverty in particular is falling very rapidly.
- States and cities with the most innovative welfare reform programs have seen the most

dramatic drops. Welfare rolls in Wisconsin, for instance, have dropped from over 100,000 to less than 10,000. New York City's rolls have dropped from more than 1.1 million to less than 650,000.

Conference participants agreed that the following factors are most responsible for the turnaround:

- Meaningful work requirements for welfare recipients;
- Strict time limits on benefits;
- The elimination of incentives which reward social workers for increasing, not reducing, the number of people on the rolls;
- Flexibility for state and local governments to tailor their policies to local needs; and
- Partnerships between government and private, non-profit and faith-based institutions.

Panelists made clear, however, that despite welfare reform's evident successes, the problems of the underclass had by no means been solved, and that government cannot solve them. The most important role for government, all agreed, is to remove perverse incentives for the people to remain depen-



Policy experts from across the spectrum provided their thoughts at CCI's April education and welfare conferences. From left to right: Indianapolis Mayor Stephen Goldsmith, Rev. Dr. Floyd H. Flake, MI Senior Fellow Chester Finn,

Federal Involvement in Education: How Much is Too Much?

The federal role has grown much more obtrusive since 1965 when Congress passed ESEA, the Elementary and Secondary Education Act. ESEA has provided over \$100 billion in federal aid to schools but the results have been, at best, ambiguous.

ESEA is up for reauthorization this year, offering Congress the opportunity to fundamentally change the way the federal government approaches its role in public education.

To help illuminate the core issues surrounding ESEA and the federal role in education, the Center for Civic Innovation joined with the Progressive Policy Institute in sponsoring a conference, "Fresh Thinking and Federal Education Policy," in Washington, D.C. on April 13th.

Although the panelists represented widely different philosophical viewpoints, certain basic facts were not in dispute:

- Public education is failing a large sector of American children, particularly those from poor and minority communities.
- With a handful of exceptions, simply spending more money is not the answer.

- Higher academic standards based on core skills like reading, writing and mathematics, coupled with accurate means for assessing whether or not students have learned those skills, are necessary to improve education.
- Training teachers in these core skills is also essential.
- The federal government has hitherto been much too rigid in its approach to aiding state and local public education efforts.

Despite these areas of agreement, the question of how involved the federal government should be remains open to serious debate. Some panelists,



“Next Steps in Welfare Reform” conference panelists, from left to right: Eloise Anderson, Jason Turner, Jean Rogers, Richard Schwartz, Peter Cove, Amy Sherman, and Dr. Lawrence M. Mead.

dent and avoid the workforce. This task has been largely accomplished—though the panelists stressed the need for vigilance.

Core problems such as illegitimacy, fatherlessness, and a poverty of values amongst the underclass remain—all problems largely outside of government’s reach. Panelists insisted that, ultimately, solutions must come from the private sector, and voiced particular optimism about programs allied with churches and other faith-based organizations.

Participants at the conference included:

Eloise Anderson, Director of the Program for the American Family at the Claremont Institute, and former Director of the California Department of Social Services, the state’s welfare agency.

Peter Cove, Founder and President of America Works, a private, non-profit agency that specializes in finding work for welfare recipients.

Stephen Goldsmith, Mayor of Indianapolis, and chief domestic policy advisor to Gov. George Bush’s Presidential campaign.

Lawrence M. Mead, Professor of Politics

at New York University and author of *Beyond Entitlement* and a number of other books and articles about welfare reform. **Charles Murray**, Bradley Fellow at the American Enterprise Institute and author of *Losing Ground*.

Jean Rogers, Administrator of the Division of Economic Support in Wisconsin’s Department of Workforce Development.

Richard Schwartz, President and CEO of Opportunity America, a private firm that manages welfare-to-work projects for government agencies and major private employers, and former Senior Advisor to New York Mayor Rudolph Giuliani.

Amy Sherman, Director of Urban Ministries at Trinity Presbyterian Church in Charlottesville, Virginia, and Adjunct Fellow of the Manhattan Institute.

Tommy Thompson, Governor of Wisconsin, and architect of the nation’s most effective welfare reform initiatives.

Jason Turner, Commissioner of the Human Resources Administration in New York City.



Wisconsin Governor Tommy Thompson, Senior Fellow Diane Ravitch, E.J. Dionne of The Washington Post and Dr. Charles Murray.

for instance, argued that the federal government should do at least as much or more than it does now, only differently, while others made the case for a radical reduction in the federal role.

Among the specific ideas put forward to improve federal education policy:

- Allow states the flexibility to spend federal education dollars as they see fit, while holding them accountable for student performance. Various versions of this idea are currently making their way through Congress under the banner of “Straight A’s” and “Super Ed Flex.”

- Earmark federal education dollars to individual students, not districts. Whatever school a child attends—including private or religious schools—should be the recipient of the funding.

While no clear consensus on what to do next emerged from the conference, it became clear by the end of the day that the education debate in America is changing rapidly. Ideas on the fringes only a few years ago—like vouchers—are gradually finding a place in the mainstream. America is well on its way to achieving a new education consensus, based on the principles of flexibility, accountability—and, above all, quality.

Participants in the conference included:

Chester E. Finn, Jr., Manhattan Institute Senior Fellow and President of the Thomas B. Fordham Foundation.

Jack Jennings, Director, Center on Education Policy.

Andrew Rotherham, Director, 21st Century Schools Project, Progressive Policy Institute.

Rev. Dr. Floyd H. Flake, Manhattan Institute Senior Fellow and Pastor, Allen A.M.E. Church.

Diane Ravitch, Senior Fellow of the Manhattan Institute and Progressive Policy Institute.

Jennifer E. Marshall, Education Policy Analyst, Family Research Council.

School Choice the Future of Education, says Arizona Schools Superintendent

Under the leadership of Superintendent of Public Education Lisa Graham Keegan, Arizona's public school system has become one of the nation's leading education reform success stories. Superintendent Keegan is actively putting in place reforms that many cities and states are only talking about—and that promise great progress for the children of Arizona.

At a CCI luncheon on May 19th in New York City, Keegan explained how Arizona's public education reforms have become a model for the rest of the nation.

Arizona's reforms emphasize two principles: high academic standards and school choice.

Arizona combines a comprehensive set of rigorous academic standards with an aggressive testing regime. Every year, every Arizona student from second through eleventh grade takes rigorous tests that measure their

academic progress, and determine if they are learning what Arizona's standards require.

Arizona is also home to one of America's most sweeping charter school laws—the linchpin of Arizona's school choice program.



Arizona Superintendent of Public Education Lisa Keegan Graham.

Over 30,000 children attended 310 public charter schools in Arizona's recently completed school year, putting pressure on school districts losing students to improve the quality of their schools.

Keegan also discussed the ideas she is working to implement in the future. Her ultimate goal for education reform is, as she put it, "to strap the money on the backs of children [and] let them find a good institution." In other words, she intends to work toward a system in which individual students—not school districts—are funded. And a student's funding would follow him to any school—traditional public, charter, for-profit, private, or parochial—that his parents choose for him, provided the school meets Arizona's basic standards. The important thing is a school's quality, not its type.

In this as in many other themes, Superintendent Keegan's presentation echoed the consensus that emerged from CCI's April education conference. She is at the forefront of what, over the next few years, promises to burgeon into a new generation of education officials.

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