



School Participation
in Local Community
Economic
Development

Ideas for Getting Started



June 1993

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This report* is based on a longer study of the potential economic development uses of Chicago's public schools conducted by the Center for Economic Policy Analysis (CEPA), under contract with the Neighborhood Innovations Network (NIN), a former project of the Institute for Policy Research. Stephen Coats wrote the major part of that study, with the guidance of CEPA director Arthur Lyons.

This document is hardly meant to be the final word on the subject of community economic development and the schools. Rather, we hope that it is treated as a draft, an invitation to discussion, revision, and invention.

* Figures in this report are from 1989-90.

School Participation in Local Community Economic Development: Ideas for Getting Started

By significantly increasing community control over neighborhood schools through elected Local School Councils (LSCs), the Chicago School Reform Act has been hailed as a national experiment to revitalize the country's floundering schools. Increased community control over neighborhood schools also opens the door to a broader mission of revitalizing the entire community as well as the schools. As has been noted elsewhere, "educational revitalization" and "community revitalization" are mutually reinforcing if based on a genuine community-school partnership.

One aspect of such a community-school partnership is linking Chicago local schools' assets to community economic development (CED). An analysis of school-based CED options reveals there is significant potential for LSCs to use school assets to promote CED. Local community development groups might combine with LSCs to explore a number of CED possibilities. Though the context and the data discussed in this report are peculiar to the Chicago schools in 1990, the general ideas are more broadly applicable.

I. Local School Assets for CED

A local school has three primary assets for promoting community economic development: school budget expenditures, school facilities, and school personnel.

(1) School budget. LSCs have legal authority over a local school's budget. The primary budget area for school-based CED is contract authority for local goods and services. To what extent can individual schools use vendors as suppliers?

Supplies and Textbooks. These are the budget categories that local schools could most easily capture for local vendors. The average elementary school has a supply budget of \$12,000 and a textbook budget of about \$36,000. The average high school supply budget is more than \$80,000. The total lump-sum supply amount allocated to all local schools combined is over \$10 million, and the total textbook allocation is over \$24 million.

A pilot program giving local schools control over the supply and textbook budgets has recently been added to all schools. The Board of Education (BE) Purchasing Department has prepared a handbook on local purchasing. While there are a limited number of textbook vendors, there are many sellers of other types of supplies that could be purchased locally.

The Contracting Process

Businesses seeking to sell to the school system, or to an individual school, must proceed by BE guidelines. Guidelines are determined by the amount of the sale.

For purchases over \$10,000, state law requires a formal bid process. To make a bid, an interested business must first fill out a vendor application form supplied by the BE. Most applications are approved, but the business must be city certified and meet minority hiring requirements. For this most expensive category of purchasing, the BE awards the contract. A local community development corporation might broaden the possibility for local economic development by encouraging neighborhood businesses to apply to be added to the BE vendor list.

For purchases between \$500 and \$10,000, the authority to award contracts lies with the local school principal. Currently there are two ways a principal can select a vendor. Previously, a principal would send a requisition to the BE and would receive three vendor names from the approved list in return. The principal had discretion over which of the three suggested vendors would receive the contract. This route to vendor selection is still available and still widely used.

Now, however, there is a new option. Principals can submit a request for a purchase naming their own vendor who may or may not be on the BE's approved vendor list. The BE requires the selected vendor to fill out an application for payment purposes, but rarely overrides a principal's choice of vendors. Once a business has been picked up as a vendor to any one school it automatically joins the list of approved vendors and so may be picked up by any number of other schools.

For purchases under \$500, principals can select any vendor they choose: A business need not fill out an application to be an approved vendor. For these smaller purchases, principals pay the vendor directly out of discretionary principal funds and are reimbursed by the BE. There is no legal limit on the number of times that a principal can make purchases for under \$500, but if the cumulative total of those purchases reaches \$10,000, the BE will intervene. It will intervene sooner if a number of purchases for under \$500 each are made from the same vendor.

Equipment repair contracts — for copiers and typewriters, at least — are negotiated on an annual, system-wide basis.

Local schools choose their own professional staff, such as consultants and trainers, whom the Purchasing Department approves in most cases.

Next Steps for CDCs

Given this situation, a local community development corporation might initiate discussions with LSC members and principals about local purchasing strategies. Initial steps might include:

Generate a list of supplies and other purchases made by the local school.

Make an inventory of local vendors who could provide any of the items on the list.

Encourage local businesses to submit applications to the BE to get approved vendor status.

Match local school purchases with local vendors.

(2) School facilities. The most significant school-based CED options are those that make use of school facilities primarily during after-school hours. A number of national experiments are underway to use school facilities for child care, job training, and CED vocational education centers. Currently, the use of Chicago school facilities during after-school hours is severely limited by the requirement that an engineer be present whenever a school building is open. But the cost of opening the school building could be covered by the enterprise using the facility. Using school facilities for such activities, and others, can be a source of increasing neighborhood employment. Such use could also be a source of school income, enabling local schools to expand other educational programs.

(3) School personnel. Teachers and students are substantial assets for community economic development. Suggestions for linking teachers and students to CED have been explored in *A Primer for A School's Participation In the Development of Its Local Community*(1987), and include such options as conducting an inventory of community assets, conducting neighborhood consumer surveys, and using teachers as technical advisors for CED groups. Many of the suggestions can be carried out without BE policy changes and simply require implementation by an LSC, the principal and local school. Other possibilities, however, are dependent upon the use of school facilities after hours (such as a student-run "latch key" program).

(Portions of the Primer are included at the end of this document as Appendix A. For the full version, go to <http://www.northwestern.edu/ipr/abcd/abcdrelatedpubs.html>)

II. Other CED Options with Suggested Policy Changes

The following review of CED options illustrates the significant potential for school-based CED, as well as identifying BE policy changes needed for the most promising CED options to be developed. (The CED options reviewed are those that make use of LSC authority — or potential authority — over certain budget items and facilities. CED options that make use of students and teachers as resources are covered in *A Primer For A School's Participation in the Development of Its Local Community*.)

Local Purchasing

Due to grassroots pressure, the BE now allows local schools control over their budget for supplies (a total of \$10 million) and textbooks (a total of \$24 million). Local schools can purchase goods, and some services, from local vendors as long as the vendors are approved by the BE. Therefore, LSCs can “buy local” to retain more dollars in the neighborhood economy, and/or buy with the environment in mind (“buy green”). The CED impact of “buy local” is, however, quite modest for most retail operations. Red tape and delays in receiving supplies are major concerns of principals. No major BE policy changes appear to be needed at this point, other than to assure that the local purchasing option is as streamlined as possible. One possible way to streamline and perhaps enhance use of local purchasing is by granting LSCs authority to enter into contracts. Current LSC contract authority is limited to contracts with its principal and for LSC training.

Energy Conservation

The energy budget (over \$55 million) is the second largest non-compensation item and is currently under the control of the BE. Local schools can promote energy conservation, but currently have no incentive to do so other than good stewardship. Two BE policy changes are needed to provide LSCs with an incentive to conserve energy: allowing local schools to retain at least a portion of the

energy savings and allowing such savings to be used for direct educational needs. A system-wide solution must be developed to deal with the equity concern: large energy savings can be achieved at some school buildings but not others.

Child Care

Local schools can help increase local employment by employing neighborhood child care providers, increasing availability of preschool child care during school hours, and using school facilities to provide after-school care during afternoons, evenings, and weekends. The BE has taken some initial steps in this area. The link between public schools and child care is one of the most promising areas researched, especially given the likelihood of significant increases in federal support for child care. Moreover, the additional costs of maintenance personnel and other costs associated with the extended use of the building could be assumed by the child care enterprise rather than the host school. National experiments are also underway in this area. The primary BE policy change needed is to open up schools after hours.

Vocational Education

This is an area where education and CED goals merge especially clearly. LSCs and CED groups could develop pilot programs that guarantee jobs to students who achieve modest educational goals. This is an area with much promise but further research is needed to learn as much as possible from the many experiments in this area. No BE policy change other than opening the schools has been identified.

Job Training/Retraining

Using public school resources for job training/retraining is a promising area, although several obstacles exist, including the facilities problem and obsolete tools in Chicago schools. However,

national examples illustrate that in cooperation with a community agency local schools can train neighborhood adults for jobs that also provide needed community services. Another possibility is a pilot job retraining program for one-to-two public schools with dislocated workers from, say, Stewart-Warner. The primary BE policy change is opening up schools.

Food Budget

The Chicago public school food budget is over \$43 million this year [1993]. A pilot should be explored that would allow a local school control over its food budget in order to test the degree to which local food providers could meet school needs. While the BE has control over the food budget, it apparently has the authority to delegate the food budget to LSCs. Another issue to be resolved if neighborhood providers are to be used is the union contract with cafeteria workers.

Recycling

Local schools could initiate student-run recycling enterprises. Such enterprises could generate additional income for local schools as well as provide educational opportunities for students. Other options related to recycling and environmental action include: student education (without the business component) and “buying green.” Those schools within the four-ward recycling test area could explore ways to use public school resources to promote recycling. This is especially important given that the four-ward test will eventually be expanded to the entire city. But no BE policy changes appear to be needed now.

Community Reinvestment

Local schools do not have significant economic leverage with a bank, given the very modest size of their individual internal accounts (most of the Chicago Public Schools banking is done through the BE).

Raising community reinvestment criteria regarding the school's banking policy would at a minimum be educational for the LSC and, since many LSC members are community leaders, may provide modest political leverage with depositories. No BE policy changes are needed to make use of this option.

Land Use

Those LSCs with lots that are going to be sold by the BE could at a minimum seek to establish the principle that a LSC should have some input on what sort of buyer is acceptable to the neighborhood, using CED criteria. BE policy could be changed to provide for formal LSC input into use and sale of BE "surplus" lots not used for school purposes.

III. Summary of Policy Changes

The primary BE policy changes needed to allow LSCs to fully explore and develop school-based CED that have been identified to this point are:

(1) Opening up the schools after hours. Essentially, this means resolving the "engineers issue." This seems by far the most critical policy change to allow for the most promising school-based CED options.

(2) Allowing income retention from space rental.

(3) Providing LSCs with incentive to achieve energy savings by allowing LSCs to retain some portion of the savings and allowing LSCs to use retained savings for educational purposes. A system-wide solution must be developed that deals with the equity issue.

(4) Establishing a pilot program for local control over the food budget.

Appendix A

Suggestions for School Projects Investing in Community Development

The main body of our report focuses on the School Reform Act, providing a general overview of both the possibilities for CED and the limitations of the Act. The suggestions on the following pages complement our report by approaching the link between school and CED from what might be described as a more unfettered perspective. That is, the school and community leaders who offered these suggestions did so in the context of the communities with which they were familiar, trying to improve those communities in ways that seemed appropriate — even though there was no School Reform Act at the time (1987) and the institutional framework for implementing some of the suggestions may not have been in place. Indeed, for some of the options, especially those involving use of school facilities, there still are no clear precedents or legal guidelines.

Nevertheless, the list serves as an important example of the way thoughtful and creative people can combine the educational mission of local schools with CED. Ideas such as these go hand-in-hand with reports such as ours on the current institutional framework. If the ideas are good, but the School Reform Act or other institutional arrangements hinder their implementation, then perhaps the laws or other guidelines should be changed.

The following pages are reproduced from *A Primer for a School's Participation in the Development of Its Local Community*, by Stanley Hallett and John McKnight (Evanston, IL: Center for Urban Affairs and Policy Research, Northwestern University, September 1987).

School Projects Investing in Community Development

The following list of 31 projects is a beginning effort by 20 school and community leaders to give concrete examples of how a new partnership might be implemented utilizing the educational assets described above.

Students and Teachers

1. Identify the key assets of the community (businesses, associations, clubs, facilities, etc.) and create a guidebook for community development. The local Chamber of Commerce or service clubs may cooperate in its publication and dissemination. This initial work can educate students and teachers about their community while initiating a cooperative working relationship with community groups.

2. In cooperation with interested community groups, create community history projects that will enhance commitments to the future. These could be done with senior citizens, ethnic associations, historical societies. The completed work could be published in local newspapers.

3. Working with local development groups, research information that will facilitate community planning (i.e., inventory vacant lots, identify land ownership, map capital improvement plans, identify economic development groups, update census data on local demographics).

4. In collaboration with local neighborhood organizations, development or business associations, conduct local attitude and consumer market surveys. These could be conducted door-to-door or by telephone.

5. Conduct research on the choices involved in community issues and convene community forums in the school to discuss the issues based upon the background research prepared and presented by students.

6. Most neighborhood organizations in larger urban neighborhoods need to learn about developments at the block level and channel information to the block residents. Local students could become "area reporters" for the two or three blocks where they reside, acting as liaison between the neighbors and their associations. This civic information function could be the basis for course work on the nature and practice of democracy.

7. The community development process requires local media to involve residents in planning, notify them of action, and celebrate the local progress. The students, in cooperation with local groups, could create a newspaper serving these functions in areas too small to be served by other media.

8. In cooperation with local government units, students could engage in public service by conducting studies and performing functions with local units of government. They could do air quality monitoring, assist public health officials in surveying toxic sources, conduct traffic control studies, etc.

9. In cooperation with local business associations, students could do studies of consumer attitudes and preferences as well as reports on the proposals and ideas of local business people regarding improving economic opportunity. They could also develop proposals for closer links between the school and local employers.

10. Students could become direct participants in development activities such as housing construction and rehabilitation, where they could develop skills and contribute to the development process.

11. Many churches are involved in running community projects such as tutoring programs, sports, services to the elderly, preschool child care, etc. They usually depend upon community volunteers. Students could become volunteer workers, developing skills for future employment in the service sector while building the community's capacity to meet local needs.

12. Many nonprofit organizations involved in the community development process could use the capacities of students. They could work with the office support staff in connection with a curriculum in office management. They could assist in tracking housing in violation of codes and study the process of enforcement.

13. Every community has organizations involving senior citizens. There are innumerable ways for students to cooperate with these groups and their members. All of the projects described above

could be conducted in cooperation with individual senior citizens or groups. Intergenerational housing developments could be jointly studied and planned by students and seniors. Students could develop a matching service connecting students and seniors to provide mutual support (i.e., daily phone checks to see that seniors are all right, etc.).

14. In cooperation with local artists or an arts council, students could create outdoor murals to beautify the local environment.

15. As major users of the parks, students could study the history of community parks, survey local residents' use and desires, sample students' use and desires, and develop a neighborhood plan for park development and improvement.

16. As part of a curriculum focused on energy issues, students could develop an energy efficiency program for their school with the savings placed in a fund to capitalize new venture development by students.

17. Students could conduct a study of crime and vandalism in the neighborhood by using data provided by the police force. They could also survey community attitudes toward crime. Based upon this information, they could develop a proposal for crime reduction, seek student participation, and seek local governmental and community support.

Teachers

18. As specially trained and skilled professionals, teachers have a great deal to contribute to groups involved in community development. They could develop a school inventory of the skills and expertise they have to offer. This inventory of capacities could be made into a teacher skills directory and distributed to local community development groups seeking technical advice and assistance. Subsequent requests for assistance could also be the basis for involving students in apprentice-like learning experiences with their teachers.

19. Most community development groups have boards of directors representing diverse interests in the community. Administrators and teachers could indicate a commitment to serve on the boards, contributing their knowledge and identifying opportunities for school participation in organizational development projects.

Courses

20. A special course in business accounting could be developed for local small business people. Similarly, a course on local community development enrolling both students and local adults could be created.

21. Special courses to help people earn credentials, such as the test on General Educational Development, could assist local residents in their job-preparation process.

In-School Ventures

22. A Center created by the school involving teachers, students, and local citizens could experiment with the development, use, and sale of neighborhood technologies to improve the local economy. These technologies could include solar energy systems, greenhouse horticulture, energy-saving activities and materials, waste treatment, and recycling systems.

23. Students could develop commercial ventures for community maintenance and improvement. These could include contracts to maintain and develop railroad and local public transit embankments, maintenance of tot lots for the park authority, tree planting projects with local block clubs, etc.

24. Using school facilities, develop a student enterprise to prepare and deliver Meals on Wheels to homebound citizens.

25. Students and teachers could develop an enterprise using school equipment, when not in use, to create a computer center providing bookkeeping, word processing, or mailing services for local enterprises.

26. Enterprise "incubators" could be developed in local schools. There, students would plan and develop student-run community enterprises such as growing flowers, auto repair, or a "rent-a-kid" service.

27. The profits from these ventures could be used to create a scholarship fund or contributed to a community economic development fund.

Facilities

28. The school could develop a student-run "latch-key" program for the children of working parents (perhaps staffed, in part, by older students).

29. Community facilities needed by both students and citizens could be used by both groups and cut back on the costs of public facilities. Thus, the community library, gym, and swimming pool could be in the school bringing citizens, teachers, and students into more frequent contact with each other.

Purchasing

30. Local schools could make special efforts to contract for goods and services with local merchants. They could cooperate with local economic development efforts to help create local markets for local ventures. In large school systems, local authority for purchasing could be granted to encourage support of local vendors.

31. Students could conduct a study of their school's purchasing patterns and procedures. This information could then be made available to local merchants and economic development groups.

The Partnership Process

As mentioned earlier, these "31 flavors" of school-community partnerships do not exhaust the spectrum of possibilities. We see three essential steps in moving the partnership concept from rhetoric to reality: 1) *organize* a group to explore how such a partnership might be forged in its community; 2) work together to create a *vision* of the ways in which this partnership could address key problems within both the school and the neighborhood it serves; and 3) try to get one or more mutually beneficial partnership activities *up and running this year*.

Even if these first attempts at partnership are modest ones, it is important to start acting upon this idea and winning small victories. The tangible — and attainable — rewards of better schools, better education, and better communities make this partnership too vital to ignore any longer.