

POLICY ROADMAP FOR EXPANDING SCHOOL-CENTERED COMMUNITY REVITALIZATION

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Enterprise Community Partners is grateful to Capital One for its financial support of the Community Development and Schools Collaborative. Together with Abt Associates, Inc., one of the nation’s premier research and consulting firms, Enterprise has brought together the best community developers currently working on projects linking neighborhood improvement to school improvement. This will provide an opportunity for leaders of these efforts to learn from each other and see the lessons of their work used to create a national agenda.

This is the third of three reports.

Table of Contents

Foreword.....	1
I. Introduction to School-Centered Community Revitalization	3
II. School-Centered Community Revitalization in Context.....	5
III. A Federally-Funded Demonstration of School-Centered Community Revitalization.....	7
IV. Piloting School-Centered Community Revitalization through State and Local Policies	13
V. The Role of the Philanthropic Community	16
VI. Conclusion.....	19
Appendix: Individuals Interviewed	20



Foreword

This paper is the third in a series of three commissioned by Enterprise Community Partners as part of a collaborative project on school-centered community revitalization. The purpose of the project was to develop practical guidance and policies to encourage community developers to incorporate improved schools into their neighborhood revitalization strategies. Enterprise and other like-minded community developers call this model “school-centered community revitalization.”

Motivating the collaboration is a shared conviction that high quality public education is an essential component of transforming distressed urban neighborhoods into healthy communities that sustain themselves over time. Without strong primary schooling, adults lack the knowledge and skills to be competitive in the workforce and earn enough to break the cycle of poverty. A shortage of good public school options also makes it difficult to increase or retain income diversity in a neighborhood, as families who possess the means to move may go elsewhere to find better schools.

At a time when school districts are under intense pressure to restructure failing schools, school-centered community revitalization offers an opportunity to take advantage of the natural constituencies for sustained school improvement that exist within low-income neighborhoods engaged in revitalization. The funders and implementers of neighborhood revitalization projects, as well as anchor institutions in the neighborhood, have a vested interest in improving educational outcomes for neighborhood children. They also have the political clout and financial resources to engage with school districts to advocate for and support the long-term improvement of local failing schools.

Enterprise helps build affordable housing for low-income Americans by providing financing and expertise to housing developers and others working to improve neighborhoods. While affordable housing is the core of Enterprise’s mission, Enterprise has long recognized that for families, schools are also a vital part of healthy communities. Beginning in 1995, Enterprise has linked its redevelopment efforts in the Sandtown neighborhood in Baltimore to school improvement efforts at two elementary schools that serve the neighborhood.

Encouraged by the results of the work in Baltimore, Enterprise began working with other community developers from cities across the country who also had linked neighborhood development with improved schools.

Enterprise has commissioned in-depth research into school-centered community revitalization to popularize the practice and share the model. The first report, *Reconnecting Schools and Neighborhoods*, provides an introduction to the concept and describes eight ongoing school-centered community revitalization efforts in five cities. The second paper, *The Community Developers’ Guide to Improving Schools in Revitalizing Neighborhoods*, distills lessons from successful school-centered community revitalization initiatives and describes how sponsors of community revitalization can be effective advocates for individual school change as outsiders to the school system.

This final report presents a set of policy recommendations to test and expand the concept of school-centered community revitalization. The recommendations, spelled out in detail in this paper, are:

- The federal government should provide demonstration grants to 20 sponsors of school-centered community revitalization and rigorously evaluate the results.
- State and local governments should pilot school-centered community development at a small number of schools-- for example, schools that need to be reconstituted under No Child Left Behind.
- The philanthropic community should play a key role in funding, leading, and evaluating school-centered community revitalization efforts.
- These recommendations draw on interviews with 28 preeminent housing and school policy experts (see appendix) and are informed by five years of research on the school-centered community revitalization concept.

All three papers are available at www.enterprisecommunity.org.

I. Introduction to School-Centered Community Revitalization

School-centered community revitalization (SCCR) is an approach to comprehensive community revitalization in which leaders of neighborhood development efforts make improving academic outcomes for neighborhood children a central part of their strategy. A sponsor committed to the health of the neighborhood creates a partnership with the neighborhood's elementary school to make substantial improvements to those areas that have proven to be essential for improving academic outcomes: principal and teacher quality, research-based high quality curriculum, and early childhood education.

Although it can be difficult for school outsiders to affect a school's staffing and instructional practices, external sponsors who invest in elementary schools have been successful in creating good schools or achieving turnarounds of low-performing schools when:

- Their *strategy* is tailored to the specific needs of the neighborhood and school, and grounded in the realities of the local school reform environment.
- The *outsiders themselves* possess four characteristics: political influence in the city; a long-term commitment to the neighborhood; financial resources to contribute to physical improvements at the school and support school programming; and staff devoted to the school improvement effort.

School-centered community revitalization is based on the premise that an external sponsor with a long-term commitment to a neighborhood, its residents, and its elementary school can bring to the school both needed supplementary resources and an effective mechanism for establishing and maintaining a high level of instructional quality.

Outside sponsors of school improvement in low-income neighborhoods undergoing revitalization have included local foundations, large employers, universities, established community development corporations, and real estate developers. At its core, school-centered community revitalization recommends that the external sponsor become a steward for the school:

- Setting goals for the school's performance or performance improvement;
- Marshalling additional resources needed to support the school's performance;
- Monitoring change; and
- Preserving the core vision for the school over time.

At the same time, one of the sponsor's principal objectives should be to build the capacity of parents in the community to become active members of the partnership that supports and monitors the school and eventually takes over much of the stewardship role.

School-centered community revitalization is not a strategy that can be implemented in all distressed urban neighborhoods with underperforming schools. Some low-income neighborhoods lack a sufficiently strong external sponsor. In some school districts, the politics of school reform may simply preclude SCCR at the present time, as the school district is unwilling or unable to provide sufficient autonomy to the school and creating a public charter school for the neighborhood is not possible.

In other urban school districts, a reform-minded superintendent already may have in place a coherent and effective strategy for turning around the district's failing schools. This does not mean there is no place for SCCR. If a school district with a visionary superintendent has several failing schools, an external sponsor can support the reform effort with supplementary resources for a particular school and can help ensure, through its monitoring role, that the improvements are sustained over time.

The experience of external sponsors in trying to improve schools in neighborhoods undergoing revitalization reaffirms what is already known about school reform: turning around a low-performing school requires continuous accountability coupled with flexibility and resources.¹ In that sense, SCCR does not offer a new theory about education reform.

Rather, the contribution of the SCCR concept is that it identifies a natural constituency² to assist in turning around individual failing schools in neighborhoods undergoing revitalization: those individuals and organizations that are investing in the neighborhood and thus have an interest in its long-term health. Many troubled public schools are overwhelmed with short-term partnerships and changing reform approaches, but outside sponsors with a vested interest in a single school and neighborhood can provide the stable, long-term stewardship that a failing school needs but rarely obtains.

The organic growth in school-centered community revitalization efforts in low-income neighborhoods across the country and the improved academic performance of children attending these schools attest to the concept's promise.³ Although the results of local SCCR efforts thus far are encouraging, it is too early to recommend mandating partnerships between local schools and external sponsors. Instead, this paper offers options for federal, state, and local policymakers, as well as the philanthropic community, to test and expand the SCCR approach with the goal of improving academic outcomes for children in revitalizing neighborhoods.

The paper begins with a brief discussion of how school-centered community revitalization relates to broader trends in education and housing policy, followed by more detailed examination of:

- Options for a federally-funded demonstration of SCCR;
- Opportunities to pilot SCCR at the state and local level; and
- The role of the philanthropy in leading and evaluating SCCR efforts and disseminating information on promising strategies.

The appendix provides a list of individuals interviewed.

¹ Accountability depends on strong leadership at the school, the recruitment of a well-trained and motivated staff, sufficient autonomy to maintain staff quality, and a willingness to make changes when measured performance lags. Likewise, resources are needed to implement a tested curriculum, to change or supplement the curriculum to address areas of weakness and provide a richer educational experience, to continue the professional development of the teaching staff and the principal, and to provide additional, individualized help for students who need it. See the 2007 report *The Turnaround Challenge* by Mass Insight for more detail about the necessary ingredients for turning around a failing public school.

² The term "natural constituency" comes from Mass Insight's *The Turnaround Challenge* (2007).

³ Case studies and lessons learned by the outside sponsors are available in the first two reports of this three-report series: *Reconnecting Schools and Neighborhoods*, 2007, and *The Community Developers' Guide to Improving Schools in Revitalizing Neighborhoods*, 2008.

II. School-Centered Community Revitalization in Context

School-centered community revitalization (SCCR) proposes a holistic approach to improving the lives of low-income children through revitalizing a neighborhood and its elementary schools. SCCR is a place-based approach that attempts to effect deep changes in individual urban neighborhoods and schools. Rather than investing in the city or school system as a whole, SCCR focuses on changing the fundamentals of instruction at a particular school while investing in the housing and infrastructure of the school's immediate neighborhood.

The key feature of SCCR is the influence of a local sponsor with a vested interest in the neighborhood and in improving academic outcomes at the school. Although all SCCR efforts have an outside sponsor (or leadership team) to invest in the neighborhood and its schools over the long term, the specifics of the school and neighborhood improvement strategies will vary based on the local resources and opportunities for change. For example, in some cases the strategy will include the creation of a new charter school in which the sponsor has influence over the school's staffing and instruction. Under other circumstances, the strategy may be to work through an existing traditional public school, for example if the school district is willing to provide that school with enough autonomy in the areas of personnel, curriculum, and budget that the vision for the school may be effectively pursued.

Alongside the variation in school reform approaches, the neighborhood revitalization strategy may also vary. All SCCR efforts will have at their core an effort to improve the quality of the neighborhood's affordable housing stock—for example through public housing redevelopment, rehabilitation of rental housing, or subsidies to promote homeownership—but the neighborhood approach may also include economic development, workforce development, community organizing, or anti-crime initiatives.

SCCR's focus on investing in individual schools and neighborhoods departs from the current trend in housing and education policy, which has primarily focused on expanding choice as a means of deconcentrating poverty and improving families' access to quality neighborhoods and schools. No Child Left Behind, for example, mandates that a school that fails its state's Adequate Yearly Progress standards two years in a row must offer its students the ability to transfer to other public schools in the school district. Charter schools, education vouchers, and magnet schools are other examples of school choice mechanisms that decouple schools from their neighborhoods via open enrollment zones. Housing policy has gone even further than education policy to increase choice: the housing choice voucher program (formerly known as Section 8) is now the largest low-income housing assistance program, allowing some two million families and individuals to use federal funds to subsidize their rent for private market housing in a jurisdiction and neighborhood of their choosing.

However, in spite of the trend toward increasing neighborhood and school choice for low-income households, there is a continuing need for place-based approaches such as SCCR to address the enduring problem of concentrated poverty in American cities. Even with the expansion of public school choice, 74 percent of U.S. children still attend a school to which they are residentially assigned.¹ Of the remaining

¹ Tice, P., Princiotta, D., Chapman, C., and Bielick, S. (2006). *Trends in the Use of School Choice: 1993 to 2003*, (NCES 2007-045) U.S. Department of Education. National Center for Education Statistics, Washington, DC.

students, approximately 10 percent attend private schools and 15 percent attend choice-based public schools. Constraints on the supply of open-enrollment schools mean that school choice will continue to operate on the margins for many years to come.

The charter school movement, for example, remains constrained in many states by limitations in state law or local practice on the number of charter schools that can be created. Furthermore, in most school districts, traditional public schools have access to important resources that are not available to charters, such as state and local capital funding and the support for curriculum implementation and professional development provided by public school systems. This means that traditional public schools with residential enrollment will continue to educate most of our children for the foreseeable future, even as school choice increases.

In addition, despite the growth in the housing choice voucher program over time, federal housing policy continues to emphasize place-based approaches to community development, including targeted investment in housing and community development in low-income neighborhoods and redevelopment of public housing projects into mixed-income communities. Moreover, large numbers of subsidized households (including some users of vouchers) continue to live in neighborhoods with high levels of poverty and low performing schools.² Finally, many parents, regardless of socioeconomic status, prefer neighborhood schools or feel strong social ties to a neighborhood even when it is in decline.

For these reasons, a balance between choice-based and placed-based programs is likely to be an enduring feature of U.S. housing and school policy. Inevitably, more than one strategy will be required to help improve the lives of children in low-income families.

² Devine, Deborah J., Robert W. Gray, Lester Rubin, and Lydia B. Taghavi. *Housing Choice Voucher Location Patterns; Implications for Participant and Neighborhood Welfare*. U.S. Department of Housing and Urban Development, Office of Policy Development and Research, 2003. Freeman, Lance, "Siting Affordable Housing: Location and Trends of Low Income Housing Tax Credit Developments in the 1990s." The Brookings Institution, March 2004. Khadduri, Jill, Larry Buron, and Carissa Climaco. "Are States Using the Low Income Housing Tax Credit to Enable Families with Children to Live in Low Poverty and Racially Integrated Neighborhoods?" Washington DC: Poverty and Race Research Action Council, 2006.

III. A Federally-Funded Demonstration of School-Centered Community Revitalization

School-centered community revitalization (SCCR) is a promising concept that has been implemented in at least 20 communities. However, it has not been replicated and evaluated at any scale. A federally-funded demonstration of school-centered community revitalization would test the concept to determine whether SCCR should be implemented extensively. This section of the report explains why the sponsorship of such a demonstration is an appropriate role for the federal government, provides detail on how the demonstration and evaluation would work, and discusses the roles and responsibilities of federal agencies.

SCCR has not yet been evaluated to determine whether external sponsorship of a neighborhood-based school in a low-income urban community can create an elementary school that performs better than if the school had continued to receive isolated investments from external partners or participated in whatever reform efforts were under way within the school district. A demonstration of SCCR for 20 elementary schools would make such an evaluation possible and would also measure the effects on the quality of the neighborhood that might result from the presence of a good elementary school. A demonstration would also provide an opportunity to document in detail the process of implementing school-centered community revitalization, including the front-end recruitment of potential sponsors to apply for the demonstration funding, so as to make it easier to take the concept to scale should its promise be fulfilled.

Why a Federally-Funded Demonstration?

The federal government has assumed a substantial role in regulating and funding schools, especially those in low-income urban neighborhoods. Aside from funding for special education services, the primary vehicles for the federal Department of Education (DoED)'s involvement in local schools are the Title I program, which provides formula funding to districts and schools with a high percentage of poor children, and the No Child Left Behind (NCLB) legislation and regulations. A federally-funded demonstration of school-centered community revitalization can be an important next step in making the promise of NCLB a reality by showing how failing urban schools can use external sponsorship to gain both the resources and accountability they need to improve their performance and sustain that improvement.

In addition to public schools, the federal government also invests in housing in low-income neighborhoods. Through the U.S. Department of Housing and Urban Development (HUD) appropriations for the HOME, Community Development Block Grant, and HOPE VI programs, and through the Low Income Housing Tax Credit, the federal government provides major funding for production and rehabilitation of housing and for neighborhood-targeted homeownership programs. The premise behind using those federal funds in distressed urban neighborhoods is that physical improvements to a neighborhood's housing stock can increase the quality of life for neighborhood residents. However, a good quality elementary school, while essential to the life chances of neighborhood children, is usually absent from the planning and implementation of neighborhood revitalization.

As substantial investors in both housing and education, DoED, HUD, and their congressional authorizers and appropriators should be interested in demonstrating and evaluating school-centered community

revitalization. In addition, the expertise needed to implement a demonstration and a rigorous evaluation resides at the federal level—in the Office of Educational Innovation and Improvement and the Institute for Education Science at the Department of Education and at the Office of Policy Development and Research at HUD. A federally-funded evaluation might also be conducted in partnership with the philanthropic community, as will be discussed further in Part V.

How Would a Demonstration Work?

The core concept tested in the demonstration would be whether a high-capacity sponsor with a vested interest in a particular neighborhood can create better results for an elementary school than what the school district and school can accomplish without such a sponsor. Testing this question requires comparing school performance in schools without outside sponsors to similar schools that do have outside sponsorship.

A federal demonstration of school-centered community revitalization would offer a modest level of funding to 20 external sponsors of elementary schools—for example, \$250,000 each year for five years.¹ That level of funding would primarily cover the costs of the external sponsor itself rather than subsidizing school activities directly. For example, an annual award of approximately \$250,000 might cover:

- The full-time salary of an experienced senior staff person, and
- A modest amount of additional programming at the school.

The demonstration would not prescribe the type of entity eligible to be the grantee or lead external sponsor. Based on the examples of school-centered community revitalization already implemented, the lead sponsor would likely be a for-profit or nonprofit housing developer, a university, or a foundation with a long-term commitment to a particular neighborhood. Other lead sponsors can be imagined, such as a hospital, a corporation in or adjacent to the neighborhood, or a large and heavily resourced community development corporation.

The demonstration design would carefully define the competencies and capacities of the sponsor and its partners. For example, the education school of a university could be a key member of a sponsor partnership or the lead sponsor, but would have to demonstrate expertise specific to creating a new, high quality elementary school or turning around a failing school. Alternately, an applicant without educational expertise would need to demonstrate how it would devote resources to obtaining that expertise, whether through the hire of a well-regarded retired principal or administrator from the district or through a senior consultant from a well-established firm.

Another key requirement would be the willingness of the sponsor to make a long-term commitment to the neighborhood and its school. The sponsor would be required to obligate itself to sustaining its role as the school's steward for a period of at least 10 years. This is a key element of the demonstration. School reforms often have foundered because of frequent changes of direction from school district leadership. An important role of the external sponsor is to keep the school on course, agreeing only to those innovations that do not distract from the improvements already in progress.

¹ A more substantial level of demonstration funding would run the risk of testing the effect of additional federal funding for a particular elementary school rather than the effect of external sponsorship of the school.

While the federal demonstration grant funding to each external sponsor would be relatively modest (\$1.25 million allocated over five years), the sponsor would be required to show in its application for funding that it can obtain substantial resources to support the performance goals articulated for the school in the application. The projected resources the external sponsor would bring to the school would not be required to meet an explicit matching target, but would have to be substantial and appropriate, and would have to supplement but not supplant the resources currently provided from the operating and capital budgets of the school system.

The additional resources brought by the outside sponsor could come from either private or public sources. Private funding could come from the local business community or local foundations and could be used for activities such as: providing or enhancing early childhood education; funding supplementary staff to provide individualized instruction; purchasing additional professional development; and researching or adding approved arts and science curricula. A potential public source of funding is the discretionary capital budgets for schools at the local and state levels, which might be used to create better learning spaces or otherwise make the school more attractive, or to build a new school facility. The sponsor could also encourage the school system to make available on a priority basis human capital resources that are not allocated by formula to individual schools, such as central office staff with expertise in implementing curricula or in specific aspects of professional development.

Since the intent of a demonstration of SCCR is to affect the school's core instructional activities, the application for sponsorship of a traditional public school must demonstrate that the school district is committed to allowing the sponsor to play a substantial role in designing and implementing the school improvement strategy. For example, a memorandum of understanding (MOU) between the sponsor and school district could be used to show that the district agrees to a set of substantial changes at the school. The MOU would specify how and when these professional or instructional changes will occur, and what privileges the school will obtain from the district in exchange for the commitment of resources and partnership from the outside sponsor (e.g., site-based budgeting, principal control of hiring and firing teaching staff, site-determined length of school day).²

If the sponsor's intention is to create a public charter school, the application would be required to show that state law and the chartering authority would permit the creation of the charter. As with a traditional public school, the application would also have to show that the external sponsor for the charter would be permitted to exercise substantial influence over the selection of the school's principal, staff, and curriculum and that the school would be protected against requirements to accept or retain poorly performing teachers. Finally, applications for both traditional and charter schools should include plans for developing, over time, the capacity for school parents to play a major role in the stewardship of the school.

In short, the sponsor applicant must show, through detailed description of the school improvement strategy and documented commitments from the school and school district, that the proposed partnership is substantive, will be long-standing, and is based on sound educational practice.

² Union contracts in some jurisdictions might make it impossible to meet these criteria, but what is proposed is a demonstration of a concept that need not be replicable everywhere without institutional change, such as negotiated revision of contractual requirements.

As for the neighborhood, the application for funding also would be required to show that the plans for improving the elementary school³ are part of a substantial effort to revitalize a geographically prescribed low-income area. Some eligibility criteria would apply to the neighborhood itself, such as the income levels of families with children residing in the neighborhood, as well as the current low performance of the neighborhood's elementary school. Equally important, the application should demonstrate that substantial resources have been committed to improving the neighborhood's housing quality, housing affordability, or both.

The revitalization of the neighborhood could be based primarily on the construction or rehabilitation of multifamily rental housing, the construction or rehabilitation of homeownership housing, or a neighborhood-targeted effort to convert rental housing to homeownership or make homeownership more affordable. The key criterion is that the neighborhood investment has scale. It should not, for example, consist of the development of five or 10 housing units that form a small fraction of the neighborhood's housing stock. The demonstration of school-centered community revitalization might well select some external sponsors of schools in neighborhoods where HOPE VI grants have been awarded.⁴ However, the demonstration should not be limited to current or former public housing neighborhoods, since the concept of school-centered community revitalization has broader applicability than to only public housing neighborhoods with failing elementary schools.

How Would the Evaluation Work?

Since the primary purpose of creating a federally-funded demonstration of school-centered community revitalization is to test whether the outside sponsorship improves school performance, the demonstration should be set up in a way that permits a rigorous evaluation. The preferred approach to a rigorous evaluation is to choose a larger number of fundable applicants than can actually be funded and then to select among this pool of fundable applications at random. This permits testing whether the schools that receive the federal grant of \$250,000 per year for five years are more successful than the comparable schools that do not receive the federal demonstration funding. Random selection of a control group of schools ensures that positive results are the result of the reforms implemented with the help of the external sponsor rather than the result of other advantages that the demonstration schools might have enjoyed, such as socioeconomic differences in the school population or previous commitments of resources.

Some of the applicants not funded might still go ahead and create or reform a school. The evaluation would determine whether those external sponsors were able to implement as effective a school turnaround as those required to adhere to the terms of the demonstration grant. If they were, this would in itself be an important finding of the demonstration, because it would suggest that the *potential* receipt of a modest level of funding could help take school-centered community revitalization to scale.

³ Fundable applications probably should not be limited to those that involve a single school. However, given the challenges of creating or reforming a school, an application for more than one school would have to demonstrate that each school would receive an appropriate level of resources and staff attention. In addition, the application would have to demonstrate that each school was part of a large-scale neighborhood revitalization effort.

⁴ A current legislative proposal by Senator Barbara Mikulski would mandate some level of coordinated housing and education planning for future applications of HOPE VI funds. If made to a sponsor of a school in a HOPE VI neighborhood, a SCCR demonstration grant award would be separate from the HOPE VI grant and might or might not be made to the HOPE VI developer.

The outcomes evaluated would include measures taken on the same children, teachers, and parents over time as well as cross-sectional snapshots of school and neighborhood characteristics. The data collected would be weighted towards educational outcomes but would also include some neighborhood indices. Measures might include:

- **Student performance**, based on standardized tests administered to students at particular grades—such as whether students are reading at grade level by the third grade. Ideally, the demonstration would include sufficient funding to administer Item Response Theory tests to the same children at multiple points in time. This would permit the construction of individual children’s growth scores, which quantify how much a child learned over time. Although expensive to administer, such a test would be a much cleaner assessment of children’s knowledge acquisition than the use of preexisting high-stakes tests such as those that states require schools to administer under NCLB.
- **Student mobility and chronic absenteeism, as well as teacher attrition and absenteeism.** The instability that results from high turnover of teachers and students plagues low-performing and poor schools, depressing student performance. Therefore, collecting information on measures of stability is an important test of school improvement. Much of this information is routinely collected by school districts. The commitments made by school districts to support the school reform strategies proposed by external sponsors of schools should also include commitments to provide data to an evaluation, both for those schools selected for the demonstration and for those schools that become part of a control group.
- **Parental involvement with the school, as well as parent and teacher satisfaction.** Survey data about parents’ and professionals’ feelings about the school can flesh out and cross-check the quantitative data collected about school performance. If a parent is dissatisfied with the school, what is the source of the dissatisfaction and what actions does he or she intend to take? How do teachers feel about the changes at the school and does it affect their decisions to stay or leave?
- **Children’s educational trajectory** upon matriculation from the elementary school. This is a measure frequently used by parents with choice to assess the quality of the school. Sending student graduates on to the most or least competitive schools in the area signals to parents the quality of the sending school.
- **Measures of neighborhood quality** derived from sample surveys of families, realtors, and local businesses, as well as secondary data such as the decennial census. Such measures might include whether original families remain in the neighborhood, whether the neighborhood attracts more working families or more middle-income families over time, and whether the value of the neighborhood’s housing stock increases relative to the housing stock in similar neighborhoods.

Who Would Administer the Demonstration and Evaluation?

School-centered community revitalization requires expertise in both systemic educational improvement and housing-based community development. Given the diversity of school systems, neighborhoods, and the external sponsors or partnerships that are likely to apply, applications for the demonstration will be difficult to evaluate in a strictly quantitative way or with “bright lines” for whether an application

requirement has been met. Therefore, the best way to evaluate applications would be through an expert panel of non-governmental experts on turning around failing schools and holistic neighborhood revitalization. Such a panel would have essentially the same composition regardless of whether DoED or HUD had lead responsibility for implementing the demonstration as determined by the source of funding from a federal appropriations account.

In addition to reviewing applications, the expert panel might also provide advice on how the demonstration should be evaluated to an evaluation team that includes staff from both HUD and DoED. If Congress provides clear statutory language mandating the demonstration and its evaluation, it should be possible for the two federal agencies to provide the appropriate internal expertise on the further design and implementation of the demonstration and evaluation.

At the same time, strong cross-agency policy direction for school-centered community revitalization would be valuable at all stages of the creation and implementation of a demonstration. Such policy coordination might be provided by a White House office, which might shepherd the enactment of a legislative and budgetary proposal for school-centered community revitalization and, once enacted, advise the implementing agencies on the further design of the demonstration and evaluation. Alternatively, policy coordination might be provided by an interagency council focusing on children in poverty and modeled on the Interagency Council on Homelessness. One can imagine a federal policy entity encouraging states, localities, and business communities to embrace school-centered community revitalization and to pursue some of the actions described in the next two sections of this paper.

What Would the Demonstration and the Evaluation Cost?

The cost of the demonstration—that is, the grants made to external sponsors of elementary schools—would be \$25 million or \$5 million each year for 5 years. Each funded applicant would receive \$250,000 per year.

Demonstrating the concept at 20 schools and comparing those schools with 20 schools that did not receive the grant awards would provide permit researchers to say with confidence that differences between outcomes for the demonstration schools and the schools to which they were compared resulted from the external sponsorship funded by the grant and did not occur by chance.

The evaluation would cost an additional \$5 million. This estimate is based on other evaluations that have measured outcomes at the school level and that required data collection of a similar scope.

Thus, total funding required for the demonstration and the evaluation would be \$30 million.

IV. Piloting School-Centered Community Revitalization through State and Local Policies

Although a federal demonstration is likely the best vehicle to test empirically the merits of the school-centered community revitalization (SCCR) approach, state and local policies can also set the stage for SCCR to expand and implement pilots of the concept. Although it is not possible to mandate outside sponsors for each struggling neighborhood and school, state and local policies could be used to encourage investors in neighborhood revitalization to act as stewards for the schools in their neighborhoods. Mayors and governors could support SCCR both through initiatives that encourage coordinated place-based investments and by creating direct programs or funding incentives for SCCR.

State and Local Support for Coordinated Place-based Investments

Even when not directly addressing SCCR's core concept of outside sponsorship of struggling schools, state and local policies that encourage investments in particular places can prompt SCCR activities. Policies that encourage investment in struggling neighborhoods can attract investors such as foundations, developers, or even university partners who might then evolve into SCCR sponsors of a neighborhood school. Many localities have adopted place-based policies that encourage either coordination of investments or increased investments in particular locations. Two examples of place-based policies implemented by local or state governments are:

- **Programs based on the Harlem Children's Zone (HCZ).** The Harlem Children's Zone Project is a program model that is being imitated and adapted by states, cities and communities. The concept focuses intensive investment on families and children within a prescribed geographic area. The HCZ Project concentrates services on a 100 block region of Central Harlem. HCZ's programs range from charter schools, parenting courses, preschools, child asthma initiatives, and college savings programs. Two other cities in New York (Yonkers and Rochester) have adopted programs modeled on the Harlem Children's Zone, and in 2008 the Florida legislature passed a bill which funds a pilot program in Miami and establishes a structure for other localities to apply for competitively awarded state funding. This structure of these programs can encourage implementation of the SCCR concept because they create a place-based constituency (the nonprofit that raises funds and coordinates and operate services) that could also serve as the external sponsor of one or more local schools.
- **Public sector financial incentives for comprehensive investments in a geographic area.** To encourage coordinated investments in particular neighborhoods, several localities offer direct and indirect financial awards, such as tax credits, grants, or privileges such as accelerated permit application reviews or increased flexibility. For example, Missouri's neighborhood assistance tax credit program encourages state businesses to contribute to approved neighborhood projects in exchange for tax credits reducing their state income tax. Rhode Island's KeepSpace initiative offers competitively-selected communities increased flexibility in permitting and additional state housing funds to allow these communities to implement comprehensive plans for economic, environmental, and housing development. Such financial incentives can create or strengthen potential sponsors for SCCR.

While programs and funding incentives that encourage targeting of resources to a zone or neighborhood do not directly affect the formation of an outside sponsor to work with a school, these policies do have the effect of concentrating resources in a place. This alone can prompt the formation of a place-based constituency to take on local school reform where it might not otherwise have occurred.

New Policies to Test and Expand SCCR

Local governments and states could also directly implement policies to test and expand SCCR. Some of the suggestions we received from state and local policymakers interviewed for this paper on the process through which local governments or states could encourage SCCR were to:

Establish the credibility of SCCR through a pilot at a small number of sites within a city or state.

Before expending time and political capital on formal legislation of SCCR, the policymakers interviewed suggested piloting the SCCR approach in three to five neighborhoods. The neighborhoods could be identified through discussions between school districts, state housing finance agencies, and state departments of education.

Create a task force to ensure that the policies reflect local needs and realities. For example, a governor or mayor who is particularly invested in the SCCR concept could begin by developing a working committee to develop recommendations for how SCCR could be implemented in a way that would attract interest and buy-in from communities or urban neighborhoods throughout the state. The committee should not be too large or highly politicized, but should include: top-level state officials from key departments such as education, housing, and economic development; senior advisors to the mayors of the state's largest cities; and on-the-ground practitioners such as a school principal, superintendent, or representative of local anchor institution such as a university or large employer.

Find a forceful champion who is willing to expend political capital and time to get SCCR off the ground. A leader who proves his or her deep commitment to an idea can overcome institutional resistance to the inter-agency coordination required to implement SCCR within a city or a state. This commitment must come in the form of sustained interest and expenditure of time. For example, a leader who personally attends meetings, follows up with calls to meeting members to encourage their continued participation, and acts on ideas or impediments raised in the planning process sends a signal to other agencies to follow suit.

In addition to these recommendations for how to build support for SCCR, the state and local policymakers interviewed suggested several ways to test and expand the concept:

- 1. Through a state-appointed taskforce, including the State Department of Education, test SCCR on five or 10 schools for which school restructuring is required by NCLB.** The state Department of Education would first identify elementary schools in the fifth year of failing Adequate Yearly Progress, which triggers the development of a school restructuring plan. The taskforce would then identify neighborhood-based sponsors that possess the necessary capacities and competencies to advocate for and monitor elementary school improvement. The taskforce would assign a neighborhood-based sponsor team to each failing elementary school, utilizing the

fifth of five available options under NCLB for required school restructuring. The pilot program would provide funds to the school sponsors and grant the schools substantial flexibility.¹ The state Department of Education could appoint an administrator to oversee the SCCR schools, which would be placed in a network for information sharing and support. A state-based foundation might be an ideal partner to support an evaluation if the state lacks sufficient funds to compare the results from SCCR schools to those of other schools restructured under NCLB.

2. **Create incentives for partnerships between outside sponsors of community development and schools through competitive awards of public funding.** One example is to modify the state's Qualified Allocation Plans for Low Income Housing Tax Credit awards to award points to applications for developing multifamily housing in a neighborhood with a failing elementary school that demonstrate a substantive commitment to turning the school around. In addition to being the principal allocators of development funds for rental housing, some states are also substantial funders of school facilities—often providing between 40 to 50 percent of school construction costs, although this varies greatly from state to state. States could use this funding lever to establish competitive grant programs for school facilities that offer additional funding above that scheduled via the preexisting school building priority policy. Models for this type of competition that could be modified to apply to SCCR are grant programs for green school buildings and California's funding program for charter school facilities.
3. **Alter charter school laws to: a) raise caps on the number of charter schools, or b) explicitly encourage high-capacity outside sponsors to develop charter applications.** For outside sponsors who seek high levels of control over a local school, the availability of a charter school option can be the deciding factor that persuades outsiders to involve themselves in school improvement. Attracting substantial private investment in a local school without the ability of those outsiders to have influence over the selection of the school's principal is exceptionally difficult. While some outside sponsors have negotiated with the local school district ways to participate in and influence the principal selection, some superintendents are unwilling to allow non-educator input into principal selection. Charter schools offer the benefit of public school per-pupil operating costs while providing private school-type control over principal, teacher, and curriculum selection.

¹ The 2007 MassInsight report *The Turnaround Challenge* provides detail on restructuring options and the specific elements of flexibility required for low-performing schools to turn around. These elements include school control over hiring, placement, and compensation of teachers and principals; authority over the school schedule; budget allocation that allows schools to move funds between line items; and curricular flexibility.

V. The Role of the Philanthropic Community

Philanthropic entities are uniquely qualified to promote dialogue on new ideas, innovate in areas where the private market or public sector have not yet invested, and document the effects of an intervention through evaluative work. To date, philanthropic institutions have played a leading role in school-centered community revitalization (SCCR), either assuming the role of the external sponsor or funding efforts to make improving academic outcomes for neighborhood children a central part of local community revitalization strategies. While philanthropies have thus far focused on direct funding for SCCR efforts, they could also play an important role in evaluating SCCR initiatives and disseminating information on replicable SCCR strategies. The exhibit at the end of this section highlights examples of national and local foundations that have invested in school-centered community revitalization approaches.

Direct Funding for School-Centered Community Revitalization

At the level of direct implementation of SCCR, foundations and other philanthropic entities can bring many advantages to SCCR, including:

- Flexible, up-front funding;
- A willingness and ability to work across institutional silos of housing development and public education;
- Long-term commitment to the effort;
- Perceived neutrality derived from their nonprofit status and prestige; and
- Experience with building local relationships and partnerships.

School-centered community revitalization will not appeal to all types of funders. Rather, SCCR is best suited to foundations and other philanthropic entities with one or more the following characteristics:

- An anti-poverty, community development, or place-based agenda;
- Interest in holistic community revitalization (or at a minimum an interest in improving children's educational outcomes as well as housing conditions);
- Long-term commitment to a particular city or neighborhood;
- Willingness to work in the politically-charged arena of school reform, including advocacy for measures of local school autonomy; and
- Willingness to test a new concept for which the path to large-scale replication has not been established.

To date, foundations with a community development agenda have been most interested in SCCR because of its strong focus on the link between school improvement and revitalization activities in the neighborhood. Place-based investments appeal to many foundations, because concentrating resources on a particular neighborhood or school can yield tangible results in a relatively short amount of time—for example, improving safety for children walking to school—and because it can be quite difficult to build the local relationships necessary to do effective community development on a citywide basis.

Education funders, by contrast, tend to be more interested in systemic change—i.e., reform at the school district or national level—because of the potential to reach more children and to develop national reform models. While this point of view is valid, an approach in which investors in neighborhood revitalization

advocate for improved academic performance for schools in their neighborhoods could become an important strategy for leveraging community investments and assets and bringing greater accountability to failing schools in urban districts.

Funders that are “embedded” in their local communities—that is, who have an especially strong commitment to a particular place or set of places and who adopt a partnership approach to working with grantees and other community stakeholders—may be best able to take on a leadership role as the external sponsor of the school reform effort.¹ These funders often share a vision of “doing whatever it takes” to improve outcomes for children and families in the neighborhood, which allows them to engage in the politically-charged activity of advocating for school reform, whether through or outside the traditional public school system.

At the same time, national foundations with a place-based agenda can also play an important role in furthering the SCCR agenda of improving schools in neighborhoods undergoing revitalization. National foundations have funded SCCR efforts through local intermediaries, such as a local foundation, a strong community-based organization, or the local office of Enterprise Community Partners (www.enterprisecommunity.org). National foundations have also played a more direct role in cities in which the foundation has a strong local presence. Foundations can also partner with one another to sponsor SCCR initiatives—for example, a foundation whose primary mission is community development might partner with a foundation focusing on school reform.

Evaluation and Knowledge Development

A national foundation or consortium of foundations could provide funding for the testing and evaluation of the SCCR concept in partnership with the federal government. Foundations have provided supplemental funding for several HUD demonstrations in the recent past, including demonstrations of Moving to Opportunity, Jobs Plus, and the Effects of Housing Vouchers on Welfare Families. Foundation funding can be used to provide support for the front-end design of a policy initiative and its evaluation, to expand the research domains of the demonstration, or to enhance the research approach.

Funding evaluation activities is the most obvious fit for national foundations whose main interest is in determining whether SCCR results in better neighborhood outcomes than other approaches to neighborhood revitalization and whether the concept can be replicated on a national scale. Education funders might also be interested in supporting a national test of SCCR because of its focus on urban public schools and its potential for bringing new resources as well as accountability to those schools.

National foundations and other philanthropic organizations have also used their special position outside the governmental policy processes to extend beyond the public sector the discussion of issues and the development of proposals to address them. This can happen at the national or regional level. For example, philanthropic organizations could fund cross-sector discussions of policymakers and practitioners nationally via conferences and proposed legislation or via workshops or taskforces in particular states or cities to help disseminate the SCCR concept and encourage states and localities to consider how school

¹ Karlström, Mikael, Prudence Brown, Robert Chaskin, and Harold Richman, *Embedded Philanthropy and Community Change*. Chapin Hall Center for Children, Issue Brief #14, April 2007.

improvement could be better integrated into community development goals and activities. Philanthropies might also support discussion of the concept among local funders of neighborhood revitalization efforts in different housing markets and the community-based organizations undertaking those efforts.

National and Local Foundation Investment in School-Centered Community Revitalization

- **The East Lake Foundation** in Atlanta sponsored the creation of a new charter school to serve residents of the East Lake neighborhood and to support a newly built mixed-income community of approximately 550 homes.
- **The Wilder Foundation** in St. Paul formed a partnership with Saint Paul Public Schools to operate the “Achievement Plus” reform model in three St. Paul public schools. For one of the schools, Wilder partnered with the St. Paul Foundation and a local community development corporation to do housing rehabilitation in the neighborhood and provide rental assistance to school families.
- **The Comer Science and Education Foundation** in Chicago began by making investments to improve academic outcomes at Revere Elementary School and then expanded to funding physical improvements to the neighborhood, including the development of new homeownership units, as well as workforce development and community organizing programs.
- **The Annie E. Casey Foundation**, a national foundation headquartered in Baltimore, is partnering with East Baltimore Development Inc., Johns Hopkins Institutions, the City of Baltimore, and the state of Maryland on the East Baltimore Revitalization Initiative, a comprehensive community change effort that includes large-scale housing redevelopment, economic development, workforce development, and family services. The foundation has partnered with another national foundation, Atlantic Philanthropies, to create a new public elementary school to serve the neighborhood.
- **The MacArthur Foundation**, a national foundation headquartered in Chicago, has partnered with Local Initiatives Support Corporation/Chicago to support comprehensive community development in 16 Chicago neighborhoods. All New Communities Program neighborhoods have undertaken a community planning process focused on improving the community’s quality of life. Several of the neighborhoods are pursuing school improvement as part of their neighborhood strategy.

VI. Conclusion

School-centered community revitalization (SCCR) identifies a natural constituency of neighborhood-based investors to steward the improved performance of a local failing school. SCCR draws on the vested interest that leaders of community revitalization efforts possess in stabilizing a particular neighborhood or community, and advocates that these leaders become long-term sponsors of the schools serving those neighborhoods and communities.

This comprehensive approach to community revitalization is a promising concept that has been implemented in multiple low-income urban neighborhoods but has not yet been replicated at any scale. A federally-funded demonstration would provide an ideal test of the concept to determine whether SCCR should be implemented extensively. Likewise, state and local policies that encourage the coordination of investments across policy areas or an increase of investments in particular locations can also be used to facilitate and support SCCR where an appropriate external sponsor exists. Finally, philanthropic institutions have played a critical role in leading and funding SCCR efforts to date and are well-placed to refine and promote the concept through direct investments in SCCR initiatives, funding for local and national evaluations, and facilitating further dialogue among policymakers and practitioners.

Appendix: Individuals Interviewed

Name	Organization
David Abbott	Gund Foundation
Richard Baron	McCormack Baron Salazar
Paul Brophy	Brophy & Reilly LLC
Prudence Brown	Independent Consultant
Justin Cohen	Office of Portfolio Management, District of Columbia Public Schools
Pat Costigan	The Community Builders
Reid Cramer	New America Foundation
Cyrus Driver	Ford Foundation
Mary Filardo	21st Century School Fund
Richard Godfrey	Rhode Island Housing
Paul Grogan	Boston Foundation
Cindy Guy	Annie E. Casey Foundation
Bryan Hassel	Center for Comprehensive School Reform and Improvement
Patrick Horvath	Denver Foundation
Feather Houstoun	William Penn Foundation
Brian Hudson	Pennsylvania Housing Finance Agency
Mikael Karlström	Chapin Hall Center for Children
Bruce Katz	Brookings Institution
Paul Levy	Center City District
Susan Lloyd	Lloyd Consulting Inc.
Sara Mead	New America Foundation
Greg Mooney	Comer Foundation
Carol Naughton	CF Foundation
Andy Rotherham	Education Sector
David Rusk	Innovative Housing Institute
Michael Stegman	MacArthur Foundation
Elaine Weiss	Pew Center on the States



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