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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE ON EDUCATION

- - -

Room 401, City Hall
Philadelphia, Pennsylvania
Friday, November 8, 2001
2:00 p.m.

- - -

RESOLUTION 010642 - authorizing City Council's
Committee on Education to conduct joint hearings
with the Board of Education of the School District
of Philadelphia to examine the findings and
recommendations set forth in the report of Edison
Schools, Inc., concerning the future of Philadelphia
School District.

- - -

PRESENT:

COUNCILWOMAN DONNA REED MILLER, Chair
COUNCIL PRESIDENT ANNA C. VERNA
COUNCILWOMAN JANNIE BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN WILSON W. GOODE, JR.
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILMAN RICHARD T. MARIANO
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

- - -

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PRESENT (continued)

REPRESENTATIVE LEANNA WASHINGTON, Chair
REPRESENTATIVE LOUISE BISHOP, Chair
SENATOR SHIRLEY KITCHEN
REPRESENTATIVE JOHN MEYERS
REPRESENTATIVE HAROLD JAMES
REPRESENTATIVE RON WATERS
REPRESENTATIVE MARK COHEN
REPRESENTATIVE JEWELL WILLIAMS
REPRESENTATIVE W. CURTIS THOMAS
CONGRESSMAN CHAKA FATTAH

PHILADELPHIA SCHOOL BOARD
PEDRO RAMOS, President
SANDRA DUNGEE-GLENN
DOROTHY SUMNERS-RUSH
MARTIN BENARIT
AMELIA MADDOCK COALY
JAY COOPER
MICHAEL MATT

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2 The hearings are about to begin. Can we have quiet,
3 please? The noise level in here is pretty high.

4 This afternoon we have the unique
5 opportunity to have a joint hearing with the
6 Pennsylvania Legislative Black Caucus and other
7 members from the Pennsylvania House of
8 Representatives, of course, Philadelphia City
9 Council and its members of the Education Committee
10 and other members, and we also have as our partners
11 in this hearing today the Board Members from the
12 School District, School District of Philadelphia.

13 Will the Clerk please read the
14 resolution?

15 THE CLERK: Resolution 010642,
16 authorizing City Council's Committee on Education to
17 conduct joint hearings with the Board of Education
18 of the School District of Philadelphia to examine
19 the findings and recommendations set forth in the
20 report of Edison Schools, Inc., concerning the
21 future of Philadelphia School District.

22 COUNCILWOMAN MILLER: Thank you. In
23 attendance today -- and you're going to have to bare
24 with me, Representative Washington, we just need for
25 the record to state who is here. We have

3 Councilmember Clarke, State Representative John
4 Meyers, State Senator Shirley Kitchen, Councilmember
5 Blondell Reynolds-Brown, Councilman Wilson Goode,
6 Jr., State Representative Harold James, State
7 Representative LeAnna Washington. My name is
8 Councilwoman Donna Reed Miller. We have School
9 Board President Pedro Ramos, State Representative
10 Louise Bishop, School Board Member Sandra Glenn,
11 School Board Member Dorothy Rush.

12 MR. RAMOS: Sandra Dungee-Glenn, Vice
13 President; Dorothy Sumners-Rush, Member Martin
14 Benarit, Member Dr. Amelio Matticoli, Student
15 Representative Joy Cooper, and Member Michael Matt.

16 REPRESENTATIVE WASHINGTON: And in the
17 rear we have State Representative Ron Waters and
18 State Representative Mark Cohen, and State
19 Representative Jewell Williams, State Representative
20 Larry Curry, State Representative W. Curtis Thomas.

21 COUNCILWOMAN MILLER: Thank you all for
22 coming and thank you for having an interest in our
23 children.

24 Before we begin, I want to explain the
25 format for today. We hope that this hearing will

3 35 people scheduled to testify. So we want you to
4 keep your testimony brief. Shortly, we'll figure
5 out how any minutes we're going to allow you to go.
6 Opening statements should not exceed more than two
7 minutes. And when we adjourn today, we will recess
8 until Saturday morning. We will reconvene Saturday
9 morning at 10:00 a.m., and the hearings will
10 continue Saturday. So far, we have about 10
11 different people that are scheduled to testify on
12 Saturday, and the list is growing. We thank you for
13 attendance today.

14 And we also are joined by Councilman
15 Michael Nutter.

16 We thank you for your attendance today
17 and for your commitment to the future of the
18 children of Philadelphia.

19 I have a list of Councilmembers and
20 State Representatives and other people that want to
21 make an opening statement. If you haven't told me
22 that you want to be included with the opening
23 statement group, please do so now.

24 Let's begin.

25 We've come together once again united by

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2 our commitment to the children of Philadelphia.

3 Nearly 2 million children go to public

4 school in Pennsylvania and over 200,000 in
5 Philadelphia. Only half get what they need, a good
6 job or an opportunity to go to college. For nearly
7 a million Pennsylvania Public School students,
8 education does not come with a happy ending. Here
9 in this 11th hour, we have less than a month to find
10 our way. Our children deserve a high level of
11 education. We all know what makes good schools
12 work: Adequate funding, small classes, good,
13 well-paid teachers, challenging curricula standards
14 and assessment. The Edison report reflects back to
15 us what we already know and what we are already
16 doing or in the process of doing.

17 Many low-performing schools are
18 performing. New academic models and literacy
19 initiatives are making a difference. What we do not
20 need is a hostile takeover of our system from the
21 outside. What we do not need is unproven and
22 untried schemes that are launched without the
23 benefit of intensive dialogue with those of us who
24 have been living in the school struggle in
25 Philadelphia every day.

4 change which gives the Mayor broader authority over
5 the District. We must work together to realign
6 roles, responsibilities, and functions. We must
7 make the public debate about education as broad as
8 possible. We must listen to people propose a change
9 and learn from them. They must also listen to and
10 learn from us. We must exercise our fiduciary
11 responsibility to our children by capturing the
12 rewards and benefits of any report without the
13 unprecedented risk of having our school system taken
14 from our hands and entrust it to untried, unproven,
15 inexperienced alternatives with questionable track
16 records of success.

17 We cannot allow our school system to
18 become hostage to Wall Street. We must consider our
19 current fiscal realities. The nation is slipping
20 into a recession, which will impact the revenues of
21 private companies which provide educational services
22 and which will ultimately impact our students as
23 well. Of course, we must remain open to new and
24 responsible education and financial alternatives. I
25 want to echo CEO Phil Goldsmith's charge, neither

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2 the District or City can succeed without the State's
3 help. It is equally clear that the State cannot
4 effectively succeed without the City's help.

5 As in all human endeavors, everyone must
6 leave the table feeling heard, valued, and empowered
7 if there is to be any chance for a successful
8 change. Let us use our mouth well. If our children
9 are at risk, so is our future. The children are
10 watching. Thank you.

11 REPRESENTATIVE LEANNA WASHINGTON: Good
12 afternoon. My name is LeAnna Washington, Chair of
13 the Pennsylvania Legislative Black Caucus. I'm an
14 advocate of public education and, more importantly,
15 of quality education that assures African-American
16 and Latino children, the most socially and
17 economically disadvantaged amongst the City's public
18 school population, every opportunity to compete.

19 Few would argue that the current quality
20 of public education in this City meets either
21 regional, state, or national standards, and the
22 dismal academic performance of the Philadelphia
23 Public School students provide the best evidence of
24 that tragic reality. It is little comfort to know
25 that Central Masterman and the High School of the

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2 Performing Arts, as examples, are beacons of the
3 national academic excellence when the overwhelming
4 percentage of Philadelphia Public School population

5 is academically deficient and is forced to enroll in
6 schools which physically plants are in gross despair
7 and which are technologically unready and
8 substandard and in all too many instances are the
9 haunting grounds of social predators, those bent on
10 our children's addictions and moral turpitude. That
11 our comprehensive high schools and their feeder
12 schools do not ready our children is a travesty
13 requires the most the radical reform before they're
14 able to nurture a productive motivated and
15 technologically oriented next generation.

16 How real and, yes, radical education
17 reform occurs is a righteous matter of public
18 debate. And It is appropriate. It is not essential
19 for serious confrontation of old and new ideas of
20 differing methodologies in a competing politics to
21 serve as the lighting rods. That the current former
22 governor advocated takeover to the failing public
23 school systems heightens the debate, further
24 stretching the already raw nerves by suggesting
25 privatization as a primary capitalist of change.

11

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2 Placing Edison Schools, Incorporated, as the effigy
3 of the school states unfair and carefully
4 distinguished refusal to adequately fund the School
5 District of Philadelphia.

6 All in all, one would have to admit the
7 deluge of numbers which often comprise clear
8 thinking, which is why my remarks are devoid of
9 competitive and insensitive numbers. Said the
10 American author in humorist Mark Twain, "There are
11 two kind of provocations, lies, damn lies, and
12 statistics."

13 I am here to facilitate the broadcast
14 possible discussion on education, allowing for the
15 broadest base of participation, hearing from those
16 who have something to say. I'm in pursuit of the
17 voice of the people, the parents, students, teachers
18 and community advocates who are, after all, the
19 principal stakeholders. That no reform or decision
20 speaks to the people's voice on school privatization
21 is unfortunate. Notwithstanding the apparent and
22 widespread opposition and concern to such a course
23 of action.

24 Nonetheless, the objective of this joint
25 hearing is to afford the people a chance to speak

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2 and, therefore, it is the responsibility of the
3 Legislative Black Caucus, the Philadelphia City
4 Council to deliver the people's message to the
5 Governor and to the Mayor of this City.

6 Though I'm not without my own opinion on
7 public opinion reform and privatization, it is my
8 responsibility to provide a forum for the fair
9 exchange of ideas, the point of views and the
10 perspectives. And in that vein, it would be
11 inappropriate for me to sway public opinion one way
12 or another. To do so would undermine the purpose of
13 these hearings, a forum for discussion as opposed
14 the a rally around a single idea or ideal.

15 I will exercise one discretionary point
16 of order. It is the future of this and the next
17 generation that is at risk here. Whatever the
18 result, it must weigh highly to the benefit of our
19 children. Thank you, and let's move on with today's
20 agenda.

21 (Applause.)

22 COUNCILWOMAN MILLER: Thank you,
23 Representative Washington. For the record, we also
24 want to note that we've been joined by Councilwoman
25 Joan Krajewski.

13

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2 State Representative Louise Bishop,
3 Chair of Pennsylvania Delegation.

4 REPRESENTATIVE LOUISE BISHOP: Thank you
5 very much, Madam Chairlady and Madam Chairlady also
6 and all of the Council Representatives and the

7 General Assembly, School Board Members and parents,
8 teachers, supporters and friends of public
9 education. I am here today, as many of my colleague
10 are, for one particular reason and one reason only:
11 The concern for education and the educational needs
12 of Philadelphia's school children.

13 It comes without saying that this should
14 be the driving force behind any effort to improve
15 the School District, which we all recognize is
16 struggling and in need of reform. Sadly, the
17 question becomes today, is that really the case? Is
18 that really the action that is being taken? For the
19 recent action by the State creating a School Reform
20 Commission, doesn't appear to be about educating the
21 students as much as it appears to be about taking
22 away control of the local level.

23 (Applause.)

24 REPRESENTATIVE BISHOP: The commission
25 is given many broad powers, but none that address

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2 the real problems facing the Philadelphia School
3 District. The District, as well as Pennsylvania's
4 23 other urban districts, faces unique challenges in
5 educating students that their suburban counterparts
6 rarely have to face or deal with, if ever. Teachers

7 in many urban districts are forced to be first
8 become surrogate parents and counselors to students.
9 Many times they even have to just be a friend or a
10 loved one.

11 Living in extreme poverty and liking any
12 type of structured home makes environment very
13 difficult to teach in public school. The resulting
14 social problems present serious obstacles to the
15 educational process. If we truly want to help the
16 District improve, then we must first find ways to
17 give it the tools and resources needed to overcome
18 these challenges. Thus far, the State has been
19 unwilling to do this. Without helping schools
20 address the unique social issue that many students
21 and their families encounter, it is going to make
22 little difference in the end if the State or private
23 company operates the School District.

24 I am not 100 percent sure there is any
25 elected official from Philadelphia who does not want

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2 to see our District improve and better serve the
3 educational needs of our children. We all want
4 that. Not only elected officials, parents want
5 that, teachers want that. But the question becomes
6 whether or not a State takeover, whether or not
7 privatizing our schools is the right solution for

8 the problem that is ahead of us.

9 (Applause.)

10 REPRESENTATIVE BISHOP: So as this

11 hearing begins, it is our hope that we will get some

12 input from others around the City of Philadelphia

13 who is going to help us to set a focus on what is

14 ahead of us. Thank you so very much.

15 (Applause.)

16 COUNCILWOMAN MILLER: I'd just like to

17 make a note for the record that we've been joined by

18 Vivian Miller, our Clerk of Court of Sessions and

19 Member of Black Elected Officials. I think she's

20 the first vice chair or second vice chair. And also

21 we've been joined by Councilman Frank Rizzo.

22 We're also going to have some brief

23 comments in this order Councilwoman Blondell

24 Reynolds-Brown, Councilwoman Jannie Blackwell. And

25 after Councilwoman Blackwell, we'll have Pedro

16

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2 Ramos. Thank you

3 COUNCILWOMAN REYNOLDS-BROWN: Good

4 afternoon. The record should reflect that there has

5 been an important miss-step on the road to receiving

6 the report from Edison. It is the understanding of

7 many of the Members of Council that the opportunity

8 was not had for the CEO of our schools to have a
9 dialogue, a meeting, a discussion on where we are
10 with the Philadelphia School District. So we
11 appreciate the opportunity to sit with and be with
12 members of the Legislative Black Caucus, all of us
13 who, as representative LeAnna Williams has already
14 said, are friends of public education. This is the
15 opportunity to hear from those who want to take over
16 the Philadelphia School District. At the end of the
17 day, it boils down to lack of dollars. Give
18 Philadelphia School Board what our suburban
19 counterparts already have. The per pupil spending
20 for young people 12 miles from where we sit is
21 \$12,000 per student. The per pupil spending for
22 young people, 219 who are currently enrolled in the
23 Philadelphia School System is \$6,500. Equity is the
24 question at hand. Thank you very much.

25 (Applause.)

17

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2 COUNCILWOMAN BLACKWELL: Good afternoon,
3 Madam chair, esteemed panel guests, members of the
4 School Board, parents, teachers, and other concern
5 citizens of public education. I speak as vice chair
6 of the City Council Committee on Education.

7 As we open this public dialogue to
8 discuss Edison's report findings, it is necessary to

9 remember the context of the larger issue; The
10 growing movement toward the privatization of public
11 education and which this current debate is embedded.

12 Public education was founded in the 19th
13 Century to train a mass immigrant work force to the
14 needs of the industrial age employers. Since then,
15 it has been a poor reflection of the many challenges
16 faced by our nation, including the integration of
17 all American citizens, new immigrants, changes in
18 workplace demands, and new skills developed through
19 technology. The public education system, properly
20 valued and financed, remains the one government
21 institution that evens the playing field for all
22 children, instilling dignity, self-respect and the
23 opportunity for financial gain.

24 Within the African-American community,
25 lives were loss in the fight to educate our children

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2 to better their opportunities. We must not forget
3 this history and continue to fight for education and
4 inclusion.

5 Given this history of flexibility,
6 compromise, and cooperation, I firmly belief that
7 the people in this room have the power and ability
8 to meet the concerns of this current challenge and

9 to institute a plan that properly prepares our
10 children for the new workforce demands of a
11 globalized economy, given fiscal, administration,
12 and contact management crises that we are facing
13 today.

14 I would like to thank Governor Schweiker
15 for his proposal and acknowledge Edison's
16 development of the plan. All of us as leaders need
17 to agree that we are failing the 200,000-plus
18 students within our system. But instead of pointing
19 blame, as the Governor has offered, we need to ask
20 ourselves, "What do we now?"

21 While I have read the Governor's
22 proposals and Edison's finding and all of the
23 criticisms and analysis, I have failed to see an
24 alternative that we can present as the elected
25 officials representing 1.5 million residents in

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2 Philadelphia. It is our Godly duty as trustees of
3 the public trust to speak up on this at a time when
4 our rights as citizens are being challenged with the
5 installation of a non-elected commission that has
6 the ability to raise taxes, spend our money, tax
7 dollars and influence the mindset in the system of
8 educating our children that we are facing today.

9 To this end, I would like to offer some

10 suggestions so that we don't limit ourselves to a
11 discussion on Edison as if we have accepted this is
12 our only fate. We must expand our thinking to other
13 possibilities and demand that they be injected into
14 the future negotiations.

15 Number one, we must re-prioritize our
16 goals for school reform. While fiscal management is
17 the leading concern, we fear drastic results in the
18 way of layoffs of low-income jobs, including
19 janitors, cafeteria workers, security guards, et
20 cetera. Instead, as a last resort, we recommend an
21 objective, non-partisan board supported by local and
22 state officials, possibly modeled from PICA that
23 will maintain fiscal management and distribute local
24 school funds. We also recommend that our Controller
25 have the authority to audit all funds.

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2 Number two, the selection process of
3 private operators should be an open process issued
4 through a request for proposals with a defined set
5 of fiscal, administrative, and quality control
6 standards to reduce local patronage and continued
7 low performance. We would like to set a of
8 criterion based best practices used by schools
9 identified in the top performance tier that

10 potential school managers must prove they can meet.
11 The potential of the providers could also publicize
12 in local paper a capacity statement that lists, one,
13 financial capacity; two, quality of educators;
14 three, a detail plan for reaching performance
15 benchmarks; four, residential and parental letters
16 an support; five, record of previous experience;
17 six, highlighting plans that include how they will
18 absorb current personnel; seven, a statement of
19 value added, that is, what will children receive
20 going to the new school that they do not have on the
21 current system; Eight, parental grievance police;
22 and number nine, linkages and matriculation plans.
23 Will the schools be K to 8? Will they be theater
24 schools? Will they feed into other schools with
25 different philosophies? Upon graduation, will the

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2 student be prepared to go to college or to the
3 workforce?
4 Three, dividing schools into three
5 groups based on performance standards and then
6 setting up management approaches targeting those
7 three groups appears to set up entrenched systemic
8 divides that will not help enhance education among
9 students in the lowest performing schools, but send
10 them further behind. This approach also attacks

11 students self-esteem and pushes blame to the
12 community level versus in the administration arena
13 where it should be. Further, African-American
14 children have been subjugated to so many forms of
15 experimentation. It is time that we stop lowering
16 and experimenting with standards for all our
17 children and make them consistent with those in the
18 highest performance schools to give our children a
19 chance.

20 I will never forget last spring when I
21 sat on panel sponsored by McDonalds to review
22 applications for a college scholarship that at least
23 3,000 essays I read from African-American high
24 school students in senior public schools express
25 these things: They felt that their own potential

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2 far outweighed the foresight of teachers and
3 community leaders. Therefore, a possible better
4 method of implementation would be:

5 One, rank all schools, public and
6 charter.

7 Two, expand the capacity of
8 top-performing schools with necessary resources by
9 10 percent to reduce waiting lists.

10 Three, group all remaining schools so

11 that the poorest performing schools are not
12 marginilized and stigmatized. But instead, have
13 expectations and standards that are raised to the
14 level of the highest performance schools.

15 Four, develop a common formula for
16 success creating by administrative of the
17 top-performing schools and formulate an RFP.

18 Five, give authority to current
19 principals to act and form an independent public
20 entity so that they too can respond to RFPs and also
21 be able to compete to manage their schools that they
22 now have.

23 Six, review the current school inventory
24 and consolidate and streamline resources and
25 buildings and environments.

23

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2 Seven, develop a transition team of
3 parent advocates contracted with neighborhood
4 community organizations to work with individual
5 households and help parents select the best school
6 that is will meet their child's needs.

7 In conclusion, we know from experience
8 with the implementation of welfare reform that a
9 strong fiscal approach based on financial
10 cost-saving benchmarks and quantitative standards to
11 social problems without establishing best practices

12 that address quality is not necessarily successful.
13 Providers come and go due to new cash flow
14 constraints. Standards differ and are inconsistent.
15 Recipients are cow-herded into a few options
16 regardless of need, and those that are unable to
17 cope bear the responsibility for of blame further
18 ensuring a cycle flow self-esteem, low participation
19 in society and despair.

20 We now have the opportunity, ladies and
21 gentlemen, to make a difference. Let's go forward
22 and take responsibility for our children. Thank
23 you.

24 COUNCILWOMAN MILLER: Councilman Ortiz.

25 COUNCILMAN ORTIZ: Thank you, Madam

24

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2 Chair. I'm going to be very brief.

3 The last few weeks and months we have
4 been debating the school issue in this Council and
5 across the City. The thing is that the people who
6 have not been consulted are the people of
7 Philadelphia.

8 (Applause.)

9 COUNCILMAN ORTIZ: It seems that
10 agreements and deals were made and the people that
11 have not been consulted were the School Board of

12 Philadelphia.

13 (Applause.)

14 COUNCILMAN ORTIZ: It seems that plans,
15 proposals, contacts have been given and the people
16 that have not been consulted have been the teachers
17 and principals of Philadelphia.

18 (Applause.)

19 COUNCILMAN ORTIZ: It seems that the
20 students have been put to one side as we discuss how
21 much money and how many contracts we can be given.
22 They have not been consulted.

23 (Applause.)

24 COUNCILMAN ORTIZ: What we have to
25 understand is that over the years, the Board of

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2 Education of this City has taken on the task of
3 really streamlining and studying all of the
4 mechanisms of cost savings that they what have.
5 Mike Mash, who has done work with the City
6 government is probably one of the best minds in
7 terms of cost savings that we can have of any school
8 board in the country.

9 The problem in Philadelphia is one that
10 no one is really speaking about, school reform.
11 School reform is not privatizing. Privatization is
12 not school reform.

13 (Applause.)

14 COUNCILMAN ORTIZ: We're not talking
15 about putting 20 kids per classroom. When we talk
16 about \$51 million of a paint job , I don't want a
17 \$51 million paint job for our schools. I want
18 Sheppard, I want Cramp, I want those buildings torn
19 down and new schools built, not painted.

20 (Applause.)

21 COUNCILMAN ORTIZ: When we talk about
22 reform, we mean that teachers get an inadequate
23 salary so we can entice teachers to come to
24 Philadelphia, so that we can pay them a living wage,
25 so we can be competitive with the suburbs. And that

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2 means money from the state government.

3 (Applause.)

4 COUNCILMAN ORTIZ: When we mean reform,
5 we mean that we establish a training program for
6 principals, teachers, para-professionals that we
7 have in the school system and pay them an adequate
8 wage. And that means money from the State
9 government.

10 (Applause.)

11 COUNCILMAN ORTIZ: \$75 million for the
12 state government is not going to carry us for far,

13 Not going to do it. I have two kids in public
14 schools, two kids, six, second grade. I want those
15 kids to succeed. I don't want people who manage my
16 system to be looking at the Dow Jones average every
17 day to see whether it goes up or down.

18 (Applause.)

19 COUNCILMAN ORTIZ: So I have made up my
20 mind about what is needed. I have made up my mind.
21 The State has neglected us and we cannot just keep
22 on putting that aside. We are the forgotten
23 individuals of public school systems in the
24 Commonwealth of Pennsylvania.

25 (Applause.)

27

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2 COUNCILMAN ORTIZ: We represent
3 40 percent of the total poverty population of the
4 state. We don't get a commensurate with that
5 percentage of poverty. We have different problems
6 in this City. Education has to work because that is
7 the only way we can make it out of the slums, the
8 ghettos, the tenements, row houses, and become
9 productive citizens and stop filling our jails. We
10 build more new jails in this Commonwealth than we
11 build schools.

12 (Applause.)

13 COUNCILMAN ORTIZ: So I have made up my

14 mind. I can tell you, rocket science reform it is
15 not. We need smaller classes, teachers that get
16 better paid. We need kids with books on every
17 subject. We need computers on every desk. We need
18 people who come in and are concerned and committed.
19 We do not need an outside colonialist government
20 coming in and running the Philadelphia City School
21 System. Public means public. It means accountable
22 to the people that they teach and they serve. This
23 is, what we're discussing, is a imposition and a
24 grab for power. Thank you, Madam Chair.

25 (Applause.)

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2 COUNCILWOMAN MILLER: I just want to
3 make note for the record that we've been joined by
4 Council President Anna Verna and School Board Member
5 Reverend Ralph Blanks.

6 Our last opening comments will be from
7 Pedro Ramos because we really want to get to the
8 business of the hearing. Thank you.

9 MR. PEDRO RAMOS: Good afternoon,
10 President Verna, Chairwoman Miller, Chairwoman
11 Washington, Chairwoman Bishop, Members of City
12 Council, colleagues on the School Board and Members
13 of the General Assembly and assembled guests. I'm

14 Pedro Ramos, President of the Board of Education of
15 School District of Philadelphia. More importantly,
16 at least to me, I'm the parent of two children of
17 Philadelphia Public Schools and a graduate of
18 Philadelphia Public Schools.

19 (Applause.)

20 MR. RAMOS: I want to thank you for your
21 invitation to co-chair this hearing on the findings
22 of recommendations of the Edison report concerning
23 the future of the School District and the more than
24 200,000 children it serves. I've had the pleasure
25 of visiting this Chamber many times during my tenure

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2 as a board member, as vice president and as
3 president, and I look forward today to another
4 instructive afternoon as we explore the facts and
5 discuss the recommendations set forth as the basis
6 for the Governor's proposal to reform the District.
7 A quality system of public schools is
8 critical to the future of our City, our region, our
9 Commonwealth, and indeed our nation. While people
10 of goodwill be can and do disagree about the best
11 way to achieve consistent quality we need from our
12 schools, it is vital that decisions about how to
13 change a system are based on facts, not anecdotes;
14 reality, not rhetoric; substance, not assumptions;

15 and the best interest of our students, not the
16 self-interests of a few adults.

17 (Applause.)

18 MR. RAMOS: It is my hope that these
19 hearings will help bring forward a fair discussion
20 of the facts of our District. In recent years, this
21 District has undertaken major corrective steps in
22 our management, labor contracts, and instructional
23 operations. We agree that the status quo is not
24 enough. Regardless of whether we serve on the
25 board, We stand ready to raise even more radical

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2 change as long as it is changed for the right
3 reason, change focused on the enhancing our students
4 academic achievement and stabilizing the district's
5 financial condition, not change for change of sake
6 or change for the sake of any individuals.

7 We plan to the listen to the speakers
8 today in order to learn from them and about them.
9 We also hope the speakers do some listening, too,
10 maybe even learn more about the District or City
11 which they intend to occupy.

12 This afternoon, the School District
13 interim chief executive officer, Phil Goldsmith will
14 give his analysis of the Edison report and the

15 Governor's proposal based on the somewhat limited
16 data and recommendations staff and the Board have
17 seen so far. We hope to gain clarity from Edison's
18 representatives on the details of their report; and
19 doing so, understand more thoroughly what the
20 company envisions for its role in the District's
21 future. We also look forward to hearing other
22 witnesses understanding of the report, what's right
23 with it, what's wrong with it from their
24 perspectives as parents community leaders, political
25 leaders and concerned citizens. It is only by

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2 hearing from the spectrum of Philadelphia that we as
3 a city should go forward with radical changes in the
4 way we deliver public education. I urge all the
5 witnesses to speak to the facts and deliver their
6 opinions on the report confident that even if we
7 disagree, we do not dismiss each other's viewpoints.

8 Let me be clear the Board's goal in
9 these hearings is to focus on the substance of what
10 is being recommended, not on ideologies or under
11 agendas. What we want is a thorough public review
12 of the facts and possible changes as described in
13 the Edison report and the Governor's proposal.

14 While urban public education has
15 historically suffered from racial segregation,

16 financial divestment by states, anti-urban biases,
17 and bureaucratic systems and cultures that favor
18 adults over children, public education generally has
19 been critical to the creation and maintenance of the
20 world's greatest middle class and the strongest,
21 most diverse democracy in the world. The challenge
22 for our generation is to fix public education, not
23 eliminate it.

24 (Applause.)

25 MR. RAMOS: I want to thank our guests

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2 and public officials for joining us. I want to also
3 thank in advance our guests from the Edison Company
4 for dedicating time to this hearing this afternoon.
5 We're ready for the dialogue to begin. Thank you
6 for your time, Madam President and Chairs Miller and
7 Washington.

8 COUNCILWOMAN MILLER: Thank you. We're
9 going to start if hearing off from comments of --
10 testimony actually. Our first witness is the
11 interim president of School District of
12 Philadelphia -- CEO, actually, Phil Goldsmith.

13 As you come up to the witness table,
14 please state your name and any other identifying
15 information. And if you have a difficult, please

16 spell it for the record. Thank you. And please
17 speak into the mike. Actually, you have to speak
18 into both mikes.

19 REPRESENTATIVE WASHINGTON: Before we
20 start, I just want to make comment Pennsylvania
21 Cable Network is here and will be taping the entire
22 hearings. And before we leave, we'll let you know
23 when you'll be able to view it on TV.

24 COUNCILWOMAN MILLER: That's why you
25 have to speak into both mikes because one is theirs.

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2 MR. PHILIP GOLDSMITH: My name is Philip
3 R. Goldsmith, interim chief executive officer of
4 the School District of Philadelphia.
5 Representatives Washington and Bishop and Members of
6 General Assembly, Council President Verna,
7 Councilwoman Miller, Members of City Council,
8 President Ramos and Members of the Board of
9 Education, I come here neither to bury Edison nor to
10 praise the status quo. I come here as an individual
11 who has worked in both the private and public
12 sectors, Most recently as interim chief executive
13 officer of the School District of Philadelphia. I
14 know firsthand how much needs to be changed. I know
15 firsthand how difficult it is to make change. But I
16 also believe that we do not need wholesale

17 privatization to make change.

18 (Applause.)

19 MR. GOLDSMITH: In fact, I believe it
20 will produce just the opposite result. Inaction.
21 There will be protracted litigation, rancor,
22 dissension, and bitterness. That's what has plagued
23 the School District for far too long. I believe
24 that the only way we will ever create the necessary
25 change in public education is if we are all working

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2 together, not against each other.

3 (Applause.)

4 MR. GOLDSMITH: That means finding
5 common ground, not a battle ground, with
6 cooperation, compromise and common sense. I believe
7 that we can find common ground without assuming
8 undue or unnecessary risk.

9 I began my stint as interim chief
10 executive officer as the District on November 1st,
11 the year 2000. I spent the first several weeks
12 finding my way around. On December 18th I issued a
13 status report of my observations and plan to Members
14 of the Board. In it, I said the following: There
15 are many commitment dedicated and resilient
16 employees at the School District. But there was

17 inadequate depth of management. Basic management
18 practices were lacking. There was inadequate
19 prioritization and focus. There was inadequate
20 monitoring or analysis of results. There were
21 inadequate controls to support a large distributive
22 system and network. The span of control was too
23 large or too small. Too many kids in our classroom,
24 too many cluster leaders in the field. There were
25 inadequate financial information systems. There was

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2 a lack of effective and coherent information
3 technology process. I stated that I thought
4 children achieving was too ambitious in its
5 implementation. Major stakeholders felt alienated.
6 The expansion of clusters had occurred without
7 adequate controls resulting in inconsistency in
8 teaching and learning and in some cases ineffective
9 of utilization of resources. I concluded by saying
10 that we have tried to do too much with too little
11 money, people, systems, controls, and buy-in. I
12 compared the School District with Niagara Falls
13 running through a rusty kitchen spigot. I said we
14 had to slow down the flow and strengthen the
15 plumbing. My Final words were focus, focus, focus.
16 Members of the Legislator, Members of
17 City Council, Members of the Board, if that litany

18 sounds familiar, it's because that is basically what
19 Edison reported as its findings, except Edison
20 ignored many of the changes we have made simply been
21 talking about it. We've been doing something about
22 it. Just as the new CEO chief academic officer
23 governance, this Board put in place intended to
24 happen. We have significantly slowed down spending.
25 We have cut overtime, reduced travel, cut out

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2 frills, only filled positions when necessary. We
3 have reorganized the administrative function by
4 cutting the cluster system by more than a half.
5 Have placed the focus on instruction, reassigned
6 teachers to the classroom, reduced more than 190
7 administrative positions, developed a new curriculum
8 plan, hired a new chief safety executive, are
9 implementing a new safety plan and redesigning
10 special ed in our disciplinary functions. We have
11 cut more than \$20 million from the budget. We have
12 Even reduced some administrators salaries. We have
13 contracted out, that is, privatized, two
14 disciplinary schools, Community Education Partners.
15 We have tried to deal fairly with people by applying
16 an intensive competitive interview process and
17 appointing our economic officers and other key

18 positions. We put together a multi-year plan whose
19 financial forecast was basically confirmed by
20 Edison. I want to repeat that. Our financial
21 forecast was confirmed by Edison.

22 We spent hours on that plan, tried to
23 brief legislators and members of the Governor's
24 office and others on this plan. I was never surer
25 whether anyone read it until I saw it in the Edison

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2 report. Then I saw many of our suggestions repeated
3 back to us: Sell 21st Street, due deficit
4 financing, deal differently with business support
5 services, increase Medicaid collection.

6 And Let me add something, we didn't
7 suggest selling 21st Street as a symbol, but because
8 we need money to educate our children.

9 (Applause.)

10 MR. GOLDSMITH: Let me give you another
11 example of the way that we have gone about doing
12 things. For more than a year, we had chaos in our
13 payroll department, one of the results of a lousy
14 decision to buy a lousy computer system a few years
15 ago. Each payday we had to accommodate angry
16 employees so we could write them checks they hadn't
17 received. Hundreds upon hundreds of people had to
18 wait in our auditorium . This past pay period, we

19 only had 24 inquiries out of more than 20,000
20 employees. Did we privatize? No. But our payroll
21 director, Sue Gilbert, did come from the private
22 sector. She understands business processes. She
23 reorganized the department, Eliminated overtime More
24 than \$100,000 a year. Put new procedures in place.
25 Enhanced training for our schools. Reduced a

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2 backlog of 3800 termination pays to virtually
3 nothing. Wrote new job descriptions. And did it
4 with the cooperation of our unions. We haven't done
5 it with a lot of noise or a lot of fuss; we've just
6 done it, and with a focus on instruction in the
7 classroom. We have even started to see a ray of
8 sunshine through the storm clouds of fiscal and
9 political tumult.

10 Listen to an e-mail that Dr. Deidra
11 Farmbry, our chief academic officer, and I received
12 from a principal who wrote a month or so ago.

13 "Hi, Phil and Deidra. This is the first
14 time in 27 years that I can really sense a new focus
15 in instructional support. It is nice to go to staff
16 meetings and just talk about instruction, not
17 10 million other things that often throw us off
18 course. Just thought you could use some good news."

19 With the support of this Board, these
20 accomplishments were done by a team of people. Dr.
21 Farmbry and Rhonda Chatzkel, our CFO, and many more.
22 I will be eternally grateful to them. They are true
23 public servants. Our system is filled with them,
24 usually unappreciated and unsupported and now facing
25 one of the most frustrating situations I've ever

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2 experienced in my career. They and, most
3 importantly, our students have become pawns in a
4 political chess game that is about to lead us down
5 a very, very slippery slope that will take it us
6 years and years to recover from unless goodwill and
7 reason rears its head in the next 15 days.

8 Now, do I think we've done enough? Of
9 course not. Do I think we have all the right people
10 in place? Of course not. Do I think we need more
11 choice and competition and accountability? Yes, I
12 do. But imagine what could have been done this past
13 year if we weren't on the verge of bankruptcy, If we
14 had been engaged in constructive discussions, not a
15 game of political chicken with the Commonwealth.

16 (Applause.)

17 MR. GOLDSMITH: Imagine what a permanent
18 CEO could do if he or she could recruit fresh, new
19 talent and ideas to the district.

20 I am saying this not because I've been
21 trying to hang on; I've been trying to leave for
22 months. I say it because I can say it because I'm
23 not trying to stay on. My point is to draw a
24 distinction between good business practices and
25 privatization.

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2 (Applause.)

3 MR. GOLDSMITH: They are not one in the
4 same. You can indeed install good business
5 practices without privatization. If you hire the
6 right people, let them do what they know best and,
7 yes, give them some resource so they can invest in
8 meaningful change.

9 (Applause.)

10 MR. GOLDSMITH: One of the business
11 concepts I spoke about on Monday at the Board
12 meeting is risk reward. It's very basic. In fact,
13 it's as old as Adam and Eve. And it's through the
14 pragmatic lens of risk reward, not an ideological
15 lens that I have tried to assess a plan before us.
16 And I conclude that portions of the Commonwealth's
17 plan are fraught with peril. It proposes to do
18 something never tried before in the history of
19 public education. Privatization of central

20 management as well as the operation of 45 schools by
21 the same company with the seven-year contract for
22 hundreds of millions of dollars. And Then there is
23 a concept that gives so-called community partners a
24 percent of school budgets. Why don't we use that
25 money and plow it back in the classrooms so the

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2 teachers have adequate supplies.

3 (Applause.)

4 MR. GOLDSMITH: The Commonwealth of
5 Pennsylvania is banking on a small,
6 still-yet-to-be-profitable company to run a school
7 system whose budget is three times larger than its
8 revenues. It's like a MOUSE trying to swallow an
9 elephant. Edison is being asked to operate in a City
10 it has never operated in to do something it has
11 never done, manage a large system. And There's a
12 difference between operating a system and running a
13 handful of schools. It's a difference between
14 playing a fiddle and conducting an orchestra.

15 (Applause.)

16 MR. GOLDSMITH: On Wall Street, this
17 would be known AS investing in a very aggressive
18 growth fund, but with no diversification. And We're
19 not talking about private money, but taxpayers'
20 money. We're not talking about shaping widgets, but

21 shaping lives.

22 Edison is now managing Chester Upland,
23 but that entire system is less than half the size
24 of one of our ten academic areas. And they are not
25 managing the business services as is proposed here.

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2 Let me quote from a proponent of
3 privatization who wrote, "Given theoretical,
4 practical, and political considerations, we believe
5 that a successful strategy of privatization must be
6 scaled back to present a modest and credibility
7 challenge to the school system which can be expanded
8 in a responsible fashion once positive results are
9 demonstrated."

10 Under the guise of reform, the proposal
11 asks us to dive into the rough and turbulent seas
12 without any swimming test. If it fails, are there
13 lifeboats for our students? I can tell you that I
14 do not believe that there is a responsible business
15 leader in this City who would out-source
16 the heart and soul of his or her business to a
17 company without a request for a proposal or a
18 competitive bidding process or vigorous due
19 diligence to see how it has performed in comparable
20 assignments.

21 Let us remember that the very essence of
22 a publicly traded private sector company is that it
23 must meet the expectations of its shareholders.
24 They become the focus. Edison can do great in this
25 City, but stub its toe in another City, even through

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2 no fault of its own, and I can assure you because
3 I've been there, that when its earnings do not meet
4 the projections of Wall Street, it will be forced to
5 make cutbacks even in the areas or cities that it is
6 succeeding in. And one fatal strategic mis-turn can
7 impact a company and its employee for years. I'm
8 sure Councilman Rizzo can vouch for that. He worked
9 at PECO and the leadership of that company made the
10 wrong bet on the Limerick Nuclear Plant. It saddled
11 that company with high cost for decades to the
12 detriment of all its customers and surely its
13 thousands employees who lost their jobs.

14 As I said on Monday the graveyard of
15 American business is filled with companies who have
16 Bit off more than they can chew. In this case, we
17 have a relatively new company in a new market with a
18 new line of business seeking to run a district that
19 is 70 times larger than the average school district
20 in Pennsylvania. Where have that run a
21 transportation system as large as ours or food

22 services or security?

23 (Applause.)

24 MR. GOLDSMITH: More importantly, where
25 have they run a public comprehensive urban high

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2 school, yet alone 22 comprehensive high schools?

3 (Applause.)

4 MR. GOLDSMITH: Or Early childhood and
5 head start programs? And as for the reward, where
6 is that? I'm not talking about reward for the
7 shareholders or top executives, but for students.
8 Yes, they promise a sizable increase in test scores,
9 but not this year or next year or the year after
10 that or even the year after that or the after that,
11 but in five to seven years, Long after the current
12 decision-makers are out of office and not
13 accountable. I calculated I'll be 63 years old.
14 How old will you be when the ship is scheduled to
15 come into port?

16 I have respect for Mr. Whittle as an
17 entrepreneur. He has added to the public discourse
18 about education. I like Gene Wayne; he is a
19 gentleman, he is fair. I believe that they are
20 genuine in their beliefs. But we must remember that
21 we are not investors. We are fiduciaries for the

22 educational of well-being as 200,000 children.

23 (Applause.)

24 MR. GOLDSMITH: The only rationale that
25 I hear for this plan is this: Things in

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2 Philadelphia are so bad, how can this plan be worse
3 than what's here? So much for high expectations. I
4 would like to pose a different question: Do we have
5 the courage to put our political and philosophical
6 differences aside? Let us not confuse political
7 might with doing what is right. We have an
8 unprecedented opportunity in this City right now.
9 People on all sides are ready for and acknowledged
10 the need for change. Governors Ridge and Schweiker
11 and members of their administration deserve credit
12 for cannalling us with different concepts. Mayor
13 Street and our Board deserve credit for recognizing
14 the need for significant change.

15 Now is time for us to sit down and talk
16 and listen to each other. I believe we can craft a
17 plan that compares us, not to the worst, but to the
18 best in us. Thank you.

19 (Applause.)

20 COUNCILWOMAN MILLER: Thank you,
21 Mr. Goldsmith.

22 Are there any questions for this

23 witness?

24 Councilman goode.

25 COUNCILMAN GOODE: Afternoon

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2 Mr. Goldsmith.

3 MR. GOLDSMITH: How are you?

4 COUNCILMAN GOODE: I think you're
5 exactly right that the mayor and the School Board
6 and you as CEO deserve a lot of credit for what's
7 happened over the last year. But I want to ask some
8 very direct questions about a few issues I think
9 that you were very qualified to answer. The first
10 being, what did you actually expect to come from the
11 Memorandum of Understanding between the Governor and
12 the Mayor.

13 MR. GOLDSMITH: Well, I'm not sure I'm
14 the one to answer that since I didn't enter into
15 that agreement. But I would say that I think we all
16 believed that one of the things we wanted was
17 stability for this system. I can --

18 COUNCILMAN GOODE: I'm asking
19 specifically what did you expect to come, not what I
20 wanted.

21 MR. GOLDSMITH: I'm not sure what I
22 expected from the Governor's Office. I expected a

23 plan that we would have the opportunity to discuss
24 with them as the Memorandum of Understanding set
25 forth that we would then be able to have good

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2 discussions and come up with a plan that we all felt
3 comfortable with and we thought would be a genuine
4 partnership between the City and the Commonwealth .

5 COUNCILMAN GOODE: But you were having a
6 discussion with Republicans, and the Republican plan
7 nationwide is very clear. Had the republicans one
8 New Jersey, they'd be implemented a plan there. So
9 I'm asking seriously, didn't you expect that there
10 was not going to be a, what we would consider, a
11 progressive approach to education, it was not going
12 to be the type of local control, isn't that what you
13 expected?

14 MR. GOLDSMITH: No, I expected a
15 process, I think more than a plan, a process that
16 would really recognize that -- as I've said before,
17 I think the only way that public education can work
18 is if there's a genuine partnership between the
19 people of Philadelphia and the Commonwealth. So I
20 was expecting a process which is still ongoing that
21 we could shape a plan that we all felt comfortable
22 with, recognizing that they are the major funder for
23 the school system.

24 COUNCILMAN GOODE: My second question
25 is, when you were appointed CEO, which I still

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2 believe was a great I appointment, part of what was
3 heralded in terms of your record is your experience
4 in business community. What role do you think the
5 business community should play in public education?

6 MR. GOLDSMITH: More than they are.

7 COUNCILMAN GOODE: Lastly, I would say
8 that how do you think the business community --

9 MR. GOLDSMITH: I would like to have
10 seen the business community reach out more, frankly.
11 But I think they felt turned off by public
12 education. And I think whoever runs this system, we
13 have to reengage the business community as well as
14 other major stakeholders.

15 COUNCILMAN GOODE: And my last question
16 really is where do you think the business community
17 stands on this issue right now.

18 MR. GOLDSMITH: I don't know.

19 COUNCILMAN GOODE: Thank you, Madam
20 Chair.

21 COUNCILWOMAN MILLER: Councilwoman
22 Brown.

23 COUNCILWOMAN REYNOLDS-BROWN: You

24 mentioned that your hope was that there would have
25 been some form of process. Can you share with us

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2 what level of dialog, meetings, and/or discussions
3 you had with representatives of Edison in
4 preparation for this report.

5 MR. GOLDSMITH: Well, we've had -- as I
6 said, I generally like the people of Edison. I
7 think what they've done is interesting and it's a
8 novel and interesting business concept. I've had
9 some conversations. I don't want it to be said that
10 we've had none. I had hoped that, frankly, there
11 would have been more dialogue, more, you know, let's
12 sit down and really give us your true sense of
13 what's going on and what you think the problems are
14 and so forth.

15 I will say that we took it upon
16 ourselves to call them and ask them if we could come
17 up to New York to visit their headquarters to see
18 what they do, how they go about doing it and so
19 forth. I would have had hoped that they had shown a
20 little bit more inquisitiveness about what we were
21 doing and so forth.

22 Now, they did talk to a lot of people
23 within the organization, but I think sometimes it's
24 helpful and important to have sort of a

25 businessperson to businessperson conversation and

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2 dialogue. And I think if that had been done, that
3 we could have helped make the report more credible
4 and make sure that there were no misstated
5 assumptions and things like that. So, you know, I'm
6 disappointed we didn't have more of an opportunity
7 to be with them.

8 COUNCILWOMAN REYNOLDS-BROWN: Finally,
9 did those meetings include Members of the Board?

10 MR. GOLDSMITH: Not that I'm aware of.
11 The meetings that I had -- actually, Mr. Robinson
12 and I did have a dinner meeting with members of
13 Edison.

14 COUNCILWOMAN REYNOLDS-BROWN: Thank you,
15 Mr. Goldsmith.

16 Thank you, Madam Chair.

17 COUNCILWOMAN MILLER: I Just want to
18 recognize that we've also been joined by
19 Councilwoman Marian Tasco.

20 We have Councilman Rizzo, State
21 Representative Meyers, and then Councilman Ortiz.

22 COUNCILMAN RIZZO: Thank you, Madam
23 Chair.

24 Mr. Goldsmith, I understand from your

25 comments here today that you never actually had an

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2 official meeting other than a dinner meeting with
3 Edison?

4 MR. GOLDSMITH: No, that's not true.
5 We've had meetings with them. Our approach was
6 whatever they wanted, we were going to give them.
7 We were going to give them all the facts that we
8 had. I believe that we did that. They had many
9 meetings with, you know, some of our folks. I don't
10 think that Mr. Whittle and Mr. Wade and I had
11 probably as many conversations that the three of us
12 would like to have had.

13 COUNCILMAN RIZZO: Again, just for the
14 record, were you ever requested to have an official
15 meeting, interview? Did you have an opportunity to
16 express your personal position at all to Edison,
17 you?

18 MR. GOLDSMITH: Privately, no.

19 COUNCILMAN RIZZO: You've listed many of
20 the accomplishments that -- and you believe they're
21 accomplishments and changes. And I think it was
22 impressive to see how you've changed the payroll
23 department around and the hundred thousand dollars,
24 I believe you said, that's been already saved and in
25 that one particular operation.

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2 Could you please tell me, based on the
3 information that you have about Edison and about the
4 way they run schools, can you tell me if you looked
5 at the list of thing that is Edison plans to do, can
6 you do the same things? Is there any obstacles that
7 you would have implementing the Edison plan?

8 MR. GOLDSMITH: I do not believe that
9 there is any obstacles to doing it. The only
10 obstacles that we have right now is we're under the
11 gun and we don't have the time nor the money that we
12 would like. But in terms of processes and knowhow
13 and so forth, I think -- again, I say this
14 respectfully, a lot of the people that Edison has on
15 board and will have on board come from public school
16 systems. Some of them come from our system. So I
17 do not believe that there's anything that I've seen
18 that couldn't be done. There's not a better
19 mousetrap out there. They have a philosophy of
20 operating.

21 COUNCILMAN RIZZO: With your leadership
22 and, again, the list of things you mentioned today,
23 do you believe that the School District is on track,
24 with additional funding, to have the reforms, to
25 have -- to make the changes that we want to realize

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2 here in the City of Philadelphia?

3 MR. GOLDSMITH: Well, I think we're on
4 track. As I said, I don't want to overstate what
5 we've done. There's a lot more that needs to be
6 done. I think that we've made progress. I think,
7 you know, we haven't done anything fancy. This is
8 Management 101. I think we're on the right track.
9 If we're all the same page, we can do a lot more a
10 lot quicker.

11 COUNCILMAN RIZZO: My last -- because
12 there's a lot of people who would like to get to
13 you.

14 My last question is, the
15 accomplishment -- you said that you made a lot of
16 these changes and improvements quietly. Do you
17 think that was a good strategy? Is the Schweiker
18 Administration right now aware of the changes? The
19 fact that you never had an opportunity to sit down
20 with Edison and tell them what you've done, possibly
21 that was maybe not a good strategy?

22 MR. GOLDSMITH: Well, I know the Mayor
23 got upset every once in a while because his phone
24 wasn't ringing off the hook so he didn't think we
25 were doing anything. I come from a background,

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2 that's the way you get things done. You try not to
3 create problems for your boss.

4 I don't know. I think that the
5 Commonwealth knows what we've done and what we
6 haven't done and so forth.

7 COUNCILMAN RIZZO: They officially know
8 of all the changes?

9 MR. GOLDSMITH: I think so. We've
10 communicated with them. I'm not sure they know
11 everything. And my Board probably doesn't know
12 everything because we just go about doing things.

13 COUNCILMAN RIZZO: But just to follow up
14 on that, it's difficult when you say you're running
15 out of time, you're running out of money, it's real
16 difficult for me to, if I were in your position, not
17 to let people know that have the gun to your head
18 that maybe things have changed and maybe things have
19 gotten better and you really don't need to have this
20 approach. Or, again, we're going to back to the
21 rationale that this is already a done deal and all
22 the good things that you've done, all the things
23 that you could have told them wouldn't change a
24 thing. Is that your impression?

25 MR. GOLDSMITH: I think when we met with

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2 Governor Ridge back in early August, I believe it
3 was, we told him what we were up against and how
4 difficult it is to, you know, RUN system if you
5 don't have stability and how difficult it is to keep
6 morale up. But Let me say, the things that have
7 been have been done by numbers of people in the
8 district. And I feel really uncomfortable. I'm
9 just reciting what has been done by a number of
10 people. But I don't think that we have to go -- and
11 my point is saying that you don't have to privatize
12 to do things the right way. I think that's just a
13 misnomer. And to me, that's a philosophical
14 approach, it's not a business approach. We can do
15 it the way we're doing it and just get the right
16 people in place and, as I said, give them the
17 authority and so forth. It can be done. I truly
18 believe that.

19 Now, what we can't do is we can't
20 eliminate poverty. I was at the McClure School the
21 other day at Sixth and Hunting Park. It's 60
22 percent Latino, 40 percent African-American,
23 Caucasian principal. Great principal, she's doing
24 the right thing. She's making the right trade-offs.
25 The kids were great; they came up, they hugged her.

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2 She was doing all the right things. They even have
3 new computers there. But When I left there, I said
4 to myself, when those kids go home there's a good
5 chance they don't have computers es in their home.
6 That's something that I can't change and Edison
7 can't change, but hopefully as a society some day we
8 will be able to change.

9 COUNCILMAN RIZZO: Thank you.

10 Thank you, Madam Chair.

11 (Applause.)

12 COUNCILWOMAN MILLER: We know this is a
13 topic that most of us could just sit and ask
14 questions and make comments and get information all
15 day, we want to get to Edison, too, and they're
16 here. We want to get to them.

17 We sent for the timer. As soon as it
18 gets here, we're going to use it. In the meantime,
19 we'll figure it out and let you know when your time
20 is up.

21 REPRESENTATIVE MEYERS: I really have a
22 basic question that relates to this notion that
23 people are just throwing their hands up in the air
24 saying, "It's a done deal."

25 What would you advise the Board, City

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2 Council, the parents, the unions, legislature, what
3 would you suggest ought to be our recourse and
4 remedy to stop this hostile takeover? What sort of
5 strategies and tactics would you advise one should
6 involve themselves in? Or is it pretty much at a
7 point where even if you were doing all of that that
8 we wanted you to do, you still don't have no idea of
9 how we could stop this hostile takeover?

10 MR. GOLDSMITH: Well, you're asking me a
11 question I feel very uncomfortable answering. I'm a
12 manager, I'm not a political strategist and I don't
13 really want to get into that fray. I do believe
14 that -- I believe that reason will ultimately
15 prevail here. And I go back to the belief that I
16 think everyone will come to the conclusion that we
17 cannot do this by ourselves and the State cannot
18 come in here without the support and the cooperation
19 of the City. I think those are just two very basic
20 facts.

21 (Applause.)

22 MR. GOLDSMITH: And frankly, I don't
23 think Edison would want to come in under those
24 circumstances, but they can obviously talk for
25 themselves.

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2 REPRESENTATIVE MEYERS: So pretty much
3 you're thinking is that the Republicans and the
4 for-profiteers at some point are going to adhere to
5 the agreement that there's going to be some dialogue
6 and they're not going to continue down this road of,
7 We just lied to ya'll and decided we ain't going to
8 have no dialogue with ya'll, we're just going to do
9 what we want to do. You think they're pretty much
10 going to go off of that and now agree to have some
11 dialog.

12 MR. GOLDSMITH: That's what I hope for.
13 I think that's what we all hope for.

14 REPRESENTATIVE MEYERS: I just want to
15 ask one other question. This is something
16 interesting that you said when you had talked about
17 your business and corporate experience. Because,
18 actually, I believe what's happening with Edison and
19 Philadelphia is really a war that's being waged by
20 corporate American to take over the education
21 system. And I think Edison is one of their commando
22 teams that they're sending out into these cities to
23 shoot the first shot across the bow.

24 From your experience in the boardroom
25 from the corporate sector, do you believe there's a

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2 possibility that there is a national move that's
3 being created through corporate America and that
4 these types of tactic solutions are being manifested
5 through discussions through their think tanks like
6 the Heritage Foundation and other groups like that?
7 If that's the case, what would you, from your
8 corporate experience, suggest that we do.

9 MR. GOLDSMITH: I think everyone in this
10 country, including business, is very concerned about
11 the educational system. We have to be. I believe
12 that the business community is concerned about its
13 shareholders. That's what they're in business for;
14 I don't know that. I think Edison is concerned
15 about its shareholders, and I think that's probably
16 more important than any, you know, getting involved
17 in the battle ground that's going to bog everyone
18 down.

19 MR. MEYERS: But no suggestions or
20 remedies?

21 MR. GOLDSMITH: I think what you're
22 doing now is trying to get the facts out, and
23 hearing from various parties is the best thing at
24 this point in time.

25 MR. MEYERS: All right. Thank you.

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2 COUNCILWOMAN MILLER: Councilman Ortiz.

3 COUNCILMAN ORTIZ: Thank you, Madam
4 Chair.

5 Mr. Goldsmith, I'd like to refer you to
6 Governor Schweiker's statement which was incredible
7 and insulting. He says the children of Philadelphia
8 have waited too long already. As the report of the
9 Edison school makes clear, the children has been
10 failed for far too long. And No problem with that.
11 That our children have been failed. The question
12 is, by whom?

13 And then he says in the third page of
14 his statement -- and I'd like you to respond to this
15 because I do believe that some progress has been
16 made in different schools and I think the School
17 Board has begun a process. And Hornbeck with all
18 his problems that have been articulated, children
19 achieving was making inroads into education and
20 educational progress.

21 He says, "The conclusion is
22 inescapable." And as the chief executive, I'd like
23 you to answer this. "The Philadelphia School
24 District does not have the ability to right itself.
25 It does not have the senior leadership, the

2 technical capacity, nor the organizational culture
3 to mobilize and energetically behind a bold new
4 effort to improve education dramatically, while
5 simultaneously making the hard decisions that is
6 will be necessary to right its fiscal affairs."

7 Can you react to that statement for me
8 and characterize it in perhaps detail? Although you
9 have done it and some of it has been done in your
10 opening statements. First, in terms of -- is he
11 correct? Because that is the excuse to the takeover
12 and the imposition of outside rule.

13 MR. GOLDSMITH: Well, I think to the
14 extent that that is correct, it's become a
15 self-fulfilling prophecy that the Commonwealth has
16 helped contribute to. I will tell you someone that
17 used to be in the recruiting business, it's very
18 difficult to recruit people to a company or to a
19 School District where it has enormous financial
20 needs and is liable to be taken over or whatever.
21 And To the extent that we have been denied the funds
22 that we need and have been put in this position, of
23 course it's more difficult to hire the type of
24 talent that you need. Is it impossible? Of course
25 not. All you have to do, as I say, let people know

2 that help us resuscitate ourselves and keep us
3 kicking and we can get the, you know, the right
4 people to do that.

5 Like any organization in this day and
6 age, it needs some cultural change. Every industry
7 or anyone in the public sector, you know, there's
8 liable to be a feeling of entitlement. But the
9 world has changed. And I don't care where you're
10 ear working, whether it's at the School District or
11 General Motors or whatever, it's a competitive
12 environment right now. And I think we have to
13 change that, and I think we started that process.
14 But change does not happen overnight, and it won't
15 happen overnight even if Edison is here. It will
16 take a while.

17 COUNCILMAN ORTIZ: On Page 31 of the 10
18 point that Governor Schweiker put forward, it talks
19 about the aggressively seeking of budget
20 efficiencies over \$225 million in annual cost
21 reductions by 204, 205. Could you react to that and
22 tell me what has been the process in terms of your
23 own cost reduction and the possibility and the
24 impact of the cost reduction as outlined here and do
25 they detail it, do you have any understanding as to

2 what this means?

3 MR. GOLDSMITH: I would like, if I'd be
4 able to call our chief financial officer, Rhonda
5 Chatzkel who has more knowledge about that.

6 MS. RHONDA CHATZKEL: Good afternoon.
7 My name is Rhonda Chatzkel, C-h-a-t-z-k-e-l, CFO of
8 School District. Councilman Ortiz's question about
9 the magnitude of the cuts that is have been
10 proposed, We really have not had an opportunity to
11 examine them. We had a productive, I think,
12 productive meeting this week where we posed a lot of
13 questions and I think that some of the assumptions
14 on which these savings were base were questioned.

15 COUNCILMAN ORTIZ: What are those
16 assumptions?

17 MS. CHATZKEL: I don't know all the
18 assumptions. To be honest, there are a number of
19 potential cost savings there and we really only had
20 an opportunity to review a few of them.

21 COUNCILMAN ORTIZ: Do you have any --
22 you yourself during the last few years have been
23 going through cost-cutting. I think Judge Smith had
24 a steady study in which even she brought the private
25 sector in to study what it is, what efficiencies

3 this point in time what have been the cost-cutting
4 measures that is have been taken? What, if any,
5 have they had on the educational process and what
6 more can be done without impacting on cutting of
7 basic educational programs?

8 MS. CHATZKEL: Let me start by saying
9 that -- and I think Edison in its report and in
10 subsequent conversations as acknowledged this. The
11 School District is extraordinarily complicated, and
12 the cost-cutting measures that we began to implement
13 over the past year are ones that our staff
14 generated, are culled from reports that have been
15 written about the school district, and there have
16 been many: The Price Waterhouse report, the
17 productivity study that commissioned by Greater
18 Philadelphia First, the report by the City
19 Controller, and we culled from each of those reports
20 the best ideas that we could. But that being said,
21 I think there is a recognition that was stated here
22 this afternoon that educationally we do not have the
23 resources that other school districts have across
24 the Commonwealth. The State commissioned a report
25 by Standard and Poors which was released in October,

3 circumstances for us and you factor in the cost of
4 living, we spent 24 percent less than the average
5 school district across the Commonwealth.

6 In Edison's own report, when they
7 compared us to other districts, and I think they
8 picked Las Vegas and Fort Lauderdale, I don't recall
9 the third, I think it was in Texas, but the report
10 cited that we actually spend more than those
11 districts when you factor in cost of living. We
12 spend less than those districts on a per student
13 basis and have a higher poverty level.

14 That being said, what we felt what had
15 to do was to focus our cost-cutting efforts outside
16 of the classroom and reallocate as many dollars as
17 we could into the classroom. The most significant
18 cut, and this is one I credit Phil Goldsmith and Dr.
19 Farmbry with, was to do a major re-engineering of
20 our academic organization. And in that process
21 which had very intensive internal scrutiny and
22 discussion with the Board, approximately \$14 million
23 was saved this year and that will increase to over
24 \$20 million on an annual basis over the next four
25 years. More to the point or equal with that, 110

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2 employees were returned to school base positions,
3 which was one of the key initiatives that I think

4 was part of this plan.

5 We have also -- while the Edison report
6 has been in draft stages and, again, it would be
7 very helpful to discussion with them what ideas they
8 can bring to us in terms of best practices of other
9 school districts. We've already continued to
10 identify other measures, again focusing outside of
11 the classroom or to get better mileage out of the
12 dollars we spend in the classroom. And You'll
13 recall that when we came to Council late in the
14 spring, we talked about \$276 million in cuts that we
15 felt we could realize over five years. We believe
16 that number is now more like \$350 million. Based on
17 the cuts that we have already begin to put in place,
18 we believe that \$265 million of those cuts are
19 already factored in. Some of the other cuts will
20 require legislative change, and we've mentioned that
21 in prior meetings before council.

22 MR. GOLDSMITH: I do want to make a
23 clarification. I do want it to be misinterpreted.
24 When Ms. Chatzkel said that we haven't gotten to
25 looking at those numbers, it's not because we

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2 haven't wanted to, it's because we have not yet
3 received some of the underlying documents that would

4 help us to really determine how their projections of
5 those savings are calculated. So we think we'll get
6 those numbers, and we look forward to sitting down
7 with Edison to really get underneath the covers here
8 and see how they got to their numbers.

9 COUNCILMAN ORTIZ: I've been told that
10 my time is up. But I just want to begin perhaps
11 that as we continue in the questioning, we put a
12 record out that we are able to ascertain what
13 progress has been done in the terms of cost savings,
14 given within the limits that we have and also the
15 progress that had been made, because we all want
16 change. We're not for the status quo. But It is in
17 what way, in what manner, and under what system?

18 COUNCILWOMAN MILLER: Last question,
19 Councilman Ortiz. You've used your time.

20 COUNCILMAN ORTIZ: No, that's it. You
21 said my time is up. I'll come back later.

22 COUNCILWOMAN MILLER: Thank you.

23 COUNCILMAN ORTIZ: Thank you.

24 COUNCILWOMAN MILLER: Thank you, Mr.
25 Goldsmith.

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2 MR. GOLDSMITH: Thank you.

3 COUNCILWOMAN MILLER: You know,
4 certainly, this is a discussion that we all want to

5 continue to have, and at some point we will.

6 REPRESENTATIVE WASHINGTON: Our next

7 person to testify is Mr. Chris Whittle, president

8 and CEO of Edison School. He has an entourage, I

9 think that's going to do a presentation.

10 Mr. Whittle, we ask that you speak into

11 the mike and that you identify everyone seated with

12 you, and if they have difficult names, if they would

13 spell their names. Thank you.

14 MR. CHRIS WHITTLE: I was going to

15 introduce them as we go. Is that okay?

16 REPRESENTATIVE WASHINGTON: No we want

17 you to introduce them before you begin.

18 COUNCILWOMAN MILLER: So we know who's

19 at the table.

20 MR. WHITTLE: This is Deborah McGriff,

21 Dr. Deborah McGriff, Rev. Floyd Flake, Chris Surf,

22 Adam Tucker, Vanelle Middleton, Gene Wayde, David

23 Graff, John Chubb, Tom Stewart, and Steve Tracey and

24 Theresa Morrison.

25 REPRESENTATIVE WASHINGTON: Thank you.

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2 MR. WHITTLE: My name is Chris Whittle.

3 I'm chief executive officer and founder.

4 REPRESENTATIVE WASHINGTON: You need to

5 speak into both mikes. One is for the cable.

6 MR. WHITTLE: I'm CEO and the founder of
7 Edison Schools and I'd like to start by thanking the
8 City Council, Committee on Education. Chairperson
9 Miller, thank you very much for having us and for
10 providing the ground rules for this. I'd also like
11 to thank the school board for being here and Members
12 of the Black Legislative Caucus as well. We
13 appreciate your time. And we think it is very
14 important that we answer any questions that you may
15 have. And the reason there's so many of us is we'd
16 like to be able to do that well and in detail as we
17 go through the afternoon.

18 There are three things I'd like to do to
19 begin. The first is I'd like to tell you a bit
20 about Edison. I won't spend much time on that
21 because I think there's a good bit known about it
22 here. More importantly, I'd like to introduce those
23 of us that are here today. And the reason I'd like
24 to do that is we think it's important that you know
25 who we are and that you know our commitment to

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2 public education. Another reason I think it's
3 important is in many of the opening comments, the
4 question of capacity has been raised, and I'd like
5 you to sense the capacity of this organization.

6 A little bit about Edison. This company
7 was conceived in 1988. Its mission is to help
8 cities, states, citizen groups build great public
9 schools all across the United States and, by the
10 way, only public schools. Many people think we run
11 private schools. We don't run private schools; we
12 operate only public schools.

13 Today we operate 136 public schools
14 across the country. We're in 50 cities, including
15 most major ones. We're in 22 states. This morning,
16 75,000 children showed up on the doorsteps of our
17 schools across the country. If you think of us as a
18 school system, there are 15,000 school systems in
19 the United States; Edison is the 45th largest school
20 system in America and the fastest growing.
21 81 percent of our children are children of color,
22 70 percent receive Title 1 aid, approximately
23 10 percent or north of 8,000 of our children are
24 special education. Those demographics are very
25 similar to those that you have here in Philadelphia.

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2 We've invested heavily in these 13
3 years. We've spent over \$500 billion building this
4 organization in the capacity and the systems that
5 we're going to talk a little bit about today. The

6 most important thing that I you want to share with
7 you is the thing that we think is most important;
8 and that is, how are our students are doing.
9 Something that I think is misunderstood about Edison
10 is that the most important measure at Edison is not
11 earning, it is learning. And The reason is,
12 everyone at this table knows the following things:
13 If our students are not doing well, we will never
14 succeed as an organization, and it's the first thing
15 that we report on at every board meeting we have.
16 We have a public board meeting next week. The first
17 thing we talk about is how are our students
18 succeeding. And I'd like to tell you about that.
19 If you look at all of our schools over
20 the pass several years, you will find two things:
21 You will find on norm reference test our children
22 are advancing at about 5 points a year. On
23 criterion reference test, they're advancing at about
24 6 points as year. I urge you to compare that to any
25 major urban school system in the United States, and

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2 What you will see is gain rates by those students of
3 anywhere from 5 to 10 times the gain rates that you
4 see in most urban systems. It's something that
5 we're immensely proud of.

6 I want to quickly say we're not perfect,

7 and I'm sure you'll hear that today. 84 percent of
8 our schools are up in terms of student achievement
9 since when we began with them. 16 percent are flat
10 or down. And By the way, we think of flat as being
11 down. Meaning, if we're flat we're not doing what
12 we're supposed to be doing. We're supposed to be
13 going up with children.

14 We work for 62 different public entities
15 across the United States. And we are accountable to
16 those public organizations. And those public
17 organizations are school boards for the most part,
18 states, charter boards, any type of public entity
19 that we work for. One of things that we would also
20 urge you to measure is, are those people satisfied?

21 Since the day we began actually
22 operating the schools, which was eight years ago, we
23 have signed 65 contracts, 62 of those, 62 of 65 are
24 in place today. We have loss three, and you will
25 hear about those in great detail, I'm sure.

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2 The most important thing that I will
3 kind of close with is the commitment of these people
4 with me today and of the 7,000 members of the Edison
5 team across the United States . There are 13 of us
6 here today. It represents, just this group that we

7 have here today, about one-third of our senior
8 management. And by the way, we also asked a
9 principal and a teacher from our schools to be here
10 in the event that you'd like to address questions to
11 them. I'd like to introduce each and then I'm going
12 ask each to take 30 seconds and simply tell you why
13 they're a part of this organization.

14 One thing you'll note, everyone that's
15 here, and they were not handpicked for this reason,
16 but every one of them with the exception of me is an
17 educator and most have been public educators.
18 Virtually all of them have been or are teachers and
19 teachers in public schools. I'll start with a quick
20 introduction of me other than what I just do at
21 Edison.

22 I grew up in a small town in Tennessee.
23 I'm a product of public schools. Every day except
24 the one week that I went to Columbia Law School has
25 been in a public school. My dad was president of

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2 the public school board in the small town where I
3 was. The first 20 years of my career from '70s to
4 the early '90s were in media. I enjoyed a very
5 interesting 20 years. I was publisher of Esquire
6 and founded the first news system that's in 12,000
7 schools across the United States.

8 You ask why am I doing this. I've
9 dedicated the last 13 years of my life -- most of
10 the people that you're going to hear from today,
11 have dedicated their entire lives to public
12 education. But Why did I take testimony last 13?
13 We have many great public schools in the
14 United States . There are great public schools here
15 in Philadelphia, but we also have thousands upon
16 thousands in which perhaps 10 million children are
17 being educated or not educated. That is a tragic
18 state for the United States. And When I was in my
19 early 40s, I said what do I want to do with the last
20 half of my career? And I said that's something to
21 work on. And The idea that is represented here and
22 that has brought all of us here is to make as many
23 public schools in the United States as we can great.
24 And that's what we hope you will judge us on is are
25 we doing that, Not in one school, but in 136

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2 schools. Look at that track record of achievement
3 because that's what we are all about and it is the
4 idea bigger than all of us here that drew us here.
5 So enough on me. Let me introduce you
6 to the team. Dr. Thomas Stewart. He taught at
7 Harvard, and he is a cofounder of a residential

8 charter school. He's part of our Philadelphia team.
9 He's been working with community groups here. He
10 was part of Learn Now which merged with Edison
11 several months ago, and he is a committed member.

12 And, Tom, talk to us about why you're
13 doing this.

14 MR. TOM STEWART: Good afternoon to all
15 the public officials, the citizens of Philadelphia,
16 and Particularly the parents and guardians in the
17 room who are here for a very important reason.

18 I'm affiliated with Edison as senior. I
19 am senior vice president of development at Edison
20 Schools. There are a couple reasons why Edison is
21 important to me and why I am a member of the
22 organization that are borne out of both personal and
23 professional experiences.

24 I'm very proud to tell you that I'm born
25 raised in Washington, D.C. I'm pride to tell you

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2 that I spent a few years of my life in what was
3 called the D.C. Junior Village; I was an orphan for
4 several years. I'm proud to tell you that I'm a
5 product of the D.C. Public School System. I went to
6 the U.S. Army after coming out of high school, 82nd
7 Airborne. Left and went back to my alma mater, the
8 University of District of Columbia. I am humbled to

9 tell you that I have Ph.D. specifically from Harvard
10 University which I received in government. I am
11 very upset to tell you that despite my personal
12 experiences and my Harvard accomplishments, I came
13 out of high school reading and writing at the ninth
14 grade level. I discovered that at the age of 24.

15 Professionally, I wrote my dissertation
16 on prisons. There are few people in the country
17 that have seen prisons the way I have. I spent
18 three years traveling in and out of the prisons in
19 the U.S., which were disproportionately
20 African-American and Latino and increasingly woman
21 of color. When I graduated and finished my
22 dissertation at Harvard in 1994, I received a very
23 prestigious fellowship that gave me a lot of money
24 and three years to do anything I wanted. I shifted
25 focus at that time to public education, working with

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2 parents in the public school system. I also
3 befriended shortly before then a gentleman by the
4 name of Eugene Wayde who was in law school and
5 several other African-American and Latino students
6 from very humble beginnings.

7 We attempted to form an organization
8 with many of the objectives of Edison Schools that

9 we called 21st Century Work. The only difference
10 that it was a not-for-profit organization which we
11 quickly discovered that not-for-profit aren't
12 designed to build and facilitate million-dollar
13 organization that have a national scope.

14 I left Harvard in '96 and went back to
15 my alma mater as a professor, the University of the
16 District of Columbia. While there, I discovered
17 something called charter schools and co-founded one
18 of the first urban residential charter schools in
19 America. It's called the Seeds School. In Our
20 first two years, we raised roughly \$20 million. I'm
21 proud to tell you that Bill Gates adopted the school
22 about two years. Despite the successes of the Seeds
23 School, I relished an opportunity to rekindle my
24 relationship with Eugene Wayde who went to Warden
25 and took the 21st Century not-for-profit concept and

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2 converted into where we are now. The beautiful
3 thing about the concept for me was that it provided
4 us an opportunity to serve more than a handful of
5 children to Washington, D.C. It will allow us an
6 opportunity to serve children all across America,
7 particularly from low-income backgrounds.

8 Learn Now, a couple months ago, merged
9 with Edison Schools. And as part of that merger,

10 we'd like to think that we're going to make Edison
11 stronger, wiser, and we will ensure that it not only
12 extends its services to low-income children, but it
13 will provide a quality service to those students.

14 The last thing I would like to say,
15 despite the politics and a lot of the other rhetoric
16 that surrounds this very important issue,
17 personally, aside from Edison or anything affiliated
18 with Edison, this is what I do with my life. This
19 was my calling in life, which is to serve children
20 and families, particularly that look like me, that
21 had my experience. Thank you.

22 MR. WHITTLE: Thank you, Tom. The next
23 person I'd like to introduce is Dr. John Chubb. Dr.
24 John Chubb is our chief educational officer at
25 Edison. Everything related to curriculum and

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2 instruction in the organization ultimately reports
3 to John.

4 I met John ten years ago. He was at the
5 time one of the most famous writers s on the
6 education scene. His books are required reading in
7 most education classes in the United States,
8 particularly politics, markets, and schools. He was
9 a professor at Princeton and at Stanford and at the

10 time he was working at Brookings in Washington, D.C.
11 I said "John, it's time to take all that you have
12 learned and written about it and put it into
13 action," and he very courageously left Stanford and
14 Brookings and became part of the Edison team.

15 John.

16 MR. JOHN CHUBB: Thank you. And thank
17 you all for the opportunity to be here this
18 afternoon. My reasons for wanting to be right here
19 this afternoon are really very simple, and I will be
20 really quite brief.

21 Over the last ten years at Edison, I had
22 the opportunity to work in over 50 communities
23 around America, from big Cities to modest-size
24 cities to smaller cities and communities.
25 Communities in great need and communities with great

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2 hope for their kids. And It's been the great
3 experience of my life to see what those communities
4 have accomplished with some help from us, But very
5 substantially through their own efforts.
6 The reason that I am excited to be here
7 today, very frankly, is this: I'm from this
8 community. My grandfather and grandmother are from
9 Philadelphia. Worked at the refinery underneath
10 Penrose Avenue Bridge. My father did the same. I

11 grew up in Upper Darby, went to high school there.
12 This is where I'm from. And the opportunity to be
13 back here working with this community, as I've had a
14 chance to work with communities around the country,
15 is genuinely, if it comes to pass, a very special
16 thrill.

17 MR. WHITTLE: Vanelle Middletown.
18 Vanelle is a principal of Globe Pierce Middle
19 School. She's also a player coach in that she
20 assists in our other schools in Washington, D.C.,
21 which is where Globe Pierce is. If you saw the
22 achievement gains in Globe Pierce, you'd know how
23 talented Vanelle is. She's the graduate of Fisk in
24 my home state of Tennessee.

25 And Vanelle, tell us why your here.

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2 MS. MIDDLETON: I'd like to say good
3 afternoon, and thank you very much for allowing us
4 to be here today. I've been an educator for well
5 over 25 years now. And as a principal, I can tell
6 you that I've been a principal of other schools in
7 other districts, Kansas City, Missouri; St. Louis,
8 Missouri. And surprisingly enough for me, one night
9 very late I was surfing on the Internet and I really
10 wanted to know kind of what was going on in the

11 field of education and charter schools. And I did
12 come across the word "Edison Projects" that time. I
13 put my name in and asked the young man if he would
14 please give me a call back or at least write he
15 back, and the person did write me back. And I
16 applied for the position of principal. I was
17 afforded an opportunity to become principal of
18 Edison after reading about all of the things that
19 they did for children.

20 Now, my parents come from a educational
21 base also. My father was a high school principal.
22 My mother was an elementary school teacher, I'm sure
23 as many of your parents have been.

24 One of the thing I can tell you for me
25 that has been most rewarding as principal is I had

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2 never in my life worked for a district that allowed
3 you the freedom to be a principal, the autonomy to
4 be a principal, to be able to exercise your own
5 rights and abilities, to be able to develop a
6 structure in which students could honestly succeed.
7 That's what Edison is about to me, that's what it
8 has been about. We have a very successful school in
9 Washington, D.C. We have 746 students. And we
10 certainly would like for you to come visit us at any
11 point in time. And thank you so very much.

12 MR. WHITTLE: And Vanelle, if you would,
13 could you introduce Theresa?

14 MS. MIDDLETON: Theresa Morrison teaches
15 also at the Globe Pierce Academy and she also has
16 been our learning environment coordinator.

17 MS. THERESA MORRISON: Good afternoon.
18 Like my principal said, my name is Theresa Morrison,
19 and I'm a proud Edison teacher as well as a teacher
20 trainer for the company. This is my eighth year in
21 education, my third year with Edison. And I'm at
22 not the number cruncher, I'm not about the staff
23 with the report. I'm here to give you that caveats,
24 the anecdotal information that if it's warranted I'm
25 here to give; to give you kind the inside peek about

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2 what Edison school likes like and how it's run, how
3 our teachers are treated as professionals. Not
4 saying that your teachers here in Philadelphia
5 aren't, but with Edison, just the support system is
6 amazing. How perhaps I can call on get on our
7 Internet and contact a colleague that's out in
8 California, get on the Internet and contact a
9 colleague that's in Kansas, one that's in perhaps
10 Texas, because our curriculum is aligned and it's
11 the same, I'm able to build a support system that I

12 can go to and call upon. And Because our teachers
13 are supported, because we provide the training,
14 another fabulous thing which is the teachers is that
15 we get to go to conferences, national conferences
16 because our schools are all over the country. We
17 get a chance to come together, to meet, to talk
18 about what's going on in the schools, what's
19 working, what's not working, what we can do to help
20 approve our student achievement. So once our
21 teachers feel empowered, it automatically trickles
22 down to the students and we're automatically
23 successful in dealing with student achievement. So
24 I'm very proud to be here.

25 MR. WHITTLE: Thank you, Theresa.

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2 David Graff is Edison's general counsel.
3 He's a native of Pennsylvania. He grew up in
4 Pittsburgh, graduated from Brown in Georgetown.
5 From there, he worked for the civil rights division
6 of U.S. Department of Justice and also the D.C.
7 Public Defender, and he's great general counsel for
8 us.

9 Dave.

10 MR. GRAFF: Good afternoon, and thank
11 you for the opportunity to respond. I'll be
12 characteristically brief for a lawyer. I just want

13 say two things. First, as Chris indicated, I did
14 grow up in a small town out of Pittsburgh.
15 Pennsylvania is my home state, and the state of
16 education in Pennsylvania is of particular
17 importance to me.

18 Second, with respect to the reason that
19 I enjoy working at Edison, I think that it can best
20 be summarize by saying this: And I think that that
21 is that any African-American or any minority person
22 who is fortunate enough to have an opportunity to
23 attend a institution like Brown University or
24 Georgetown Law Center, like I was, feels a certain
25 sense of accomplishment and guilt. And The

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2 accomplishment is obvious because you're at an
3 institution that is generally widely respected. But
4 the guilt is because you look around and you see
5 that you are one of few minority students there, and
6 that cannot help but eat at you for all the years
7 you are there.

8 I'm extraordinarily proud to be at
9 Edison because I see my role at Edison as general
10 counsel and as a senior vice president of the
11 company to help other children, specifically
12 African-American and minority children, achieve the

13 same level of educational excellence that I have
14 achieved or get the same opportunities that I was
15 lucky enough to get. And I see Edison as an
16 opportunity as leveraging best practices from the
17 private sector and public sector and working towards
18 that goal. This is a personal conviction of mine.
19 It is what I want to do with my life. It is what I
20 want to do with my law degree. And I'm very proud
21 to be here as part of Edison today.

22 MR. WHITTLE: Thank you, Dave.

23 Adam Tucker is new to Edison. He's our
24 head of communications. He's not new to the press
25 corps here in Philadelphia. He's been working

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2 closely. He was a high school teacher for five
3 years. He's graduate of Brown University.

4 I didn't know that the two of you were
5 there at the same time.

6 While at Brown he joined something
7 called the Coalition of Essential Schools, which
8 many of you know there are many within that
9 coalition here in Philadelphia. And he was also
10 with Children Now.

11 Adam

12 MR. ADAM TUCKER: Good afternoon and
13 thank you.

14 For me it's very simple and it's very
15 personal. I think I had my professional peak
16 between the ages of 21 and 26, And that's when I was
17 a high school teacher. I thought subjects that I
18 had never taken. I taught huge enormous classes of
19 kids. I met families. And It really transformed me
20 as a person. And I'd liked to think I helped
21 transform the kids that I worked with.

22 Being at Edison affords me the
23 opportunity to help create those opportunities for
24 others. And I had a whole lot more fun teaching
25 high school than I do working for Edison, honestly.

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2 But I feel like this is important work, it's
3 exciting work, and it's something that each and
4 every person that I come across, no matter what side
5 of the table we're on, is about, which is about
6 young people. For me, that's why I'm here. That's
7 why I chose to work for Edison. Fortunately, I
8 could be in a lot of different places because I was
9 afforded those opportunities, but I choose to work
10 for Edison because I know what this company is doing
11 and can do, and look forward to doing that in other
12 places as well. So Thank you for letting us be
13 here.

14 MR. WHITTLE: Dr. Steve Tracey on is the
15 only person on our team that's worked in the
16 Philadelphia Public Schools, meaning at this
17 particular table. I won't them when, Steve. He's a
18 graduate of Princeton and Harvard. He's part of the
19 Philadelphia team that's been working here for
20 several months and he lived here many years ago and
21 he was superintendent of schools in New Milford,
22 Connecticut when he joined.

23 MR. STEVE TRACEY: Thank you. Madam
24 Chairperson, public officials, and members of the
25 Philadelphia community, I am a life long public

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2 school person. I grew up in the public schools.
3 I've taught in the public schools, as my mother and
4 grandmother had before me. It was about 30 years
5 ago that I began my public school career right here
6 in the School District of Philadelphia. And I
7 choose that career because I thought that public
8 schools offered the best hope for liberating future
9 generations from the burdens of ignorance and
10 poverty.

11 After some 24 years of service as a
12 teacher and administrator in the traditional public
13 school system, I became convinced that if we really
14 wanted to deliver on that promise of public

15 education, that we had to find new strategies and
16 fresh approaches, specifically, ones that is would
17 hold fast to the values of public education and
18 equal opportunity, but also embrace the spirit of
19 investment, innovation, and accountability that are
20 going to be critical, I believe, if our students are
21 going to reach the levels of achievement that we all
22 want them to reach.

23 Edison Schools offered me the
24 opportunity to do exactly that about eight years
25 ago. I was proud to be involved in the launching of

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2 one of our first four schools back in 1995 and proud
3 to be a member of this team ever since. Thank you.

4 MR. WHITTLE: Gene Wayde. Gene is
5 somebody, I think, most of you already know. He's
6 head of Philadelphia team at Edison. He's a great
7 entrepreneur. He founded Learn Now, which we viewed
8 as the up-and-coming company in the world that we
9 live in. I wish I had his academic pedigree. He's
10 a graduate of Morehouse, of Harvard and of Wharton.
11 Before that, he was with an educational reform
12 organization in Boston called the Efficacy
13 Institute.

14 MR. EUGENE WAYDE: Madam Chairperson,

15 public officials, community members, just quickly, I
16 grew up in a housing project in Boston,
17 Massachusetts, and came face-to-face with what I
18 call the culture of underachievement in our
19 communities. Sometime between high school and
20 college, I was in a program that a group of folks
21 put together to help a group of kids who were
22 struggling out of high school. Went from the bottom
23 of my high school class and top of my college class
24 and decided to go back and spend my adult life on
25 working on achievement, how do we build institutions

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2 to prepare our kids for this world? Because many of
3 the children that I grew up with were poor
4 successful, were like me, succeeding despite the
5 fact that they were in public schools, not because;
6 because we had someone who looked out for us on the
7 side, but not because the institutions were
8 preparing us in large numbers.

9 I got together with a group of my
10 friends in law school. We tried to put together a
11 non-profit to do what we're doing now, and we
12 realized about six months into it that no one was
13 going to give us a million dollars to build schools
14 in the South Bronx or in the south side of Chicago
15 or North Philly as a non-profit, that we couldn't

16 bring the resources to our community that our kids
17 deserve. I had grown up on the other side of a lot
18 of underfunded well-meaning programs where people
19 came through and built programs and were wonderful
20 consultants, but we were still in the same condition
21 we were in in the housing project that I grew up in.
22 So I decided that building institutions was going to
23 be the answer. And That's why I spent the last 12
24 years of my life doing. We built a company called
25 Learn Now and grew that company out. We actually

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2 have a charter school here in North Philadelphia.
3 Four months ago we merged that company with Edison
4 Schools. And let me tell you why briefly.
5 Many of you heard about the activities
6 in Chester where the Chester Upland School District
7 was managed by a couple of private companies. Our
8 was one, Edison was the other. We really didn't
9 know much about Edison other than what we read. In
10 the course of working with them to the team at
11 Edison, many of the people at this table here in the
12 course of working with them in Chester, we realized
13 that these are people who harbor many of the same
14 values that we do, that are trying to accomplish the
15 same things that we were. We both were out looking

16 at best practices. Oddly enough, our curricula were
17 a lot alike. Neither one of us invented them.
18 These were curricula that were just best practice
19 curricula that we decided to employ in our schools.
20 And realize that these are people that I could spend
21 the remaining part of my professional career working
22 with because we're trying to accomplish the same
23 things. That's why I'm here today. Thank you.

24 MR. WHITTLE: Chris Surf is our chief
25 operating officer. He taught high school for five

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2 years. He also did a couple of other things along
3 the way. He taught high school for five years. He
4 was associate counsel to President Clinton. He was
5 U.S. Supreme Court law clerk to Sandra Day O'Connor
6 and he works very closely with me. And I can tell
7 you two things about him: It's very easy to be
8 smarter than me, and he is. It's hard to work
9 harder than me, and he does that, too. Chris Surf,
10 our chief operating officer.

11 MR. SURF: Madam Chairman and
12 distinguished public officials, I am very grateful
13 of the opportunity to be here with you today. I am
14 here with Edison for the same reason that I suspect
15 that everybody is in this room today. There is no
16 more important issue in America today than

17 addressing the concerns of our public schools in the
18 United States. I do want to make one thing very
19 clear. It is my very firm belief that there is not
20 a single bad intention in public education today.
21 I've never met anybody who gets up everyday saying
22 "I'm going to try to make a school worse."

23 What I think we can agree on, however,
24 is that despite the best efforts of a lot of very
25 talented people, there are tens of thousands of

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2 desperately failing schools in the United States
3 today. I grew up in a household where I was told
4 over and over again as a child, it doesn't matter
5 whether you end up rich or poor, what matters is
6 whether you leave the world a better place. I know
7 how corny that must sound, but I live by that
8 philosophy. And there is nothing more important in
9 this country, in my humble judgment, than to fulfill
10 the basic premise of this country, which is equality
11 of opportunity. Forgive a statement from an old
12 history teacher, and that is, what distinguishes
13 this country from every other country that was ever
14 born is there this notion of equality of
15 opportunity, whether you're talking about Medieval
16 France, Medieval Ethiopia, or Medieval China, for

17 example, you were who your father was. It was that
18 simple.

19 In this country, the idea, as badly as
20 we're succeeding at it, is that everybody has a
21 chance to succeed regardless of everything but
22 talent. Talent is what makes a difference. And
23 when our public education system does not fulfilling
24 its promise, we are not fulfilling the basic premise
25 of United States today.

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2 I'm committed to what I do. I take a
3 great deal of flack. I understand that there are
4 many who do not understand what we do. But I hope
5 you will appreciate that what we are attempting to
6 do comes from the best of intentions and we, too,
7 are committed to public education in every sense of
8 the word. Thank you.

9 MR. WHITTLE: One person testified
10 earlier that they were concerned about the capacity
11 of the organization to take on a challenge the size
12 of the Philadelphia public schools. Within Edison
13 we have individuals, 15 to be exact, who have been
14 superintendents of urban school systems across the
15 United States. Manny Rivera who is not with us here
16 today ran the Rochester public schools. Beno
17 Schmidt (ph) who is testifying in front of the Blair

18 government in the United Kingdom about possibly
19 Edison going overseas, ran Yale University for seven
20 years. And Deborah McGriff ran the Detroit public
21 schools. She is one of the senior talents in
22 American public education. At the time that she was
23 there, it was almost exactly the size of the
24 Philadelphia public schools. She's also worked in
25 Cambridge and New York City. She's a graduate of

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2 Fordham and she comes from the south like me.

3 Deborah.

4 MS. DEBORAH MCGRIFF: Good afternoon,
5 Chair Miller, Chair Washington, Chair Bishop,
6 President Ramos and the friends of public education
7 in Philadelphia. As Chris said, I've spent a long
8 time in public education, over 30 years to be exact.
9 And all of that time has been in large urban school
10 districts. Like my other colleagues, I also spent
11 some time in a non-profit organization working on
12 drop-out prevention programs.

13 My mission as public school educator is
14 to close the achievement gap, whether that gap is
15 racial, social, between urban school districts and
16 suburban school districts or whether it's the
17 international gap between the very best students in

18 America and the students around the world.

19 Edison -- we want to provide urban
20 students with the same schools that affluent
21 parents want for their children. When I was a
22 central office administrator in New York City, like
23 many people of my age group, I was influenced by Ron
24 Edmonds who is known as father of effective schools
25 movement. And Ron said that you could find an

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2 effective school for urban school districts, but he
3 never found an effective urban school system. And
4 when I was sent information from Edison in 1993, I
5 looked at the mission of the company, to provide
6 world class education for all children. I looked at
7 the school design. I looked at the accountability
8 system, a accountability system of consequences and
9 incentives. And I decided this was the place that
10 was likely to help build the first large urban
11 school system that's effective for all children.

12 I've been here for eight years. I was
13 the first public school superintendent to join
14 Edison. And I have stayed because the Edison
15 company is committed to public education. Kenneth
16 Clark defined public education as education that's
17 in the public interest. Schools and systems that
18 mis-educate children are not in the public interest.

19 Individuals who will be accountable to delivering
20 the children the level of education that they expect
21 for their own children are systems and companies
22 that are in the public interest. I believe that
23 children in big cities deserve excellent schools.
24 The achievement gap must be closed. When children
25 graduate from urban school systems, they must enter

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2 the world of work with the skills necessary get a
3 job that grows into a career. They must enter
4 college with the skills necessary to take college
5 courses, not remedial courses. We must inspire our
6 students to be entrepreneurs so that they can build
7 their own communities and be the people who start
8 the next generation of companies.
9 And finally, we must inspire our young
10 people to a level of civic responsibility so that
11 they will give back to their own communities. These
12 are the values that Edison stands for. This is what
13 we try to develop in every single school we open. I
14 am honored to be a part of the team that sits before
15 you. I have never worked with another team more
16 dedicated to urban school children. And I have
17 valued my eight years with the Edison project and
18 Edison Schools. Thank you, Chris.

19 MR. WHITTLE: And I failed to introduce
20 Deborah properly. She is president of teachers
21 colleges and for the last year and a half has been
22 working on launching a group of teachers colleges
23 for Edison across the United States.
24 The last introduction I'll make and then
25 we'll be happy to take any questions that you might

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2 have, is Reverend Floyd Flake. Floyd Flake was a
3 five-term Congressman out of Queens, New York, where
4 he founded a school and a very good one. He also
5 happens to be for the last 20 years, I think, the
6 reverend there --
7 REV. FLACK: 25.
8 MR. WHITTLE: 25, of the largest church
9 in the New York State, I think 12,000 --
10 REV. FLACK: 13. Don't take away my
11 members.
12 (Laughter.)
13 MR. WHITTLE: And I'll tell you one
14 other thing about Floyd. If he had chosen go run
15 for mayor of New York City, I think yesterday's
16 results might have been different.
17 Floyd.
18 REV. FLOYD FLACK: Thank you, very much,
19 Chris. To those who are chairs to this important

20 meeting, I think perhaps the most important sometime
21 in this City because it speaks to what I consider to
22 be the most critical issue facing every City and
23 this nation indeed, and that is the problems of
24 education. And to those who are Members of the
25 Council, Members of the Assembly, Members of the

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2 Board, it is indeed a great joy to be with you
3 today.

4 My background is one that is not
5 dissimilar from most of you, many of you, in that I
6 come from a family of 13 kids, 5th, 6th grade
7 educated parents. By every definition, I suspect
8 that the levels of successes that I've had would not
9 have been projected, given the historical tendencies
10 to measure people by virtue of pedigree and a
11 limited pedigree by our definitions in general. But
12 Mother and Daddy and teachers, more importantly, who
13 made us expunge words like "can't" from our
14 vocabulary, challenged us to understand that we
15 would not be second class unless we dared to believe
16 we were that. The levels of expectations that is
17 were so high that we were challenged to know that
18 there were standards and we had to measure up to the
19 standards. And We could not make excuses or blame

20 based on the fact that we happened to be a
21 particular color.

22 When I left home to go to Wilburforce
23 University, I went without money, obviously, with a
24 large family who could not afford it. A few years
25 ahead of the modern day Affirmative Action movement

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2 and so I worked my way through school by virtue of a
3 mother who taught us how to cook and wash and iron
4 and sew and worked my way so that I could be able to
5 do better than my parents, which is what their wish
6 was.

7 As I came out of college and went to
8 seminary and then to business school at Northeastern
9 University, one of the discoveries I made was that
10 ministry had to be different. Ministry had to speak
11 to issues of people and not just protest and not
12 just prophecies about what ought be. And I came to
13 a point where initially starting out with Xerox as a
14 marketing analysis and then moving on to
15 Pennsylvania here where I was a dean of students at
16 Lincoln University fro three years which meant that
17 I spent a great deal of time and in part lived in
18 Philadelphia. Previous to that, served as a social
19 worker for Horizon House Rehabilitation Center. And
20 as you know, that was preparing people for job

21 readiness as they were coming out of EPPI and out of
22 Byberry.

23 The challenge for me then became one of
24 trying to get young people at Lincoln University and
25 subsequently Boston University where I was dean of

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2 students to understand that they had within them the
3 capacity and capability to achieve. Young people
4 coming from North Philly, West Philly and other
5 parts of this city who came to the institution, and
6 in instances were not quite prepared for the
7 environment, but because we developed the skills
8 bank and other programs for them, by the time they
9 graduated, they were capable of functioning in such
10 degree that they made placements to Harvard and
11 Boston University and Yale and other schools. I
12 want that for every child.

13 In 1976 when I went to Allen Church in
14 Jamaica, the first thing I wanted for my
15 congregation was a commitment to education. We
16 built the school from the ground up. The young
17 people in that school last year, according to
18 statewide tests, 88 percent of my students passed
19 math and literacy, 92 percent passed the statewide
20 regents in math. And I Came to the conclusion

21 several years ago that this can happen to every
22 student. And the schools in my district, the
23 highest rated schools, the students passed at no
24 more than 41 percent grade.

25 So the challenge for me becomes one of

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2 how to blend, not only the schools, but communities.
3 As I said, I was here in 1970. I saw the migration
4 of the people who dared to believe that their hopes
5 were in moving to places like Wynnefield and
6 Germantown. And as they moved to those communities,
7 they expected more than they are getting in terms of
8 education for their children. I saw eventually some
9 of those same people move beyond those borders, and
10 I see it happening all over America. I'm on the
11 FannieMae foundation and what we've discovered is
12 that many of the people who left come back and are
13 out pricing those people who live in the
14 communities. We can no longer afford populations
15 that are shifting because we do not make adjustments
16 to new paradigms, paradigms that are demanding
17 educationally and paradigms where parent are
18 demanding more. And If they don't get it, they
19 generally leave the cities. When they leave the
20 cities, the tax base erodes and there are cavities s
21 in our communities that are left were there's

22 nothing productive happening.

23 As a pastor of a church that is
24 responsible and it is chronicled in next month's
25 Ebony, I understand, where we've been able to build

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2 community. We build community by concentrating on
3 education and home ownership. You cannot have home
4 ownership without quality education. Those persons
5 who make a decision to live in a community what to
6 know what the education is like. People who look in
7 the want ads ves for a community generally look to
8 see what kind of school they have available for
9 their children. We must make Philadelphia that kind
10 of City. And All we want to do here as a part of
11 Edison is assist you in a process that brings us to
12 a new place where people will come to the City as
13 opposed to abandoning it. Children will leave the
14 schools of this City, knowing that they can go to
15 any institution in this country and when they make
16 the pronouncement -- and as a former dean, I tell
17 you, when you read an admissions application for
18 students from certain cities and from certain
19 schools you automatically dismiss them. We want
20 students from Philadelphia, When that application
21 goes in, for persons to say "These are students who

22 can make a contribution to our community." All We
23 ask is that you let us partner with you.
24 I'm proud to be a part of Edison, and I
25 think if you work with us, we'll work with you and I

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2 think you'll find that this system will produce
3 quality young people who will have a world class
4 education. Thank you.

5 REPRESENTATIVE WASHINGTON: I'd like to
6 say that We've been joined by Councilman Mariano and
7 Councilman Kenney.

8 MR. WHITTLE: Thank you. We'd be happy
9 to answer questions you might have.

10 REPRESENTATIVE WASHINGTON:
11 Representative Thomas.

12 REPRESENTATIVE THOMAS: Let me thank the
13 Edison group for your testimony. It's good to know
14 that each and every one of you individually and
15 collectively is grounded in a good educational
16 experience. And I imagine if we went around this
17 table here from board members to --

18 (Interruption.)

19 REPRESENTATIVE THOMAS: You will find
20 those who look like, talk like you, who have come
21 from humble begins and have been able to rise to the
22 top as a result of their exposure to the ic school

23 system in the City of Philadelphia.

24 (Applause.)

25 REPRESENTATIVE THOMAS: Even though I

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2 moved -- we had to move 13 times between elementary
3 school and high school. I can tell you as a result
4 of my experience in the Philadelphia public school
5 system, if any of you were of Russian decent, I
6 wouldn't be able to communicate with you in your
7 native language because I learned Russian in middle
8 school in the Philadelphia public school system. In
9 law school I was able to welcome the Chief Justice
10 from the Supreme Court of the Soviet Union because
11 of my experience at Little Foulks (ph) Junior High
12 School at 24th and Madison.

13 (Applause.)

14 REPRESENTATIVE THOMAS: Madam Chairs, I
15 don't want to delay this because I know that time is
16 of the essence, but I think it's important that I
17 say to you, especially to those of you that come
18 from Washington, D.C., and come from other humble
19 beginnings, as you know, the best can only come when
20 the process moves from the bottom up, not from the
21 top down.

22 (Applause.)

23 REPRESENTATIVE THOMAS: The unfortunate
24 reality that you face regardless of your long years
25 of experience and performance, regardless of that,

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2 the reality that you face is that you're asking to
3 partner with a system that does have the capacity to
4 bring about the same results that you have
5 articulated. We have people like Dorothy Rush who
6 is vice president of the Board, we have within the
7 City of Philadelphia people who are able to do what
8 you have articulated. I have been able to bring the
9 Davis C. Clark School of Law from Washington, D.C.,
10 to North Philadelphia to partner with Strawberry
11 Mansion High School to expose young people to
12 careers in law and justice. We went into Pittsburgh
13 and brought to Carnegie Mellon School here to
14 Philadelphia to partner with young people at Gratz
15 High School on careers s around robotics s
16 technology. So We know how to develop
17 public-private partnerships. So The reality that
18 you face is that the people of Philadelphia would
19 like to have a choice in the outcome of the public
20 education system in Philadelphia County.

21 (Applause.)

22 REPRESENTATIVE THOMAS: Parents believe
23 that they should have some say-so, teachers believe

24 that they should have some say-so, administrators
25 believe that they should have some say-so, we as

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2 elected officials believe that all of them should
3 have input in shaping the outcome of public
4 education. And so the reality that we face is that
5 we have a Governor who decided to make a
6 commitment -- and I know that you're only here
7 because in the beginning, you had some commitments
8 that would be there in the end. So I understand
9 your good faith. But we have a Governor who has
10 engaged in a pattern and practice of hostile
11 takeovers in the City of Philadelphia.

12 (Applause.)

13 REPRESENTATIVE THOMAS: You had no way
14 of knowing that when Governor Ridge took office we
15 had an admissions testing program in place that the
16 Governor decided was no good because it didn't
17 produce the kind of results that he wanted so he
18 didn't have a problem with throwing \$200 million of
19 taxpayer dollars to throw out that admissions
20 testing program and bring in his own. And There's a
21 pattern of practice. And so the feeling in the City
22 of Philadelphia is that -- and it's not a feeling,
23 it's a reality. We have had nothing to say about

24 our comment. I only ask of you that -- and I have a
25 lot of respect for Reverend Floyd Flake. I

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2 sometimes refer to his message on dry bones and
3 whether there is any life in dry bones. So I have
4 a lot of respect for him. I only ask that you step
5 back and let Philadelphia County, its Board, its
6 parents, its students, its elected officials have
7 some substantive input in how public education will
8 look in the City of Philadelphia.

9 (Applause.)

10 REPRESENTATIVE THOMAS: And we're ready
11 to do what we need to do. And Please don't beat up
12 on us about the 50 percent dropout. We know there's
13 50 percent dropout, but we also know that a
14 60 percent dropout in Allegheny County.

15 (Applause.)

16 REPRESENTATIVE THOMAS: We also know
17 that there's high dropout and low performance rating
18 in other counties in Pennsylvania. And We know that
19 at if end of the day when you look at when we talk
20 about equity and equalization of opportunity, it's
21 unfortunate that we're in a commonwealth that has
22 felt that in the City of Philadelphia, a child's
23 education is not worth any more than \$5,600. And
24 that in Northumberland County a child's education is

25 not worth no more than \$3,300. While in the county

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2 next door to Philadelphia, Delaware and Bucks
3 County, a child's education is worth 12 to \$13,000
4 as year.

5 (Applause.)

6 REPRESENTATIVE THOMAS: There is
7 something fundamentally wrong when you say to me
8 that you should be able to have the same
9 expectations in Philadelphia County that they have
10 in Chester County or Delaware County when you're not
11 providing the same support for children. And I
12 don't want to say that it's because the child in
13 Chester is white and the child in Philadelphia is
14 black; I don't want to say that. I don't believe
15 that's the underlying motivation, but I do know that
16 there's a fundamental problem with the way public
17 education is funded in Pennsylvania if we're not
18 prepared to contract out to get to where we need to
19 go.

20 (Applause.)

21 REPRESENTATIVE THOMAS: So In closing,
22 let me just say, step back. Let us try to handle
23 this. And maybe at the end of the day when we've
24 look at what we need to do, we might be in a

25 position to say, "Edison, come on home and join us

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2 in this partnership." But at least let us have
3 something to say about. Thank you.

4 (Applause.)

5 REPRESENTATIVE WASHINGTON: Thank you,
6 Representative Thomas. He certainly preached his
7 sermon in here today, didn't he.

8 Representative James.

9 REPRESENTATIVE JAMES: Thank you, Madam
10 Chair. I'll be very brief. I won't even take two
11 minutes. I just want to just thank Edison group for
12 testifying. You really got a very, very impressive
13 group, and I think it's great. But as
14 Representative Thomas say, you know, we've got some
15 educators in Philadelphia and Philadelphia County
16 that's just as impressive, if not more.

17 (Applause.)

18 REPRESENTATIVE JAMES: What I want to
19 ask you, my question to you is -- and I know that
20 the Governor did his tricks, et cetera, to get you
21 in here and all of that, but if we -- if it is
22 determined that the people, the elected officials,
23 the students did not want you here in Philadelphia
24 to privatize our schools and you were paid whatever
25 the governor said he was going to pay you, would you

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2 leave?

3 MR. WHITTLE: Are these mikes on?

4 REPRESENTATIVE WASHINGTON: Yes, you can
5 respond.

6 MR. WHITTLE: Did you want me to
7 respond?

8 REPRESENTATIVE WASHINGTON: Yes, we do.

9 MR. WHITTLE: We don't get to make the
10 decision whether we're here or not, as you know.
11 That's a decision that the Governor and the Mayor
12 and Council and the Legislature will make. And as
13 Phil Goldsmith said earlier, he manages the system.
14 That's what we do, we manage schools and we manage
15 systems. We don't set policy. That's done by all
16 of you and many others of colleagues. And what you
17 decide is what we'll do because we will go anywhere
18 in America to build great public schools because
19 that's what our mission is. And If we're asked to
20 do that, we'll definitely do it.

21 REPRESENTATIVE WASHINGTON: Thank you.

22 MR. RAMOS: A point of clarification,
23 Madam Chair. Did you say you don't have the choice
24 about whether you're part of a hostile takeover or
25 not? Isn't that a corporate decision you've got to

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2 make whether you're willing to come to Philadelphia
3 in a hostile posture as a part of hostile plan by
4 the State? Don't you have that choice?

5 MR. WHITTLE: Mr. Ramos, I said we don't
6 get to choose whether we are invited here or not.
7 That's a decision that policymakers in Pennsylvania,
8 in Philadelphia make. The one thing I would point
9 out is that there are many, as you know, there are
10 many, many, community groups in Philadelphia who
11 very much favor much of what we're about and what
12 the Governor's plan is about. And In fact, you know
13 that about a year ago we actually came to you and
14 Mr. Goldsmith with one of those community groups to
15 try to work as one representative set from the
16 ground up. And We believe when at all possible to
17 do that and there's a lot of community support for
18 what's going on.

19 COUNCILWOMAN MILLER: Point of
20 clarification, Mr. Whittle. Now weren't you hired
21 to do an evaluation of the School District? And did
22 you not recommend that the School District be
23 managed by a private agency and recommend yourself
24 as that agency?

25 MR. GRAFF: This is David Graff. I'm

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2 the company's general counsel, I'll respond, if you
3 don't mind. We were commissioned by the Governor's
4 Office to do a report, and we did do a report.
5 There were several recommendations made in that
6 report. If you look through the report, you'll see
7 the recommendation span everything from a company
8 like ours being involved to the District adopting
9 other management systems on its own. So there were
10 a series of options and recommendations that we
11 provided as requested to the Governor, and we didn't
12 favor one option or the another. Clearly, the
13 Governor may have his own ideas about what he wants
14 to do, but the report listed several options. And I
15 think if you give the report a fair reading, you'll
16 see that it's clear from the text.

17 COUNCILWOMAN MILLER: You favored
18 yourself, though, as being the providers or being
19 the management company is that so?

20 One of the problem is this: In
21 Philadelphia, we didn't get the report in a timely
22 fashion to be able to give it a fair review. We all
23 wanted that. And I know that's not your -- well, I
24 can't say it's not your fault, but we did not get
25 that. So some of this has to be just based on

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2 assumptions and a quick review of what we got when
3 we got it.

4 MR. GRAFF: May I respond very briefly
5 to that, with your permission?

6 COUNCILWOMAN MILLER: Briefly .

7 MR. GRAFF: The report that was
8 commissioned by the Governor'S Office and that we
9 did was part of a memorandum of understanding that
10 was negotiated between the Governor and the Mayor.
11 And the Governor and the Mayor set forth the terms
12 and the timetable of the reporting, including date
13 of release. So we essentially did what we were
14 hired to do. The date of release was coordinated
15 between the Governor and Mayor.

16 MR. RAMOS: That's not true. As
17 somebody that was involved in the original agreement
18 between the Mayor and the Governor, which was
19 originally 90 day agreement extended for another 30
20 days at the request of Governor Schweiker, what was
21 contemplated by that agreement was that a few things
22 would happen in exchange for a stay on the Title 6
23 lawsuit alleging that contrary to the statement that
24 there has not been equality here in Philadelphia.
25 What the agreement provided was that two things

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2 would happen after the 60-day review. The Mayor and
3 the Governor would seek to agree on a partnership
4 and would also negotiate -- it's a public document
5 ther for the world to see. That there would be a
6 spirit of negotiation, that there would be actual
7 negotiations on what happens if we fail to agree.
8 The agreement was to both work together on a
9 partnership and act responsibly in getting to a
10 contingency plan in case the State had to assume
11 responsibility, it would be done in a responsible
12 way. And More importantly, and it as at the request
13 of Phil Goldsmith, that we not let this process
14 disrupt the educational process back here because
15 this is what we were trying to end in the City was a
16 continuous period of turmoil and disruption and
17 people in schools being distracted by stuff.

18 What, if fact, did happen, and it was
19 not by mutual agreement between the Mayor and the
20 Governor was, you started releasing the plan to the
21 media and you started rolling it out before you ever
22 gave the Mayor the courtesy of seeing it. And you
23 put out your takeover -- your contingency plan which
24 was supposed to be agreed to. So if you want
25 approach this legalistically, be candid and say that

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2 there were two parts of this agreement and you
3 clearly violated the second in the spirit of the
4 whole thing.

5 (Applause.)

6 MR. RAMOS: Mr. Surf, I just want to
7 take a personal privilege again just to relate to
8 something that you testified to which was, you know,
9 how people from humble beginnings that have
10 accomplish a lot come up with a sense of guilt among
11 minority professionals. I just want to share that a
12 feel a sense of indebtedness to schools and I feel
13 commitment to removing barriers, the barriers that I
14 had to overcome, but I feel no guilt about the
15 choices I've made or about what I've been able to
16 accomplish and no guilt about telling you that while
17 everyone you've dealt with here has seemed like
18 reasonable people, I think you will find it has been
19 respectful and cordial, if you're part of a hostile
20 takeover you and your shareholders will regret it.

21 (Applause.)

22 REPRESENTATIVE WASHINGTON: Councilwoman
23 Blondell Reynolds-Brown.

24 COUNCILWOMAN REYNOLDS-BROWN: Good
25 afternoon, Edison Team. You mentioned in your

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2 opening remarks that the bottom line for you is how
3 are the students doing, those that are currently in
4 your system. So please allow me to put some of that
5 information on the record and to hear back from you
6 on some fact-finding.

7 You highlight the problem of turnover in
8 Philadelphia schools in the Governor's report, yet
9 21 out of 26 teachers left the Edison Charter
10 Academy in 1999 and 18 out of the 25 quit in year
11 2000. How can we expect you to improve turnover in
12 Philadelphia given the current performance in that
13 specific area?

14 MR. WHITTLE: As I said in our remarks,
15 we're not perfect and we don't claim to be. Do we
16 have situations where we have high turnover? Yes.
17 But if you look at our system-wide turnover, our
18 averages, not at one site, but across all sites --
19 and have you have to remember many of our schools
20 are first-year schools that are just starting. If
21 you look at overall system-wide turnover, a very
22 challenging, often the toughest schools in a
23 particular system, it's considerably below what you
24 see in inner city schools' teacher turnover.

25 You have schools in this community, and

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2 we can go through them you if you'd like, that have
3 40, 50, 60 percent turnover rates, but you shouldn't
4 judge the whole system or one or two or three such
5 situations. Do we have schools like that?
6 Absolutely.

7 COUNCILWOMAN REYNOLDS-BROWN: You also
8 mention in your opening remarks that you currently
9 have 65 schools, 62 are currently in place and
10 you've lost at least three contracts. Let's
11 separate them out before I proceed with my
12 additional questions. What three school districts
13 are they?

14 MR. WHITTLE: I said since the very
15 beginning of our company we had one 65 contracts,
16 you're correct, we have 62 today. We have loss
17 three.

18 COUNCILWOMAN REYNOLDS-BROWN: And the
19 are?

20 MR. WHITTLE: And they are Sherman,
21 Texas, which we decided not to renew a contract
22 after five years.

23 (Interruption.)

24 MR. WHITTLE: If I could please speak.

25 Second, Lansing, Michigan, where we were

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2 terminated by the Board there and which, frankly, we
3 deserved to be. We did not do a good job in that
4 school. And then finally Goldberg, North Carolina,
5 where academically the school versus where it was
6 when we first started was considerably better, but
7 we were on the wrong side of some politics there.

8 COUNCILWOMAN REYNOLDS-BROWN: Okay, then
9 let's speak to Chicago. Again, speaking to your
10 opening comment, how are students currently doing
11 within your system. Third grade scores fell at
12 nearly 43 percent of Edison Schools testing for math
13 in that grade with the Chicago Math system. In your
14 report to the Governor Schweiker you propose using
15 the same math system for Philadelphia schools. If
16 this did not work in Chicago, why are you suggesting
17 it is a best fit for Philadelphia?

18 MR. WHITTLE: Out of our 136 schools
19 nationwide, we have three in Chicago. It's 1K12
20 Campus.

21 And John Chubb, would you like to speak
22 to that.

23 MR. CHUBB: With all due respect, the
24 information that you have about Chicago is
25 incorrect. Out of our 136 schools, every one of

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2 them uses the University of Chicago program except

3 for the school in Chicago.

4 COUNCILWOMAN REYNOLDS-BROWN: What math

5 system does Chicago currently use?

6 MR. CHUBB: They use the Saxon Math

7 Program (ph).

8 COUNCILWOMAN REYNOLDS-BROWN: And where

9 does that program stand with other programs in the

10 Edison system?

11 MR. CHUBB: We have one school that uses

12 that as opposed to 135 others that use Chicago Math.

13 COUNCILWOMAN REYNOLDS-BROWN: SO you're

14 telling me that that fact that I gathered from

15 research is incorrect?

16 MR. CHUBB: That's incorrect.

17 COUNCILWOMAN REYNOLDS-BROWN: Okay, lets

18 proceed.

19 First of all, you state mission

20 statement, and I quote, "High tech classrooms,

21 motivated teachers and dramatically improved student

22 test scores all at no extra cost to taxpayers."

23 That is what you call the Edison promise.

24 Edison has been widely criticized for

25 cost overruns and vague contract language. Dallas

2 is afraid it will have to pay up to 20 million more
3 than is 35 million contracted for . What can we
4 look forward to with the potential Philadelphia
5 experience? And Please speak to the current status
6 in Dallas.

7 MR. WHITTLE: All of our contracts are
8 fixed price contracts. There's no way there can be
9 to cost overruns. They state a number; that's what
10 we are paid. If you look at that number nationwide
11 -- and you are correct in stating that our mission
12 statement is that we will do a good job for students
13 on existing resources that exist. Our nationwide
14 per pupil revenue is slightly less than the national
15 average in the United States, and I think we're
16 fulfilling that promise quite well.

17 If you look at our schools in Dallas, we
18 receive roughly the same amount as an average school
19 in the City of Dallas on a per pupil level -- and
20 we'll be happy to show you that map. And our
21 schools are doing very well there. Six of our seven
22 schools -- one of them is not, but six of our seven
23 schools we're proud of the first year progress.

24 COUNCILWOMAN REYNOLDS-BROWN: Are you
25 familiar with Chicago Math?

2 MR. WHITTLE: Am I?

3 COUNCILWOMAN REYNOLDS-BROWN: Yes, the
4 program used by you. This was actually stated in
5 your report speaking to the current test scores in
6 Chicago based on your program. And it came out of
7 the report in Chicago Math. So you're telling me
8 the information that we're seeing that we've read
9 and that we're receiving in documents is inaccurate?

10 MR. CHUBB: As you have represented the
11 information, it is incorrect.

12 COUNCILMAN KENNEY: Point of order. As
13 a member of the Education Committee, I would request
14 that the Chair please inform the gallery and
15 spectators that in order for us to really understand
16 what's going on, we need to be able to hear. It
17 seems that every question is met by some form of
18 outburst from the audience. And with all due
19 respect to them, I'm here to learn as much as I can
20 as a member of the committee. I'm sure that the
21 chairwoman would not expect this kind of activity to
22 go on in Harrisburg . I know it doesn't. And I
23 would that request that we could perhaps have an
24 orderly hearing so that we can hear and be informed.
25 Whether we disagree or not in the end is another

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2 story, but I think we should show some respect to

3 our witnesses, all of the witnesses.

4 REPRESENTATIVE WASHINGTON: One of the
5 things I will agree with that in order for us to
6 move forward, it is now after 4:00 o'clock we've had
7 the first three presenters. So I think that what
8 the councilman has requested is agreeable. I'm
9 saying that we will not have the outburst in the
10 back so we can clearly hear and that the taping and
11 the cable taping will be clear when it airs on TV.
12 So if you would continue with the beginning of the
13 Councilwoman's question, Mr. Whittle.

14 MR. WHITTLE: I think your question was
15 regarding Chicago Math. By the way, we were having
16 trouble hearing you as well.

17 John, would you like to resume?

18 MR. CHUBB: We use a program that was
19 developed at the University of Chicago in all of our
20 schools, some 135 schools out of 136. There is one
21 school in Chicago that we work with. It's a charter
22 school that began working with a different math
23 program before we began working with them. We've
24 kept that math program in place, and it's called
25 Saxon Math. That's the only exception to the

3 cause some confusion because people think schools in
4 Chicago, Chicago Math. But the school in Chicago
5 does not use Chicago Math.

6 COUNCILWOMAN REYNOLDS-BROWN: One final
7 question, Madam Chair, on this round.

8 Philadelphia prides itself on having
9 what are called wrap-around services for the young
10 people in our school system. In the report and
11 throughout this process, I've heard little spoken to
12 the kind of support services that young people need.
13 And in addition to that, what -- I understand you
14 currently have activity in Chester. And in and
15 earlier hearing where you had been invited and were
16 not able to attend, we learned currently in Chester
17 those children needing mental health support
18 services, that is not in place.

19 Please speak to what you currently
20 provide and what consideration has been given to
21 that given a potential activity here in
22 Philadelphia?

23 MR. WAYDE: Let me talk on a couple of
24 levels. One in the report as we looked at the
25 school systems here, our basic focus is on the core

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2 academics in the report. What we did recommend or
3 one of the options that discussed, I believe, was

4 community outreach and involvement in the schools and
5 having community partners coordinate what we call
6 student support services in our schools. And let me
7 talk to you about what Edison does and how we manage
8 it in Edison schools and the Learn Now schools where
9 we are part in the merger.

10 We have something called a student
11 support manager in each school whose job is
12 coordinate those services for parents. Typically,
13 you don't find that staffed in a typical school. We
14 have a professional, trained person whose job is to
15 coordinate what are typically termed wrap-around
16 services as well as some special education outreach.

17 One part of the proposal, I think, the
18 Governor put forward, not necessarily detailed in
19 our report is that community partners and what are
20 being called the partnership schools would actually
21 play that role and help to support the wrap-around
22 efforts in schools.

23 COUNCILWOMAN REYNOLDS-BROWN: Is that the
24 current practice in Edison?

25 MR. WAYDE: Yes.

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2 COUNCILWOMAN REYNOLDS-BROWN: Thank you,
3 Madam Chair.

4 REPRESENTATIVE WASHINGTON: Thank you,
5 Councilwoman.
6 Next we're going to have Mr. Mike Mash .
7 MR. MASH: Hi, good afternoon. Or maybe
8 by now it's good evening. I'd just like to
9 introduce myself. I'm Mike Mash, I'm the Chair of
10 the Finance Committee at the Board of Education, I'm
11 vice president for budget and management at
12 University of Pennsylvania. I'm an Adjunct Of
13 professor of government at the Fell Center of
14 Government at Penn. I'm the former budget director
15 of the City of Philadelphia under Ed Rendell and
16 helped to write the financial crisis for the City.
17 I'm a life-long Philadelphian and I never left. I
18 guess I need to tell you those things because
19 although you called to schedule an appointment with
20 me three times, three times you've cancelled it, so
21 since you're introducing yourself, I'd like to
22 introduce myself back again.
23 (Applause.)
24 MR. MASH: Mr. Whittle, could you tell
25 me how many contracts Edison has now in which Edison

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2 serves as the central office manager for a school
3 district in the way Governor Schweiker is proposing?
4 MR. WHITTLE: In the exactly the way he

5 is proposing, none.

6 REPRESENTATIVE WASHINGTON: Did you say
7 none?

8 MR. WHITTLE: I said none.

9 MR. MASH: Could you tell me when Edison
10 decided to open this new line of business selling
11 services as a central office manager? I ask because
12 I've read your 2000 annual report and I don't think
13 you have a 2001 one yet. I couldn't find any
14 mention of this as a line of business that Edison
15 was in or was intending to enter into.

16 MR. WHITTLE: This is actually not a new
17 line of business. There is one example of a very
18 large school system that we run in every aspect, and
19 it's called ours. We manage 136 schools, 75,000
20 students all across the United States in 65
21 complicated relationships. That is a difficult
22 management task. And In terms of our capacity to
23 run a school system, it is the primary thing that
24 the State of Pennsylvania is relying on. And
25 they're relying on the results of that school system

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2 as well.

3 MR. MASH: My understanding, though, is
4 that you were -- again, according to the annual

5 report, your expenditure basis was about, I'm just
6 going round off, 260,002,000 and you had losses of
7 about 38 million. So you're saying that is a
8 comparable basis to run a 2 billion-dollar public
9 corporation?

10 MR. WHITTLE: Our current revenues are
11 two and a half times that, sir. And that is public
12 record. They're \$534 million. And a couple other
13 things I think that are important to point out here.
14 If you look at loss per student and you compare the
15 loss per student, in other words the deficit per
16 student in the City of Philadelphia and if you look
17 at operating loss per student at Edison schools, it
18 is School District's loss per student is rapidly
19 rising to catastrophic proportions. If you look at
20 Edison's loss per student, it has been steadily
21 falling. And three quarters ago, it actually
22 crossed into the black.

23 And so if you want to look at financials
24 to financials, I think it's important to also look
25 at how those budgets are being managed all the way

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2 down to the bottom line. And on that, we'll stand
3 on our record, fine, and compare it to the
4 District's.

5 MR. MASH: The Governor's plan calls for

6 within a couple years ramping up and basically
7 forestalling this by using deficit financing in the
8 interim, about 225 million in spending reductions
9 and increases and non-tax revenue which represents
10 about 12 percent of the current expenditure base for
11 the School District. It looks like about 50 million
12 of that gets put into increases for educational
13 improvements, some of which we had detailed and some
14 of which not. So I get to something like
15 150 million to 180 million of net reductions that
16 need to get made.

17 Do you support that recommendation?

18 MR. WAYDE: It was hard for me to follow
19 you, but to the extent that it is accurate -- and I
20 really couldn't follow your math. But to the extent
21 it was accurate, we support what we gave to the
22 Governor in terms of recommendations.

23 MR. MASH: But your plan did not -- you
24 didn't actually have a plan to balance the budget.
25 You identified in your plan some possible areas for

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2 savings. The Governor's committed to a specific
3 level of expenditure reduction.

4 MR. WAYDE: Here's what we said. Let me
5 be real clear about this. We sent Governor -- let's

6 look at three things here, and I oversaw the
7 analysis, so let me try to take you back up from the
8 detail level and up to a level where we can actually
9 explain how we did the work.

10 We took a look at the District budget as
11 it stands now and said, Let's look at that as a
12 baseline. And I think Phil commented here that we
13 pretty much validate the numbers. There's some
14 legitimate disagreements about assumptions, but
15 there are assumptions that you're not always going
16 to agree on them, so we pretty much validated the
17 budget.

18 And then we said, there are some
19 investments that have to be made educationally, some
20 things that aren't being done that should be done.
21 Here is how much they cost.

22 Then we said, Here are some things that
23 are being done and shouldn't be done or that could
24 be changed and these are the efficiencies.

25 Net that out to the bottom line and we

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2 said, Governor, here's how much we think it's going
3 to cost.

4 Now, where that comes from wasn't our
5 call. But basically that's how we did our analysis
6 in 60 days.

7 MR. MASH: But if you are hired as the
8 central office manager, are you endorsing the
9 Governor's plan which would call for a reduction of
10 about 12 percent in current basic expenditures?

11 MR. WAYDE: What we said to the
12 Governor, what we said, and I think we said this the
13 first day we came here was that we wouldn't give
14 anything that we wouldn't sign up for. We wouldn't
15 give a plan, a set of recommendations that we
16 wouldn't be prepared to implement ourselves. So The
17 answer to that is yes.

18 MR. MASH: So the fact according to the
19 State Commission Standard and Core Study, spending
20 per pupil in Philadelphia is 24 percent less than
21 the state average and this would reduce that still
22 further --

23 MR. WAYDE: That's not true. What it
24 would do it actually increase it. There would be
25 150 million new dollars coming in, you know, a

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2 little less than 10 percent. So actually it would
3 cut the distance almost in half between the standard
4 of Poors numbers that I heard you guys talk about
5 earlier. Our recommendation was that Some of that
6 gap be closed. And We heard that from a lot of you

7 in meetings. And you said, Hey, how can you come in
8 here and tell us that we need to make changes and
9 that we don't need more money? So part of what we
10 are seeing here is our company saying to the
11 Commonwealth, Commonwealth, there are some
12 investments that have to be made here. Now, how
13 that gets done is a political decision. But We did
14 in our analysis lay that out. And that's fact.

15 MR. MASH: Mr. Wayde, I'm looking at the
16 Governor's plan. The Governor's plan has some
17 increases in educational expenditures, some money
18 for your management fees, some additional spending
19 for debt service for the deficit financing fund,
20 some money set away for a rainy day fund. And
21 balanced against that is \$170 million of additional
22 and State and City money, hoped for \$10 million a
23 year in addition federal money and 225 million of
24 cuts, 830 million over the five year plan, which is
25 12 percent of the current spending base. So That is

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2 two Governor's plan. If you come in as central
3 system manager, is that your plan?

4 MR. WAYDE: Well, I tell you what. When
5 you talk as cuts as if we're going slash things,
6 what the bulk of that is actually reprogramming.
7 What we've done, if you dig into the plan, what we

8 tried to propose here is that we reprogram the way
9 spending is done. And so we talk about that in the
10 plan. So It's not cuts. It's actually --

11 MR. MASH: No, it is cuts. You can't do
12 the math. There is an absolute proposed reduction
13 in expenditure. If you reprogram a dollar for one
14 use to another and if you do not cut 225 million in
15 current spending -- now, maybe by efficiency only
16 with no harm to the educational program, right? But
17 if you do not reduce current expenditures
18 225 million, you don't achieve the balanced budget
19 in the Governor's.

20 MR. WAYDE: I would agree. That's
21 right.

22 MR. MASH: So you believe that even
23 though -- because you're proposed increase in
24 educational spending is not reprogramming that whole
25 225. It looks to me like it's about 25 percent of

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2 that. The rest is just an absolute expenditure
3 reduction. Right.

4 MR. WAYDE: That is correct.

5 MR. MASH: So basically, your conclusion
6 is we really have too many dollars here in
7 Philadelphia and the plan we should adopt is not one

8 where we reprogram all of that money; if we can't
9 realize efficiencies, we should just spend less even
10 though we already spend much less than the statewide
11 average.

12 MR. WHITTLE: That part of your
13 conclusion is incorrect, in my view. There's a
14 simultaneous equation here involving three things
15 and it's actually how we did our work. The first
16 thing we did is we said, what are things that need
17 to be spent in this District that currently aren't
18 being spent to improve to education in the District?
19 That was one bucket of work that we were assigned to
20 do.

21 The second piece was, what dollars are
22 currently being spent that are not as efficiently
23 spent as they might be? And that's the particular
24 bucket that you're focusing on.

25 And the third piece is, what are new

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2 revenues that is might be realized?

3 It's the combination of those three
4 items that actually wind up as the total. And If
5 you look at it, the total revenues coming to the
6 City of Philadelphia in this plan is considerably
7 greater than it currently is. And the reason is,
8 today, the City has spent -- not the City, but the

9 District is spending money it doesn't have. And So
10 we have proposed 160 million, if you take the 75,
11 75, 10, of new revenues to the District.

12 MR. MASH: Right, absolutely. There's
13 no question that there's proposal for additional
14 spending. Unfortunately, a lot of it goes into
15 things that don't seem to translate to increases in
16 spending to improve education. The majority of the
17 cuts are going to get used in other ways. My
18 concern is, the time I've spent looking at the
19 budget of the School District, I believe -- and
20 you've heard from the interim CEO and you've heard
21 from the CFO and you've met with the CFO. We
22 believe there are cuts that can be made responsibly,
23 not as deep as you're proposing, but they ought to
24 get made. But the delima is there are, as you say,
25 many areas in which we're absolutely not spending

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2 enough now. And a trade off of three dollars in
3 absolute spending reductions for every one dollar in
4 increased investment in education seems to be the
5 Governor's plan, and I just want to understand
6 whether all other things being equal you think that
7 that is the plan that you would want to endorse if
8 you were the central office manager.

9 MR. WHITTLE: We've answered your
10 question.
11 MR. MASH: Can I do one more?
12 REPRESENTATIVE WASHINGTON: One more
13 question.
14 MR. MASH: Last one. Mr. Whittle, I'm
15 going to paraphrase because I don't have the article
16 in front of me. But in this month's Philadelphia
17 Magazine, you set up a little hypothetical model.
18 You said, you know, the School District spends about
19 8,000 a student and I'm not sure you what did for
20 the class size. But let's say if you had 30 kids in
21 a class, 8,000 a kid, that's \$240,000. It only cost
22 \$60,000 for the teacher. "What do they do with all
23 the rest of that money, I just can't understand it."
24 So did you not read the School
25 District's financial plan and not know that 3,000 of

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2 that is for debt service and special ed and that the
3 actual number in a classroom is 5600. And is that
4 5600 enough to handle the utilities for our
5 buildings, a Principal, a nurse, a counselor, a
6 librarian, books, custodian, and the other things
7 that is are not in the school budget like special
8 programs for hospital and home-bound kids, specialty
9 teachers for music and art and the rest?

10 You asked the question in Philadelphia
11 Magazine, "What did they do with all that money?"
12 Are you telling me you don't know?
13 (Applause.)
14 MR. WHITTLE: We do know, and we know
15 very well because we run 136 schools.
16 MR. MASH: So the answer is you do know
17 ?
18 MR. WHITTLE: We do know. We absolutely
19 know the Philadelphia budget and in our budget. And
20 we know it in line item detail down to levels that I
21 think you would be surprised. And The reason I was
22 stating that in the magazine, and I'll state again,
23 is there are teachers in this room, and a point we
24 often want to make and I was making it there and I
25 will stand by it, is that money in public education

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2 is not getting to the classroom, full stop. U.S.
3 Department of Education 120 days ago release a
4 report that said 40 percent of U.S. education
5 spending is in general and administrative cost.
6 Compare that to any private sector. You will not
7 see that number. Our mission is to get our central
8 cost down to seven cents on the dollar and maybe
9 lower.

10 And The point I was making in the
11 Philadelphia Magazine is to just show in a very easy
12 way to understand how significant the problem is.
13 Was I saying only Philadelphia did that, no. That's
14 true in New York, it's true in Washington, it's true
15 Baltimore. But it is a problem that we all need to
16 attack and attack vigorously. And The way to do it
17 is to streamline non classroom costs so you get more
18 dollars to the classroom. And If you want to see
19 two examples that we have proposed in that regard,
20 we've proposed \$7,500 raises to 1200 teachers in the
21 school system and 30 percent performance bonuses to
22 principals in this system. How did we do that?

23 MR. MASH: You did that by cutting the
24 budget 180 million.

25 MR. WHITTLE: We did that by looking for

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2 places that we didn't think were as efficiently done
3 and moving them to teachers and principals where we
4 believe children are educated. And we'll stand by
5 that every day.

6 MR. MASH: As you know, where we are is
7 we have your assertion, we have the request for the
8 backup detail, we will look forward to receiving it.
9 Until we receive it, you understand our having some
10 reasonable skepticism because the depth of the cuts

11 that you're proposing in a district where the
12 average level of spending is -- where the level of
13 spending is so much less than the average, where we
14 see so many un-met needs. Reprogramming, great;
15 efficiency, great; we're for that. But What we see
16 is a net reduction in the number of dollars that is
17 go into education.

18 How you would propose to do that, none
19 of us here knows yet. So you understand that we've
20 got to suspend judgment, but we want to get on the
21 record now the magnitude of what's being asked for,
22 which means we have a lot of due diligence to do.

23 COUNCILMAN ORTIZ: Point of order. I
24 think we need that detail now. I want to hear it
25 now.

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2 (Applause.)

3 COUNCILMAN ORTIZ: I want to hear it
4 now. I want to hear how they're going to do those
5 cuts. I want to hear how they're going to spend
6 this money more efficiently. But I want to hear it
7 now. I don't want to hear it when the takeover is
8 afeta compli. I don't want the people of
9 Philadelphia to wake up one day and say, "Well this
10 is done. It's a done deal."

11 The data has to be submitted so that the
12 people of Philadelphia know what the details are.

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12 you like to respond just briefly? And then on to
13 Councilman Nutter.

14 MR. RAMOS: I just want to clarify the
15 record a little bit. Are you saying that the School
16 District at this point has received the documented
17 detail?

18 MR. WAYDE: No, I'm saying we've given
19 you a P and L. We not have finished the exercise.
20 And We have, obviously, more to go.

21 MR. RAMOS: Did Edison ever make a
22 commitment to Mayor Street that before the report
23 was released that he would be have an opportunity to
24 review it?

25 MR. WAYDE: We said to the major to the

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2 extent possible we would come in and review with the
3 major -- let me just finish. As part of that
4 process our client ultimately was the
5 Administration. And It was their decision that we
6 put our plan together, give it to them and that they
7 present it to the major.

8 MR. RAMOS: So The commitment was not
9 kept at the request of your client?

10 MR. WAYDE: Correct.

11 MR. RAMOS: Thank you.

12 REPRESENTATIVE WASHINGTON: Councilman.
13 COUNCILMAN NUTTER: Thank you, Madam
14 Chair. I just have a couple, what I'd like to refer
15 to as some initial background questions before we
16 get into the items of today.
17 Mr. Whittle, actually, the first thing I
18 had written down -- this was a while ago. I'd just
19 like to get your thoughts about this. I was
20 initially going to ask for you to spell the word
21 stigmatize, but I assume that you already know how
22 to spell that.
23 I am intrigued, though, by your thoughts
24 about some of the comments by the Governor that led
25 to a little bit of a fire storm here in the City

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2 about reading levels and who can read the newspaper
3 and who can't and those kinds of issues. I'd like
4 to hear your response to the tone and tenor to those
5 comments. What's your reaction to that?
6 MR. WAYDE: I mean, here's what I can
7 say. I think that --
8 COUNCILMAN NUTTER: I'm sorry, Mr.
9 Wayde, with every respect to you, I actually asked
10 Mr. Whittle the question.
11 MR. WHITTLE: I actually wasn't on the
12 ground the day those comments were made. I think

13 Gene was, that's actually why I was giving him the
14 mike because he actually heard them and had
15 something about it.

16 COUNCILMAN NUTTER: Well, I appreciate
17 that. Do you read the newspapers here in the City.

18 MR. WHITTLE: I try every morning.
19 There's a lot to read these days.

20 COUNCILMAN NUTTER: Did you read the
21 paper about those comments ?

22 MR. WHITTLE: I did.

23 COUNCILMAN NUTTER: So what did you
24 think about them?

25 MR. WHITTLE: Well I think -- this is

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2 what I think. I think the Governor was trying to
3 convey not to students in any way are at fault --
4 there's not one person at this table that ever
5 believes that a student is at fault regarding how
6 they're achieving. The Schools are at fault, not
7 students. And It's important that schools help them
8 succeed. I think that's what he was trying to
9 convey. He's saying, what they've got here is a
10 situation where 13, 14 percent of 11th graders can
11 read at 75 percent comprehensive levels of the
12 Philadelphia Inquirer. That's obviously something

13 to be concerned about, and I don't think it was
14 designed as a criticism towards the students.

15 COUNCILMAN NUTTER: Well, schools are,
16 at the end of the day, an inanimate object. The
17 building. So in your comments you said that schools
18 failing the students.

19 MR. WHITTLE: Yes.

20 COUNCILMAN NUTTER: Who exactly is
21 failing the students? The buildings don't teach
22 them anything.

23 MR. WHITTLE: Schools are, as John Chubb
24 has often said, they're not islands and they are
25 part of a school system. And Here's the way I would

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2 put the question back to you, is that we know
3 everyone in this room knows the following facts,
4 somewhere between 57 and 60 percent of the children
5 in the Philadelphia public school system on the PSSA
6 are below basic or at basic levels. And We also
7 know --

8 COUNCILMAN NUTTER: I appreciate the
9 statistics. I probably don't read as much as you
10 do, but I read a fair amount. The question was, who
11 is failing the students? I don't need the
12 statistical data to back up or justify the argument.

13 MR. WHITTLE: I was going to answer

14 that. If those were our schools and we have some
15 like it, we are failing the -- we, the adults, are
16 failing these students. Full stop, no
17 qualifications. We are failing.

18 COUNCILMAN NUTTER: Now, there were at
19 least two meetings that I participated in. One was
20 downstairs in 319 with a group of black elected
21 officials, the other was in the City Council Caucus
22 Room. I think the Caucus Room meeting may have been
23 first, the other meeting may have been second. And
24 I thought I distinctly remember at the time that you
25 said that the company was not interested or ready to

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2 manage the entire school system. Now, was that not
3 true at that time, or did you change your mind?
4 MR. WAYDE: I think the specific thing
5 that we said was that we were not going to turn
6 every school into an Edison school. That's exactly
7 what I said, and I still stand by that; that it
8 didn't make sense to take our curriculum the way we
9 manage our schools with this particular design and
10 recommend that design. And I think I went on to
11 say, and I think that was me who said that, that
12 there are some great schools in Philadelphia and
13 there are some middling schools and there are a

14 whole bunch of schools at the bottom, and you've got
15 to think about them differently. That was the
16 context in which they was made and that was the
17 intent of the statement.

18 COUNCILMAN NUTTER: Well, I appreciate
19 the context. Let me understand this, then. At what
20 point did you decide that you should run the system?

21 MR. WAYDE: My point -- I think we said
22 to you when we talked to you before, that the issue
23 of whether we ran the system or not, we were always
24 prepared to be here. I think we said that. What we
25 did say was that we weren't prepared to take every

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2 school and turn it into an Edison school. And just
3 to really get to the answer to your question, when
4 we signed up for the assignment, it's a public
5 record, it's part of the contract, that we were
6 going to make recommendations or present options to
7 the Governor and that the Governor would then decide
8 and Mayor through this process whether or not we
9 were here and what that looked like on anything we
10 were here and what that looked like. Anything that
11 we proposed, we had to prepare to do. So the day we
12 signed it, we were prepared. And I think we've been
13 stating that all along, everybody, including private
14 meetings and in public.

15 COUNCILMAN NUTTER: That you were
16 prepared for full operational management of the
17 School District? You're saying that you've always
18 said that from the start?

19 MR. WAYDE: Yes.

20 COUNCILMAN NUTTER: That certainly was
21 not my understanding.

22 Can you provide to the Chair a detailed
23 budget for the report that was produced? The cost
24 of that was \$2.7 million; is that correct? Can you
25 provide a detailed budget as to what that actually

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2 paid for, how many people worked, who those
3 individuals were, any vendors that were paid or
4 other expenses that show a complete matching up of
5 the \$2.7 million and where it went?

6 MR. GRAFF: I'm happy to respond to
7 that. That is essentially a decision the client has
8 to make. And The client is the Governor's Office
9 and Administration. We did prepare a budget for
10 them. If they deem fit to release it, we certainly
11 don't have a problem with that. But the
12 relationship is between -- we were hired by the
13 Governor's Office and it's really a decision that
14 they have to make.

15 COUNCILMAN NUTTER: I appreciate that,
16 but I guess now as a Pennsylvanian who does as an
17 individual pay taxes in the Commonwealth as public
18 person, are you saying that you did work for the
19 government and you can't provide us with an
20 explanation of how you spent our money?

21 MR. WAYDE: Having said that, we do have
22 budgets that is have been released. And in fact, a
23 couple of your newspapers have already gotten copies
24 of them from the Governor's Office. So we can
25 certainly take that information and send it to you.

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2 It's a public record. Portions of it that they are
3 releasing out are public record.

4 MR. GRAFF: Just to clarify. To the
5 extent that the Governor's Office has already
6 released it, it's a public document and you're
7 certainly welcome to it.

8 COUNCILMAN NUTTER: But I want to
9 understand Mr. Wayde's response. Are you only going
10 to give us the part that have already been released
11 by the State or are you going to give us a complete
12 detailed analysis of the entire \$2.7 million and how
13 all the dollars were spent?

14 MR. WAYDE: Whatever they processed and
15 approved, sir, they're releasing. Some of it may

16 not have been processed. We haven't even paid for
17 all the work yet. So It goes through an approval
18 process. And I think you're all aware of that.
19 That process will get started and our final bills
20 are being submitted because the project just ended.

21 COUNCILMAN NUTTER: I mean, you know who
22 your vendors are and -- whether people pay or not,
23 you know who you're going to have an invoice for,
24 right?

25 MR. WAYDE: Yeah.

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2 COUNCILMAN NUTTER: Now, I have been
3 intrigued by this for some time. Why is it that you
4 don't manage any schools in your headquarters base
5 City of New York?

6 MR. WHITTLE: We currently have schools
7 in New York in the following places, Buffalo,
8 Rochester, Long Island, the Bronx, which is -- we're
9 head quartered in Manhattan. We're moving our
10 headquarter to Harlem. We just received zoning
11 approval to build our first school in Manhattan from
12 the zoning commission in New York.

13 COUNCILMAN NUTTER: This is a school
14 that you're building?

15 MR. WHITTLE: Uh-huh.

16 COUNCILMAN NUTTER: Are you managing of
17 the or have relationship with -- I don't know what
18 the system is called. We're the School of
19 Philadelphia. I guess It's called the School
20 District of New York City.

21 MR. WAYDE: We have one charter school
22 here in Philadelphia.

23 MR. WHITTLE: He's saying New York.

24 MR. WAYDE: Oh, no. We don't. We have
25 a charter school through the State Board of Regions

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2 in the Bronx, as well as the others in the state we
3 manage.

4 COUNCILMAN NUTTER: I understand. My
5 question was about is it called the New York School
6 system or --

7 MR. WHITTLE: Yes.

8 COUNCILMAN NUTTER: School District of
9 New York City?

10 MR. WHITTLE: New York City Board of Ed.

11 COUNCILMAN NUTTER: Do you have
12 relationships with any of their schools?

13 MR. WHITTLE: No.

14 COUNCILMAN NUTTER: Now, what is your
15 expectation in terms of educational outcomes and do
16 you expect to exceed the current education outcomes

17 based on the present funding level and funding
18 stream that the School District receives right now?

19 MR. CHUBB: Our general expectations,
20 which are based on our experience in public schools
21 in urban areas all over America, is that students
22 will make rapid progress on the State criterion
23 reference test. And if a Norm reference test is
24 used, then on that test as well. Our recommended
25 goals in the report that we have submitted are that,

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2 number one, for student-- for schools, rather, that
3 is are the lowest performing or low performing which
4 means they have more than half of their students in
5 the lowest category, that those students would
6 progress at a rate that the schools would have less
7 than half of their students in that failing category
8 at the elementary levels within five years.

9 COUNCILMAN NUTTER: That's based on the
10 present level of funding?

11 MR. CHUBB: Based on the plan that we're
12 recommending.

13 COUNCILMAN NUTTER: What would the per
14 student expenditure that's been much discussed in
15 our City for some time, what would the per student
16 expenditure be under your plan versus what it is

17 today? And what is it today based on your analysis
18 of the District's finances?

19 MR. WHITTLE: Do you want the answer on
20 the basis of the total amount being spent by the
21 Direct or the total amount being received by the
22 District? Because they're not the same.

23 COUNCILMAN NUTTER: You can do both.

24 MR. WHITTLE: The total revenue in the
25 District today -- excuse me, this is the 02 year, is

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2 projected in the range of \$9,000 per pupil, which is
3 roughly 1.8 billion divided by roughly 200,000
4 students. I'm averaging this. And in the fifth
5 year of this plan the revenues --

6 COUNCILMAN NUTTER: I'm sorry, this is
7 your plan?

8 MR. WHITTLE: Yes. But by ther way,
9 that revenue number is not that different than the
10 current revenue number. It's roughly a 1.8 billion
11 revenue base.

12 COUNCILMAN NUTTER: What's current per
13 student expenditure?

14 MR. WHITTLE: Roughly \$9,000.

15 COUNCILMAN NUTTER: Today?

16 MR. WHITTLE: All categorical state,
17 federal, local, everything.

18 COUNCILMAN NUTTER: And is that the way
19 the calculation is usually made?
20 MR. WHITTLE: Yes.
21 COUNCILMAN NUTTER: And what will it be
22 under your plan?
23 MR. WHITTLE: Total revenues will rise,
24 as Mr. Mash said by about 150 million, which roughly
25 is \$700 per student additionally. And those are the

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2 State and City funds.
3 COUNCILMAN NUTTER: There's been some
4 discussion about some of the schools or some of
5 these partnerships, I guess they're called, will be
6 able to retain 2 percent of their overall budget. I
7 wasn't crystal clear where that 2 percent
8 calculation was coming from. What is that for,
9 where does it go, and how does it get spent.
10 MR. WAYDE: The idea was, I think I may
11 have eluded to it earlier, that certain of the wrap
12 around type services that groups typically fund and
13 do, we have in the school design that we would use
14 and we'd recommend and that the group that would be
15 partners in these schools would actually perform
16 that service. So the SSM, for example, the Student
17 Support Manager that I discussed with you earlier,

18 rather than being directly in the school, would be
19 someone that the -- it would be a team of them that
20 the community groups would actually hire and manage
21 and partner with the schools to deliver those
22 services. So the idea that there'd be wrap around
23 services and coordination of wrap around services
24 through the community partners.

25 COUNCILMAN NUTTER: I appreciate your

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2 response. I have no idea what you just said, but
3 I'll read the transcript.

4 MR. RAMOS: Councilman Nutter, just a
5 point of clarification on the answer you got. The
6 answer you received to the question of what's the
7 per pupil expenditure was \$9,000, is that correct?

8 COUNCILMAN NUTTER: I thought that was
9 the answer, is the first I've ever heard that number
10 here in Philadelphia.

11 MR. RAMOS: Would that be 1.8 billion
12 divided by 200,000 students in the School District
13 or by 215,000 students funded by the School
14 District?

15 COUNCILMAN NUTTER: I have no idea. I
16 just thought the \$9,000 was quite intriguing.

17 MR. WAYDE: To answer your question --

18 MR. RAMOS: The point, Councilman

19 Nutter, is that it's clever math because it excludes
20 all the charter schools being funded from the
21 \$1.8 billion.

22 MR. WAYDE: Mr. Ramos, we weren't trying
23 to do that. I guess asked to do some math up here
24 quickly, we looked at the budget and said I think
25 the per pupil -- you take 215,000 kids in the

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2 system, you divide it by the total revenue and you
3 get to a number that's somewhere around 9 grand a
4 kid. That's the short answer. I mean, I can pull
5 out my calculator and actually calculate it for you.
6 I don't have that in front of me. But I thought
7 what you asked total revenue of the District divided
8 by number of kids.

9 COUNCILMAN NUTTER: You can do it any
10 way you want. The numbers that are generally talked
11 about here in the City, I think, are usually in the
12 seven-something range, so -- I mean, I was intrigued
13 by your nine, but I figured you had a HP or
14 something over there and you were doing better than
15 I was.

16 MR. WAYDE: No, these aren't our
17 budgets, these are their numbers. And let me tell
18 you, what you raise is a really good issue. Part of

19 what we saw -- and think I'm going take this and try
20 to provide context here -- is that part of the
21 accounting here in the District math is to exclude
22 categorical dollars and a lot of other kinds of
23 dollars that are actually used to program what we
24 consider to be core functions, like curriculum,
25 professional development, training. And because

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2 they're in a different, quote unquote, category,
3 they're not counted as part of the budget. For
4 example, when we tried to drill into those numbers,
5 we couldn't figure out where some things were going.

6 So When we look at the school, we look
7 at the entire resource base available and how it's
8 used in the classroom and in management. That's why
9 you got that answer from us.

10 COUNCILMAN NUTTER: Now, if this was all
11 to work out, tell me what happens to the present
12 260-million-dollar deficit? Does that go away?

13 MR. WAYDE: Yes. I think we submitted a
14 proposal, a report to the Governor that recommended
15 certain options. We said here's some options for
16 actually trimming down the budget while also making
17 investments. So Under this plan, the budget deficit
18 will go away in part because \$150 million in new
19 resources will be coming into the District.

20 MR. WHITTLE: The answer to your
21 question is yes. The deficit goes away over a
22 three-year period based on deficit financing, new
23 dollars coming in, and cost reductions.
24 MR. WAYDE: What I would like to say is
25 that this year's deficit, no matter who is managing

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2 the District, this year's deficit will have to go
3 away by some form of deficit financing. I mean,
4 reasonable people, and I think everybody would
5 agree, including the district empowerment plan, that
6 you've got to actually finance out. This year's
7 deficit was by and large you can't adjust the cost
8 structure of the District this year. It's already
9 in place.

10 COUNCILMAN NUTTER: My last question is,
11 there was a hearing back on September 24th about
12 these issues convened by Councilwoman Miller
13 Education Committee, and I took down earlier that
14 you had some 7,000 members of that as a team. That
15 must include all of your teachers and all that. At
16 headquarters, I know in this document it says you
17 have I think 342 people. Maybe it's larger by now.
18 I don't know when this was produced.

19 Can you tell me why no one came to that

20 hearing?

21 MR. WAYDE: I was actually scheduled to
22 go to that hearing, sir, and got called to
23 Harrisburg in connection with this project. So
24 that's -- I reached out and informed the
25 Councilmember that I couldn't make it and that we'd

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2 be prepared to come back in.

3 COUNCILMAN NUTTER: If the other ten
4 people that are here with us today, none of them
5 could come to a City Council hearing?

6 MR. WAYDE: I was actually scheduled to
7 go and I was planning to be here. No one else was
8 scheduled to go. I was actually planning to be on
9 the hearing, me. On the day before the hearing, I
10 had called Harrisburg, and I think it was shortly
11 after when the Governor was brought -- was bumped up
12 to the White House and the new governor was sworn
13 in. It was during that period, sir. So In
14 connection with all that, I felt it was important to
15 try to serve the client and get to Harrisburg and
16 help sort out where things were. It was a period
17 for of all us of great difficulty. So, yeah, I did
18 reach out and told the Councilmember who was holding
19 the hearing that I wouldn't be here.

20 COUNCILMAN NUTTER: I do appreciate

21 that. And As this concept and relationship evolves,
22 I would only ask that for the half billion dollars
23 at a minimum that we'll be contributing to this,
24 that going forward we would get the same level of
25 client service since they're our children.

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2 MR. WHITTLE: I think that's a fair
3 request. And the reason we're here today is exactly
4 that. We tried to be here with as much of our
5 senior management as possible.

6 COUNCILMAN NUTTER: Thank you.

7 Madam Chair, you've been most kind with
8 the time.

9 REPRESENTATIVE WASHINGTON: It's getting
10 ready to ring on you, so...

11 COUNCILMAN NUTTER: I know the plug was
12 getting ready to get pulled. Thank you.

13 REPRESENTATIVE WASHINGTON: Thank you,
14 Councilman.

15 Councilman Ortiz.

16 COUNCILMAN ORTIZ: Thank you Madam
17 Chair. You're listed on the stock Exchange, is that
18 correct, Mr. Whittle?

19 MR. WHITTLE: The question was are we
20 listed on Stock Exchange?

21 COUNCILMAN ORTIZ: Yes.
22 MR. WHITTLE: Yes, we're on Nasdaq.
23 COUNCILMAN ORTIZ: I have here your
24 latest filings with the SEC. That was in December
25 of last year.

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2 MR. WHITTLE: Do you have a date on it,
3 sir?
4 COUNCILMAN ORTIZ: I have one that's
5 December of last year. And in here you're
6 explaining SEC you have explanation of what
7 additional risks that may affect your future
8 results. And one of the categories is that you're a
9 young company having opened your first schools in
10 '96, it makes it difficult to evaluate your
11 business. In essence, what you're asking the SEC is
12 that since you're so young and can you not be
13 evaluated, to wait for results to happen. And if
14 you fail, then the stock goes down. But you're
15 asking, in essence, the SEC for the parents of
16 Philadelphia to wait for your results to happen.
17 And we're sort of like the guinea pigs that are
18 going to be tested in your SEC report here, because
19 you haven't proven it. And you say here that -- it
20 says, "We have not yet demonstrated that public
21 schools can be profitably managed by private

22 companies. And We're not certain when we will
23 become profitability, if at all. Our ability to
24 become profitability will depend upon our ability to
25 generate and sustain higher levels of both gross,

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2 site contribution, and total revenue to allow us
3 reduce central expenses as a percentage of total
4 revenue. Even if we do achieve profitability, We
5 may not sustain or increase profitability on
6 quarterly on annual basis. Failure to become and
7 remain profitable will adversely affect the market
8 price of our Class A common stock and our ability to
9 raise capital and continue operations."

10 My problem is that if you don't achieve
11 that, you will close up shop and leave.

12 MR. WHITTLE: You're exactly right,
13 you're quoting ur SEC document. And if you look at
14 Microsoft, General Motors, General Electric and
15 every SEC filing, they are required --

16 COUNCILMAN ORTIZ: Sir, I am looking at
17 yours. Just explain yours.

18 MR. WHITTLE: I understand. But I'd
19 like to respond please. Every SEC filing is
20 required to show potential risk to investors.
21 Doesn't mean we believe that those risks are going

22 to happen.

23 COUNCILMAN ORTIZ: BUT, you see, the
24 difference, the difference with General Motors and
25 IBM and others is that they make cars. We have

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2 children.

3 (Applause.)

4 COUNCILMAN ORTIZ: And the Excel (ph)
5 may fail and Ford may still be in business and the
6 Corveyer (ph) with the motor in the back may be a
7 hazard, but we have children. It's not the same
8 thing. It is not the same thing. I'm sorry.

9 (Applause.)

10 COUNCILMAN ORTIZ: By the way, we are
11 all from humble beginnings in this Council.

12 REV. FLAKE: That means we have a
13 kindred spirit.

14 COUNCILMAN ORTIZ: And I'm from the
15 lower east side.

16 REV. FLAKE: The area that we have
17 succeeded clearly is in the successes of schools and
18 in the net results. I think Chris has been very
19 fair in stating that, one, of the 65 school that we
20 started, we're still in relationship with 62 of
21 them. And, two, when you look at it across the
22 board, you have 85 percent success rate. The bottom

23 line is that the probability of failure is greatly
24 reduced by virtue of --

25 COUNCILMAN ORTIZ: Reverend Flake,

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2 throwing out statics about 85 percent rate success,
3 without the sustainable data and the test that we're
4 given, because if you give a test without comparing
5 it to the other test and an equivalent sort of, you
6 can get the results that you may want. So I'd
7 rather that in essence within the last few years,
8 you have not yet proven your success rate. And in
9 fact, in the report here, these are the risks. The
10 thing is that you are -- when you talk about risk.
11 You talk about risk to your investment. We talk
12 about risk to our children. So when you're talking
13 about risk, recording core losses at our schools if
14 we're unable to enroll enough students, well, that's
15 fine and good. But we have 220,000 students that
16 we're supposed to turn over to you. And then in the
17 next, "We're experiencing rapid growth which may
18 strain our resources and we may not be sustainable."
19 The thing is, that your corporation in asking the
20 City and parents of Philadelphia without any
21 consultation with them to, in essence, bankroll your
22 risks. Bankroll your risks without any assurances,

23 without anything that if those risks don't
24 materialize and your stock goes down, you will pick
25 up and you'll leave or you'll go into bankruptcy.

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2 That's why we need local control.

3 (Applause.)

4 COUNCILMAN ORTIZ: Mr. Whittle, In the
5 last few months --

6 COUNCILWOMAN MILLER: Excuse me,
7 Councilman Ortiz, your time is up.

8 COUNCILMAN ORTIZ; I just want to know
9 how much money Mr. Whittle has made in selling stock
10 from March to today in terms of his Class A stock
11 and others that you exercise options that were --

12 MR. WHITTLE: I'll be happy to share
13 that with you, Councilman.

14 COUNCILMAN ORTIZ: It's close to \$50
15 million in stock that you have sold of Edison.

16 MR. WHITTLE: That's incorrect, sir.
17 I'll be happy to provide you the correct --

18 COUNCILMAN ORTIZ: I got it here, it
19 says, Class A stock sold at \$23.27 a share.
20 Proceeds, \$13,961,977. Then another 15,001 shares
21 of Class B stock sold at 23 and the proceeds were
22 1,163,523. Is that correct or is that wrong?

23 MR. WHITTLE: Well, you said 50 million,

24 and that adds up --

25 COUNCILMAN ORTIZ: No, I said 15, close

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2 to 15. It's my Latino accent.

3 MR. WHITTLE: I'm sorry I misheard you.

4 Fifteen is close to that. I think it's also

5 important to have a little context on that, which I

6 would like to provide.

7 Over the last eight years I took every

8 dollar of my personal worth. I mortgaged my home

9 and I invested in the company. Every dollar that

10 you see in that sheet and it also is in that file,

11 every dollar went to repay those debts, not to me

12 but to J.P. Morgan, the bank that I borrowed the

13 money from.

14 COUNCILWOMAN MILLER: Thank you

15 Councilman Ortiz.

16 I just want to recognize that we've been

17 joined by a Board member Christine James Brown.

18 We have a lot of members of the

19 community here and we are going to reconvene these

20 meetings on Saturday. So If anyone from a community

21 group or any of the groups want to sign up for

22 Saturday, I know some people have to leave, then you

23 can do that. And Jenelle Lemon is standing over

24 there at the door if you want to do that. We're
25 going to reconvene on Saturday at 10:00 a.m.

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2 What we have to do, we're going to put
3 the timer on and we have to enforce the time limits
4 because there are a lot of elected officials here
5 that also have questions and comments. And
6 editorial comments are good, but we have to try and
7 maximize the use of this time.

8 Wilson Goode, Jr., a member of the
9 Education Committee is next.

10 COUNCILMAN GOODE: Thank you, Madam
11 Chair. I'm going to try to move as quickly as
12 possible and limit my questions to Mr. Whittle
13 regarding business relationships and Reverend Flake
14 regarding charter schools.

15 Let me start with the first question to
16 Mr. Whittle. How did you establish a business
17 relationship? What's the origin with the
18 Commonwealth? When, where, how did it happen? Who
19 called who? How did you develop the relationship to
20 Commonwealth?

21 MR. WHITTLE: Our first relationship
22 with the Commonwealth were probably related to
23 charter schools in York and in Phoenixville, which
24 we have launched over the last --

25 COUNCILMAN GOODE: I meant related to

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2 Philadelphia.

3 MR. WHITTLE: Pardon?

4 COUNCILMAN GOODE: How did you establish
5 your business relationship related to Philadelphia?

6 MR. WHITTLE: Just in relation to
7 Philadelphia?

8 COUNCILMAN GOODE: Yes.

9 MR. WHITTLE: We began our relationship
10 with the Philadelphia School District about a year
11 ago --

12 COUNCILMAN GOOD: With the Commonwealth
13 of Pennsylvania, when did you starting doing
14 business with the Commonwealth of Pennsylvania
15 regarding Philadelphia? Who called who, when,
16 where? How did you establish the relationship?

17 You're a businessman, right? At some
18 point the relationship started when it was actually
19 business. How did you establish the relationship?

20 MR. WHITTLE: In regard to Philadelphia
21 in this specific situation, about early July, I
22 think in the first ten days of July, we received a
23 call from Secretary Zogby saying that that there was
24 a pending crisis in Philadelphia public school

25 system that they wanted to discuss. And we went to

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2 discuss it with them.

3 COUNCILMAN GOODE: You received a phone
4 call from the Secretary of Education. This was
5 before the meeting between the Mayor and the
6 Governor?

7 MR. WHITTLE: I don't know that.

8 COUNCILMAN GOODE: Does anyone on the
9 panel know?

10 MR. WHITTLE: The reason is, I don't
11 know which meeting you're referring to.

12 COUNCILMAN GOODE: Was the relationship
13 established before the memorandum of understanding?
14 I don't know what happened between the Governor and
15 Mayor in terms of why Edison was involved. I'm
16 asking you from your standpoint --

17 MR. WHITTLE: I don't know.

18 COUNCILMAN GOODE: You don't know how
19 your relationship was established?

20 MR. WHITTLE: I know when we had the
21 meeting. I don't know the exact dates of the MOU.

22 COUNCILMAN GOODE: But it was initiated
23 by the Commonwealth of Pennsylvania, Secretary of
24 Education.

25 MR. WHITTLE: Yes.

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2 COUNCILMAN GOODE: How did you establish
3 your relationship with one of the community cited in
4 the report, Universal Companies? When, where, how,
5 who called who?

6 REV. FLAKE: That started about better
7 than a year ago when I received a call from Kenny
8 Gamble's office asking if his representative could
9 come to New York and look at what we were doing as a
10 church in community economic development, because we
11 build homes, we build senior citizens housing. And
12 they wanted to look at that model, having heard me
13 speak I think in Boston, and so they wanted to come
14 and see the model. So that's where the whole notion
15 evolved that you cannot build a community without
16 addressing the problems of schools and that
17 discussion eventually brought us into a constant
18 dialogue about how to make some things happen.

19 COUNCILMAN GOODE: That was around when?

20 REV. FLAKE: That was around -- seems to
21 me that that may have been -- that was before we got
22 into any discussions with the State. So that was
23 probably January of last year, not this year.

24 COUNCILMAN GOODE: Mr. Whittle, do you
25 have any proactive relationships in terms of you

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2 initiating trying to find business? And is your
3 business actually dealing in distressed districts?
4 I mean, are you, quote unquote, an ambulance chaser
5 or do you do business in non-distressed districts?

6 MR. WHITTLE: The great bulk of our
7 business is in what I would call non-distressed
8 districts. A growing percentage of our district is
9 in distressed districts. Most states in th United
10 States have passed accountability legislation of
11 certain types. With that accountability
12 legislation, most states have some form of takeover
13 provisions.

14 COUNCILMAN GOODE: With the
15 accountability legislation comes the Edison
16 referral?

17 MR. WHITTLE: Pardon?

18 COUNCILMAN GOOD: With the
19 accountability legislation comes the Edison
20 referral?

21 MR. WHITTLE: They're not connected.

22 COUNCILMAN GOODE: I want to move to
23 charter schools. Reverend Flake, why do people form
24 charter schools?

25 REVEREND FLAKE: In general, people have

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2 been forming charter schools because they are
3 convinced that they need models for the new
4 paradigms for delivery of public education to young
5 people where they're not convinced that they're
6 going -- that the schools within the system are
7 going to turn around fast enough for them to be able
8 to be assured that they're going to get the kind of
9 quality education that they expect for their
10 children. So in general, they see this is the most
11 valuable alternative to still stay in the public
12 sector while at the same time being able to assure
13 that their child gets a good education.

14 COUNCILMAN GOODE: And how does the
15 Governor's plan affect charter schools in
16 Philadelphia?

17 SPEAKER: Can I add to the question
18 about why charter schools since I used to have his
19 job before I started the teachers college. I've
20 established charter schools in Detroit and D.C.

21 COUNCILMAN GOODE: Was that a promotion
22 or demotion?

23 SPEAKER: I saw it as a promotion
24 because I wanted to make sure that we had quality
25 teachers and excellent principals for the schools

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2 that we were operating and we needed to create our
3 college to make that happen.

4 When I talked to -- I've established
5 charter schools with YMCAs. And for example, the
6 YMCA has a service learning mission and they want to
7 develop that service learning mission through K12
8 and there's another way for them to connect with the
9 parents of children to deliver their services. I've
10 also started a charter school in partnership with
11 the YMCA in Atlanta, Georgia. In Washington, D.C.,
12 our partner is the oldest social service agency in
13 the City, Friendship House. They pride themselves
14 in being the social service agency to bring the
15 first kindergarten program to Washington, the first
16 montesory program. They saw Edison as a cutting
17 edge reform. They wanted to be the organization to
18 bring Edison to town. They run their after school
19 programs in our schools. So They have a mission
20 partnered with ministers because they see their
21 mission as building great schools and they see
22 supporting the public school system. And It's not a
23 competition but expanding choice an options for
24 parents and their communities.

25 COUNCILMAN GOODE: Thank you. How does

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2 the Governor's plan effect charter's schools?

3 REVEREND FLAKE: Gene Wade will answer
4 that.

5 MR. WAYDE: One of the assumptions is
6 that charter schools -- a lot of charter operators
7 would be interested in being partnership schools and
8 partnering to manage schools through a different
9 format. There's no contemplated legal change to
10 charter schools in the district. And anyone who has
11 a charter now obviously has a contract an a charter
12 and will continue to operate and grow those
13 chargers.

14 COUNCILMAN GOOD: So is there any plan
15 to convert other schools or charter schools in any
16 massive way?

17 MR. WAYDE: That was not a
18 recommendation.

19 COUNCILMAN GOODE: Through Edison's
20 vision, is there a plan to take schools an convert
21 them to charters?

22 MR. WAYDE: No.

23 COUNCILMAN GOODE: Thank you. Thank
24 you, Madam Chair.

25 COUNCILWOMAN MILLER: In this order,

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2 next we have Representative Bishop, Meyers ,and
3 Cohen.

4 REPRESENTATIVE BISHOP: Thank you, Madam
5 Chair. I just want to make one comment and I want
6 to ask just one question.

7 Sometime ago we were concerned that
8 there was an outburst in the audience, but I do want
9 to say that this is the first time the public has
10 had an opportunity to comment. Previously when the
11 meetings were held throughout the community, they
12 absolutely were not allowed to make comments.

13 (Applause.)

14 REPRESENTATIVE BISHOP: This is the
15 first time, the first time since this issue came to
16 the table that they have had an opportunity to
17 express their desire. So I just want you to please
18 been patient with them if they appear to be a little
19 hostile tonight.

20 Secondly, I just want to ask one
21 question, and I guess it would be Mr. Whittle. In
22 every form of life we have someone over the top of
23 us, someone that we have to answer to. Elected
24 officials have to answer to their constituents, and
25 when they don't, they're voted out of office.

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2 Reverend Floyd Flake has to answer to God first, but
3 then if his congregation is not pleased, he's out.
4 So I want to ask Edison, and whichever one of you
5 think should answer, who do you answer to? You who
6 have asked for a certain amount of schools that you
7 will be running and then a certain amount that you
8 will be managing, who is over you? Who do you
9 report to? And at the end of the day, if you have
10 not done what you said that you would do, how much
11 time do you have and who tells you pack up and
12 leave?

13 (Applause.)

14 MR. WHITTLE: All very good questions,
15 and I will try to answer them to the extent that we
16 know that today. And the reason I make that
17 qualification is that an arrangement between Edison
18 and whatever body is going to be in charge of the
19 Philadelphia School System doesn't exist. But I
20 think I can answer some of the pieces.

21 First of all, if you look at what the
22 Governor has proposed, Edison would report to, be
23 hired and fired by something called the SRC, the
24 School Reform Commission., which as proposed by the
25 Governor has four appointees by the Governor and one

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2 appointee by the Mayor. So we would report to that
3 commission. They would negotiate the arrangement
4 between us. And Included in that arrangement, I am
5 sure there will be performance standards, and there
6 typically are in our arrangements with public
7 entities. The most important of those performance
8 standards is student achievement. And most of our
9 contracts have some provision that if student
10 achievement does no achieve this or that level by
11 this or that date, then we can be terminated for
12 that reason.

13 We view that as the most important
14 provision.

15 REPRESENTATIVE BISHOP have you signed
16 that contract yet? Do you know what that time is,
17 that time frame?

18 MR. WHITTLE: In the report that we
19 provided, we suggested to the Governor what
20 aggressive academic goals should be for the school
21 system of Philadelphia. Just to put it in
22 perspective, those goals were five to seven times
23 the current rate of academic gain in the district
24 that we recommended to the Governor. I am sure that
25 we're going to see, if we're ever in negotiation

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2 with the SRC, I'm sure we're going to see something
3 like that stuck in our contract.

4 REPRESENTATIVE BISHOP: Thank you.

5 COUNCILWOMAN MILLER: Let's take a break
6 for five minutes.

7 (Brief recess.)

8 COUNCILWOMAN MILLER: We are have a
9 couple of announcements. You know this hearing is
10 going to recess tonight and reconvene Saturday at
11 10:00 a.m. At this time, all the officials here at
12 the table have agreed to hold their questions until
13 Saturday. And Edison has agreed to also return on
14 Saturday, maybe not in its full complement, but they
15 will bring people here on sat. And you know, We do
16 have senior staff at the table. So at this point,
17 we want to ask Edison -- we want thank you for your
18 testimony. I know that you've made a commitment to
19 stay. Can you have a seat over there or whatever so
20 we can start bringing some of the community people
21 up. Thank you.

22 Wait a minute. We have two Board
23 members that is won't be here on Saturday that have
24 questions, but we really want to get to the
25 community groups. One from Board Member from Sandra

2 Glenn and then we'll have Board Member Dorothy Rush.

3 MS. GLENN: Good evening. Thank you,
4 I'm glad to now have an opportunity to meet you. I
5 regret that we had to spend much of our valuable
6 time this evening being introduced. You've been
7 here three months or so, and unfortunately, prior to
8 today, many of us had not had a chance to meet you.
9 So I'm glad that we were able to accomplish that. I
10 do have two questions, if I may, Madam Chairwoman.
11 My first question goes back to your issue that you
12 raised at the capacity. You mentioned that you
13 operate a total now of 136 schools serving about
14 75,000 students. Could you give me a breakout of
15 how many of those schools are elementary or K to 8,
16 how many are middle, and how many are high schools?

17 MR. WHITTLE: I going to do this
18 approximately and then we will get you the exact
19 numbers in writing. So I'm doing this from memory,
20 and if somebody wants to correct me, please do.

21 Roughly, I think it's about 60 percent
22 elementaries, 30 to 32 percent middles, and eight to
23 ten percent highs.

24 MS. GLENN: It would be helpful,
25 understanding those are rough percentages, if I

2 could have the actually numbers of your 136 schools
3 that fall into those categories.

4 MR. WHITTLE: We will get you that. I
5 think the percentage I gave you is in the zone.

6 MS. GLENN: Understood. Am I correct in
7 understanding that in terms of actually operating
8 school districts, you are currently operating 10 of
9 11 schools in Chester, is that correct?

10 MR. WHITTLE: We have three situations
11 where we are operating under state arrangements, one
12 in Baltimore, Maryland, where the state has taken
13 control of three schools. One is a partnership
14 between a board of education and the State Board of
15 Michigan, which is Inkster, Michigan, which is four
16 or five schools. And then Chester is correct, 10 of
17 11.

18 MS. GLENN: Now, in Baltimore, you are
19 operating the district?

20 MR. WHITTLE: No.

21 MS. GLENN: You are operating in three
22 schools within the Baltimore School District?

23 MR. WHITTLE: Yes.

24 MS. GLENN: So in terms of school
25 districts, there are actually two, if I'm correct,

2 Chester and Inkster, Michigan, is that correct.

3 MR. WHITTLE: Chris Surf.

4 MR. SURF: First of all, I apologize for

5 coming in a minute late. If I might I'd like to

6 offer one clarification to that question. With the

7 75,000 students that is we currently serve across

8 the country, that number of students we think should

9 be thought of as a national School District --

10 MS. GLENN: I do understand that.

11 MR. SURF: In a sense, for example, that

12 number is greater than a Atlanta, greater than

13 Denver, Greater than D.C.

14 MS. GLENN: Sir, honestly, I do

15 understand that, but that's not my question. In

16 terms of coming in and operating school districts,

17 currently established school districts, you would

18 describe that situation where, Chester --

19 MR. WHITTLE: No, actually, we wouldn't

20 in Chester. We were actually, I think, asked this

21 question earlier, do we operate any school districts

22 under the arrangements similar to what has been

23 proposed to the Governor. The answer is no.

24 MS. GLENN: So Currently there are no

25 school districts that you're operating?

3 MS. GLENN: Other than YOUR 136 schools
4 in 22 states.

5 MR. WHITTLE: Right.

6 MS GLENN: You also refer to a list of,
7 I think, 65 contracts of which 62 I think you said
8 had been renewed?

9 MR. WHITTLE: 62 are still in existence.

10 MS. GLENN: Can you then reconcile some
11 things that I had been reading about a number of
12 other schools and/or school districts where either
13 the contract had been terminated or was being
14 considered to be terminated. And I just want to
15 make sure that this is accurate reporting. I've
16 read this in several places. Wichita, Kansas, I
17 understand you have four schools, two of them there
18 is some concern about Edison 's operation and some
19 consideration of ending your participation at least
20 in those two schools. Is that accurate assessment?

21 MR. WHITTLE: If you were to review all
22 of our 136 schools, and we said this earlier, we
23 said 84 percent of schools are up, that means
24 16 percent aren't. And What I'm saying is in some
25 of those cases, you're going to hear people that are

3 that.

4 MS. GLENN: I just want to make sure
5 that I have an accurate list of the school districts
6 where that issue has been raised.

7 MR. SURF: You asked a very specific
8 question about Wichita, and let me answer that. We
9 have four schools in Wichita. There have been some
10 newspaper level concerns about our performance in
11 one or two, depending how you count. We have not
12 been formally notified or advised by the district of
13 superintendent of his or the board's intention to
14 terminate that relationship. But there is some
15 stuff in the newspapers.

16 MS. GLENN: Is that a similar situation
17 then in places like Lansing, Michigan; San Antonio;
18 Minneapolis, Minnesota? Goldsboro, North Carolina,
19 was actually terminated, is that correct?

20 MR. SURF: In Michigan we completed our
21 five-year contract and we were not renewed.

22 MS. GLENN: It was not renewed, okay.
23 And San Antonio?

24 MR. SURF: And that was an individual
25 charter school.

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2 MR. WHITTLE: And that is part of the
3 three that we mentioned, As is Goldsboro, North

4 Carolina, which you just mentioned.

5 MS. GLENN: And the situation in
6 Minneapolis.

7 MR. WHITTLE: Minneapolis is ongoing.

8 MR. SURF: Minneapolis is currently
9 operating. The school contracted -- they have a
10 huge budget problem and they have given notice
11 that --

12 MR. WHITTLE: The school system has a
13 huge budget problem.

14 MR. SURF: They have given notice that
15 it is their intention to not continue with that
16 school. We have a unique relationship there where
17 partnered with a community group called partnership
18 for pride and living. They have indicated their
19 intent to continue with the school on a charter
20 basis, and we believe that is the future of that
21 school. So the school will continue, but the
22 relationship with the district likely will not.

23 MS. GLENN: Let me ask this. I know in
24 the interest of time, there are several other school
25 districts where this issue has been raised. If you

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2 could respond to us in writing the status from your
3 perspective of that situation. And they are the

4 Southwest Independent School District in Texas. You
5 mentioned Goldsboro. Pontiac, Michigan. Sherman,
6 Texas you did mention. York, Pennsylvania; Inkster,
7 Michigan; and Macon, Georgia.

8 MR. SURF: We would be delighted to
9 submit a written response to that.

10 MS. GLENN: The other question I'd like
11 to raise this evening, if I may -- I've waited a
12 long time, Councilwoman. I have time for one
13 additional question, I am told. Let me go right
14 then to the issue that you raised around staffing
15 and the number of teachers. I believe in your
16 report you recommend that we could withstand a
17 reduction in the number of teachers within our
18 School District and still improve instruction in
19 student performance. My question is, how do you
20 propose reducing the number of teachers without
21 increasing class size, and does the Edison school
22 have a perspective on the relationship between class
23 size and student achievement?

24 MR. WAYDE: Let me take the first part
25 of the question about the reduction in staffing.

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2 What We found in the District was hundreds of
3 teachers who are on special assignments outside the
4 buildings not teaching -- so when we talk about

5 teaching, we're talking about people classified as
6 teaching. Over half of the people in the District
7 classified as teachers aren't actually teaching a
8 class. Now, let me carve out for a minute out of
9 that, some of them for good reasons that you're
10 actually not in a typical class. We've been talking
11 about -- we found anecdotally and through trying to
12 back through your numbers, we -- actually, two
13 things. One is we couldn't get a direct couldn't
14 from the District on how many, quote unquote,
15 teachers there are. We heard that there were 31
16 class size when we started. But if you take 30 to
17 1 and you multiply --

18 REPRESENTATIVE WASHINGTON: You have to
19 talk into the mike.

20 MR. WAYDE: I'm sorry. And you multiply
21 it times the number of teachers, it would add to
22 something like 300 and some-odd thousand kids.
23 There's 12,000 teachers in the District, even saving
24 for your special education. So what we have
25 suggested is that certain positions be moved to the

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2 -- that teachers be moved from the building on a
3 school design model using one of the curricula that
4 we propose, one of the three curriculums. So we're

5 actually thinking that you can, without affecting
6 the quality of instruction, get more teachers into
7 your classroom through -- and the reduction, of
8 course, will be through attrition, not through
9 layoffs.

10 MS. GLENN: Does that mean by -- by
11 extension does that mean that there are services
12 that these teachers, non-classroom teachers, are
13 performing that would not be performed under your
14 proposal?

15 MR. WAYDE: We were advised by
16 principals of a level of frustration because what's
17 happening is they're not -- they're supposed to be
18 providing support that they're not getting. So what
19 we heard in the 20-some-odd schools that we visited
20 was that we need to get these services actually in
21 the building and built into the design. That's what
22 we were hearing.

23 MS. GLENN: So assessment was made on
24 the 20 schools where you had actually on site
25 interviews and the recommendation for 264 schools.

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2 MR. WAYDE: We actually compared Philly
3 do other districts. We used data -- I think there's
4 been some discrepancies about how many teachers you
5 have versus other districts. In order to compare

6 Philadelphia to other districts around the country
7 and do a benchmark, we had to go find information
8 around, you know, looking at the systems that were
9 similarly sized. And I think a lot of that is in
10 the public report. And what we found is that there
11 is a level of staffing that doesn't comport with the
12 level of service that's being delivered.

13 MS. MCGRIFF: If you look at the three
14 programs that are being proposed, the staffing is
15 based on the actual curriculum programs that will be
16 implemented in your schools. If you read the
17 report, we're recommending specific reading, math,
18 science programs, a specific organization for the
19 school; the staffing matches those programs.

20 MS. GLENN: So you're saying you're
21 sending up your staffing to meet the curriculum that
22 you would be implementing in the schools that you
23 propose.

24 MS. MCGRIFF: And the support for the
25 curriculum for which we will be held accountable and

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2 that parents will expect to see improvement in their
3 children's scores rather than an abstract notion of
4 how much people should be there and what services
5 they should provide.

6 MS. GLENN: The last part of this is my
7 understanding your analysis you included in your
8 estimate of the ratio of student to teachers in our
9 comparison, you included teachers who have teaching
10 in our preschool or head start, but you did not
11 include those students in your estimates, in your
12 figuring. So how does that --

13 MR. WAYDE: I'm not sure if that's true.
14 If anything, what we did is we tried to take out
15 teachers that were in programs that we thought would
16 be kept in place like your preschool program and
17 your reading specialist is what they're called.

18 In order to do a comparison, we actually
19 had to take out reading specialist because there's
20 no analog in other districts. And so we said, okay,
21 you pull out reading specialist and other things
22 that we could identify. One of the challenges with
23 the analysis is that the District couldn't identify
24 for us, when we asked a very specific question early
25 in the process, we said, tell us how many people you

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2 have and where they are. And the answer we got back
3 was, well, in our general budget, we use this number
4 but these people are actually paid for out of
5 categorical. So my folks came back and said, well,
6 quarter of a million dollars being spent in

7 categorical, and we don't have an answer for what
8 it is -- a quarter of a billion, excuse me. And so
9 we had to go in and really verse engineer what we
10 thought was happening both through anecdotes and in
11 through coming back around and analyzing other data.
12 But we don't have the exact number. So based on our
13 estimates right now, we think the district is
14 oversized, and we think a lot is happening through
15 what's called categorical where you're not actually
16 keeping score on who is it doing what. That's how
17 we arrived -- that's part of the thinking in
18 arriving at this these numbers.

19 MS. GLENN: Well maybe, Mr. Doyle, it
20 would be helpful if you could provide the backup for
21 how you determinate your calculations to the School
22 District and they could provide you with additional
23 information may you need. Because there is a
24 discrepancy in what we believe the ratio is
25 currently in our School District and you stated it

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2 to be in your report and, therefore, the decisions
3 that you're made r recommendations that you made
4 based on that may be a little faulty. So We may
5 need to reconcile the figures, if you will. Thank
6 you.

7 COUNCILWOMAN MILLER: Thank you, Ms.
8 Glenn.
9 Board Member Rush.
10 MS. SUMNERS-RUSH: Dorothy Sumners-Rush,
11 Vice President of the School Board.
12 Edison's model has a longer school day,
13 longer school year, high price technology. And
14 based on the limited information we have received so
15 far, it looks like your cost is 10 percent higher
16 than what we spent. Can you offer this same model
17 you are taking everybody to see in your other
18 locations to us?
19 MR. WHITTLE: The answer is in the 200
20 schools that are not what we call partnership
21 schools, there is not a plan that that model is
22 going to be used there. And the reason, though, is
23 we said earlier today and we said in our
24 recommendation that we did not think that converting
25 every school in the district to the Edison model

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2 makes sense or was economically viable because we
3 don't think it is. One point I would like to
4 clarify is nationwide we operate on considerably
5 less dollars per pupil than the City of
6 Philadelphia, considerably less dollars approaching
7 \$2,000 dollars less per pupil. So Our average per

8 pupil in Edison schools is around \$7,000.

9 MS. SUMNERS-RUSH: This is the model
10 that we have been led to belief from your reports
11 that use in other places. So if not this, than
12 what?

13 MR. WHITTLE: In every city that we are
14 in, we have a core model and we adopt that model to
15 the economics of the city that we're in. Example,
16 in Las Vegas, Las Vegas spends actually in the zone
17 of half of what you spend, and obviously, we don't
18 do the exact model in Las Vegas that we do in Boston
19 which spends twice as much as Las Vegas does. So In
20 every city that we're in, we adapt according to the
21 economics of the city. We also have to adapt
22 according to the collective bargaining agreements of
23 the City. And in some case, teachers unions will
24 say, we're prepared to waive this. In other cases
25 they will say, we're not. And We have to make

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2 adaptations according to those situations.

3 MS. SUMNERS-RUSH: I would suggest then
4 that we need a more finite information about this
5 and the model .

6 I have a another question and I'll be
7 finished. Have you ever addressed capital

8 improvements in your plan that you have given to us?
9 And if not, why not? Because I have a reason for
10 asking that.

11 MR. WAYDE: We actually are put together
12 the plan. I think we said this. We've agreed on
13 this with the Governor's team and may have even
14 mentioned it to the -- certainly to some of the
15 folks we talked to on the my Mayor's team that we
16 were focused primarily on operational issues, in
17 large part because of the time constraints of 60
18 days. We had to assemble a team. We did review,
19 though, the plans. There have been a lot of work
20 done in recent years on the capital situation.
21 There's a Perks report, there are ther reports that
22 were done. So rather than us in 60 days trying to
23 re-do a capital plan and study the facilities, we
24 actually reviewed the reports that is were there.
25 And Because we didn't do our own work on that, we

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2 did a review of that and a review of the way it was
3 managed, we decided not to include it in the report.

4 MS. SUMNERS-RUSH: The reason I'm asking
5 that is because in the general public, and it has
6 been reproduced in several newspapers that you're
7 going to paint up, fix up, fix all of our buildings
8 and make them like new. I know that with the

9 average age of it buildings and with the
10 improvements that have been made and those that
11 still need to be made, that's a very major issue.
12 Because of the age of our buildings, when you go in
13 sometimes to do cosmetic things, you find our you
14 have some major problems behind the outer surface
15 you see. So that is why I've asked that question
16 about building improvements and what you plan to do
17 about it. Thank you.

18 COUNCILWOMAN MILLER: Thank you. We
19 have a couple visitors in the room, people in the
20 Chambers. We have City Controller, Jonathan Saidel.
21 And we also have our Second District Congressman
22 Chaka Fattah who is to my right.

23 (Applause.)

24 COUNCILWOMAN MILLER: There's a point of
25 order. Christine James Brown.

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2 MS. BROWN: I know that you want us to
3 save our questions for tomorrow --

4 COUNCILWOMAN MILLER: Actually, what I
5 want to do is, I'm really making an attempt to get
6 the community groups up. And they've been here all
7 day and it's -- I do know that many of us are going
8 to return on Saturday and some people at this table

9 have decided to reserve and hold their questions
10 until Saturday. I'm just trying to make an effort
11 to get the community groups here.

12 COUNCILWOMAN BLACKWELL: We should
13 afford, though, our guests the opportunity if they
14 wanted to make remarks. We have a congressman here-

15 COUNCILWOMAN MILLER: Well, we've been
16 doing that all day, and I don't have a problem with
17 that. I was going get to that point. But I just
18 want people to know why I may seem to be rushing
19 you. I just want to get some community groups on.
20 So Our Congressman, I understand, does have a
21 question or a comment and I don't know whether --
22 Mr. Controller, do you? No? Okay, thank you. And
23 anybody's welcome to come back Saturday at 10:00.

24 CONGRESSMAN FATTAH: Let me thank the
25 Chairwoman. I just got in from Washington. If I

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2 could just ask Mr. Whittle a couple of questions, it
3 would be helpful so that I could maybe understand
4 this.

5 I saw in the Governor's report where he
6 said THAT Philadelphia has the worst urban school
7 district in the country. Do you agree with that?

8 MR. WHITTLE: First, I'm not sure the
9 report says that.

10 a ranking among the top districts where Philadelphia
11 ranks?

12 MR. CHUBB: I cannot.

13 CONGRESSMAN FATTAH: You cannot. Can
14 anybody at the table to do that?

15 MR. CHUBB: Sir, the reason is it's
16 not --

17 CONGRESSMAN FATTAH: Mr. Whittle?

18 MR. WHITTLE: There's 22 different
19 testing systems. And The toss in Dallas and Houston
20 is not -- the Pennsylvania State Assessment system
21 is not the --

22 CONGRESSMAN FATTAH: So if anyone said
23 that Philadelphia was the worst of the large urban
24 districts, you would not concur with that based on
25 everything you know? And you know a lot about

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2 education.

3 MR. WHITTLE: I would have to see what
4 they said and why they said it and how they said it.

5 CONGRESSMAN FATTAH: Well, I'm telling
6 you that the Governor said in his statement, this
7 was the worst urban district in the country. And
8 I'm trying to understand whether or not that's true.
9 Because based on what I understand, and I have some
10 limited information about the subject, that's not

11 true. Is there anyone at the table prepared to
12 defend the Governor's accusation that this is the
13 worst district?

14 MR. WHITTLE: I would like to see the
15 quote and in what context it was made and then we'd
16 be perfectly happy to respond.

17 CONGRESSMAN FATTAH: And no one can
18 offer a ranking where Philadelphia stands among the
19 large urban districts.

20 MR. SURF: If I may, just a point of
21 clarification, when you say "the worst," what is the
22 measure of --

23 CONGRESSMAN FATTAH: I'm using the
24 Governor's terminology.

25 MR. SURF: Is it test scores? Is it --

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2 CONGRESSMAN FATTAH: Let me try this,
3 Mr. Whittle. If I said to you, among the large
4 urban districts, the top 25 districts in the
5 country, that Philadelphia has made more progress at
6 a faster rate than any of those other districts,
7 would you agree or not agree with that?

8 MR. WHITTLE: No.

9 CONGRESSMAN FATTAH: And why would you
10 disagree with that statement?

11 MR. WHITTLE: Because we run the 45th
12 largest school system in the United States--
13 CONGRESSMAN FATTAH: I said of the top
14 25 districts.
15 MR. WHITTLE: I'm saying that actually
16 and on that point, too, we would not agree with
17 that.
18 CONGRESSMAN FATTAH: And would not
19 agree?
20 MR. WHITTLE: Because we know systems
21 that have faster rates of gain.
22 CONGRESSMAN FATTAH: Which systems are
23 they?
24 MR. WHITTLE: Sacramento, San Antonio.
25 I believe San Francisco. There are many.

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2 Baltimore.
3 CONGRESSMAN FATTAH: Those are the
4 districts s you would stand by as being better?
5 MR. WHITTLE: Faster rates of gain
6 information.
7 MR. CHUBB: They're making faster
8 progress.
9 CONGRESSMAN FATTAH: On what basis would
10 you use?
11 MR. WHITTLE: Whatever they have.

12 CONGRESSMAN FATTAH: San Francisco, Mr.
13 Whittle, you run a school there?
14 MR. WHITTLE: Yes.
15 CONGRESSMAN FATTAH: The LA times last
16 Sunday ran a story that said that of all of the
17 schools there, it was the worst and its scored had
18 plummeted another 65 points down to 47 on a scale up
19 to 1,000. Is that accurate or is that just
20 misinformation?
21 MR. WHITTLE: That's complete
22 propaganda.
23 CONGRESSMAN FATTAH: In Michigan where
24 you have been --
25 MR. WHITTLE: Can I mention why it's

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2 propaganda?
3 CONGRESSMAN FATTAH: Sure.
4 MR. WHITTLE: The State of California,
5 if you go to the State Board of Education and look
6 at the action that they took to save that school
7 from an abusive school board, will demonstrate that
8 is propaganda. And if you go to the Nightly News,
9 Peter Jennings, this is exactly -- please, sir. Let
10 me say what was said on the national news.
11 CONGRESSMAN FATTAH: Supply it for the

12 record. I'm just telling you what the LA Times
13 said.

14 MR. WHITTLE: But let me tell you what
15 ABC News said. You asked us the question. I want
16 to answer it. Let me tell you what ABC News said.
17 Peter Jennings stood up on national television. He
18 started his report on the school in San Francisco
19 exactly this way, he said, "Now, let me tell you
20 about am rare great public school that politicians
21 are trying to close." And That was on national
22 television. I'll get you the quote.

23 CONGRESSMAN FATTAH: In Macon Telegraph
24 on Monday ran a story, it was on the AP wire. It
25 says you run two schools in the school district, two

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2 elementary schools and that you've had a fourth of
3 the student have left and that you've had a very
4 high rate turnover. Out of 56 combined teaching
5 positions, there's an extraordinary rate, more than
6 twice, in the average district school there. And
7 that the school board in the majority was prepared
8 to find a way to have Edison move onto some other
9 district. Is that accurate?

10 MR. SURF: If I might, I'd like to
11 respond to that. I'm not familiar with the
12 particular article. But One thing I will tell you

13 Edison is we stand up and we're accountability for
14 our successes and our failures. And I will tell you
15 that Our schools in Macon have not been --

16 CONGRESSMAN FATTAH: Is anybody familiar
17 with the article that I'm talking about?

18 MR. WHITTLE: Yes.

19 CONGRESSMAN FATTAH: Is the article true
20 or not?

21 MR. WHITTLE: Is it true that 176
22 schools in Philadelphia are failing according to
23 the --

24 CONGRESSMAN FATTAH: Mr. Whittle, that's
25 evasive and it's not responsive to my question.

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2 MR. CHUBB: There are two schools in
3 Macon, Georgia. One of them is struggling, one is
4 not. They represent two schools out of 136.

5 CONGRESSMAN FATTAH: They're the only
6 two schools there that you're running, right?

7 MR. CHUBB: They represent two schools
8 ut of 136. If you want to judge us, judge us by our
9 tract record across the system, which we will stand
10 by.

11 CONGRESSMAN FATTAH: Your Edison
12 spokesperson there said that it was true that the

13 schools were struggling and that the problem was you
14 were not able to build a team mentality, a culture,
15 and develop the leadership, which are the two
16 things that you promised to deliver, as I read your
17 report, in terms of taking over the central
18 administration here.

19 How can we reconcile those two things,
20 that if you could not bring a team leadership spirit
21 to two elementary schools in Georgia, how are you
22 going to do that in a 260 --

23 MR. SURF: I can reconcile it just fine
24 because any scientific analysis looks at a set of
25 data in the aggregate. And if you look at our

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2 schools in the aggregate, I would, with all due
3 respect, challenge anybody to find a school system
4 bigger than the city of the District of Columbia, of
5 Atlanta or Boston that's showing the kind of record
6 in team building, in academic achievement, in
7 support from teachers by any measure. When you say
8 the worst, sir, there are 50 ways to measure better
9 or worse.

10 CONGRESSMAN FATTAH: How was it that you
11 lost the contract in North Carolina?

12 MR. CHUBB: Because the district
13 reorganized its schools and decided that they didn't

14 want one with the great structure that we had.

15 CONGRESSMAN FATTAH: And why is it that
16 the Houston Board wants to find a way that you
17 might --

18 MR. WHITTLE: We don't have any schools
19 in Houston.

20 CONGRESSMAN FATTAH: Excuse me. It's
21 Dallas then.

22 MR. WHITTLE: The Dallas Board just had
23 a report on our schools, and we urge you to read it.
24 It was just announced in the Dallas press about two
25 weeks ago. Six of our seven school are doing a good

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2 job.

3 CONGRESSMAN FATTAH: So you don't any
4 problems in Texas?

5 MR. WHITTLE: Sir, every school system
6 in America has issues, and we're no different.

7 CONGRESSMAN FATTAH: We're trying to get
8 to yours.

9 MR. SURF: Sir, if you would like to get
10 to ours, if I may respectfully suggest, I have been
11 in 30 of our schools in the last three and a half
12 weeks. I was in our seven schools in Dallas, and
13 I've never been prouder of anything in my life than

14 what I saw in those seven schools. And I would
15 encourage, sir, as you form your judgment about us
16 -- excuse me, sir. Our good faith and our ability
17 to deliver great school for disadvantage. I would
18 encouraging you to join me in a trip to our seven
19 Dallas schools.

20 CONGRESSMAN FATTAH: In your report, the
21 only districts that you compare Philadelphia to
22 that I find in the report where you make a comment
23 that suggests that they are doing better than
24 Philadelphia, is Las Vegas, Brower County, and one
25 other district I can't -- Las Vegas, Brower County

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2 and there's one other. Houston.

3 Can I explain that?

4 CONGRESSMAN FATTAH: No, I just want to
5 ask my question first. In those School Districts,
6 are you aware of the poverty rate among the
7 students, the students eligible for free and
8 reduced lunches? Can you tell me what they are.
9 What is the pre reduced lunch rate and the
10 percentage in Brower County?

11 MR. WAYDE: It's in the report.

12 CONGRESSMAN FATTAH: But what is it? I
13 would argue that they're not comparable.

14 MR. SURF: What are they then?

15 CONGRESSMAN FATTAH: You got paid \$2.7
16 million --

17 MR. SURF: Sir, you said that they're
18 not comparable. So what are the data?

19 CONGRESSMAN FATTAH: We're going to say
20 what you say they are first. No need to be
21 combative. We're going to get to the facts .

22 I read the report. You mentioned three
23 districts you said are better than Philadelphia. I
24 want to know what the poverty rate is in those
25 districts as compared to Philadelphia.

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2 MR. WHITTLE: We will get you the data.

3 CONGRESSMAN FATTAH: If I told you, Mr.
4 Whittle, that the combined rate of students eligible
5 for free and reduced lunches in all three of those
6 districts was not equal to the rate in Philadelphia,
7 would that be an accurate statement?

8 MR. WHITTLE: I don't know.

9 CONGRESSMAN FATTAH: Is there a
10 correlation in this country between economic
11 circumstance and educational outcome in the data?

12 MR. WHITTLE: No. And let me tell you
13 something we do know a tremendous about. We know
14 what our rate of gain where we have 70 percent

15 Title 1 and 80 percent children of color which is
16 almost identical to the City of Philadelphia. Do
17 you know what our rate of gain is versus the City of
18 Philadelphia?

19 CONGRESSMAN FATTAH: We're going to get
20 to that in a minute. Mr. Whittle, I have one more
21 question I want to ask you while I have your
22 attention. Philadelphia filed a lawsuit against the
23 Commonwealth. It's not dissimilar to a whole range
24 of lawsuits that have been filed across the country
25 by urban and rural districts alleging that the per

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2 pupil expenditure rate created a circumstance in
3 which the children here would not be able to be
4 properly educated. New York City had a similar
5 lawsuit. A judge there ruled very recently. There
6 have been rulings in new Hampshire, Vermont,
7 Kentucky, Ohio. I can go all around the country.
8 Are You a familiar with this debate that's going on
9 about property tax base school finance systems?

10 MR. WHITTLE: Yes.

11 CONGRESSMAN FATTAH: And whether or not
12 they cause a circumstance in which urban and rural
13 kids get short-changed in their education?

14 MR. WHITTLE: Yes.

15 CONGRESSMAN FATTAH: Would you offer a

16 comment about whether you think that's correct,
17 whether property tax base finance systems work to
18 the disadvantage of urban cities?

19 MR. WHITTLE: The answer is we're not
20 policymakers. What we do is --

21 CONGRESSMAN FATTAH: You're not what?

22 MR. WHITTLE: We are managers of
23 schools. And what we do is we do our best to run
24 great public schools ON whatever you, the
25 policymakers, give to us. We don't set policy. We

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2 don't pass taxes. You say, this is what we have --

3 CONGRESSMAN FATTAH: Well, let me ask
4 you this question. You're a very intelligent
5 businessman. You run a lot of schools around the
6 country and you told us that. If those schools were
7 receiving a per pupil expenditure equivalent to the
8 suburban counterparts, would your company now be
9 profitability?

10 MR. WHITTLE: I don't know.

11 CONGRESSMAN FATTAH: You don't know how
12 to answer that? Do you know what is spent in the
13 average suburban classroom to Philadelphia in the 45
14 surrounding suburban districts ?

15 MR. WHITTLE: I've heard it's

16 considerably more than is spent here.

17 CONGRESSMAN FATTAH: 70,000 per
18 classroom.

19 Now, Philadelphia children have to
20 compete for jobs after they graduate and they have
21 to compete for college admissions. Is there a
22 circumstance in which they're being out-spent 70,000
23 per classroom, that they would ever be in a
24 circumstance in which, whether Edison ran these
25 schools or whether Philadelphia continues to run

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2 them, that they would ever be in a circumstance
3 after 12 years of such a disparity in investment in
4 which they would be fairly competitive?

5 MR. CHUBB: The answer is yes. It is
6 certainly -- don't get us wrong. It is certainly
7 desirable to have more money rather than less.
8 There's no question about that. But you asked is it
9 possible for students with less money to do
10 extremely well. And the answer to that is yes. And
11 We have seen it community after community. The
12 disadvantaged communities with the funding that they
13 have can do well.

14 CONGRESSMAN FATTAH: You've missed my
15 point, but let me try this. I know you're in
16 business and have you to hire people. You've hired

17 all these people who are with you now. You have to
18 hire people in a prevailing labor market, right? Is
19 there a circumstance in which Philadelphia could
20 hire a qualified teacher for half as much as what is
21 being paid in the suburbs in win time after time in
22 attracting that teacher?

23 MR. WHITTLE: Sir, two of the critical
24 parts of our recommendations were increased in
25 compensation.

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2 CONGRESSMAN FATTAH: I read that.

3 MR. WHITTLE: That is our
4 recommendation.

5 CONGRESSMAN FATTAH: But answer my
6 question, though. Could there be a circumstance in
7 which --

8 MR. SURF: I'll answer your question.

9 CONGRESSMAN FATTAH: -- thousands of
10 teachers are hired in which you constantly get the
11 best when you're paying half as much as school
12 districts 15 minutes away?

13 MR. SURF: I'd be pleased to actually
14 have an opportunity to answer your question. And
15 I'm going to answer this question as a citizen
16 because, as Mr. Whittle said, we do not control the

17 funds. We do not vote in the legislature. We do
18 not appropriate funds.

19 As a former history teacher and as a
20 citizen, I believe that teachers are underpaid and
21 should be paid more money that contributes to
22 quality education. That is my private view.

23 CONGRESSMAN FATTAH: Thank you. I want
24 to go back to Mr. Whittle for a second.
25 Philadelphia is in a circumstance in which it has to

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2 hire teachers. Part of your report says you got a
3 talent drain at the School District. Did you in
4 your investigation try to determine where these
5 people who left the school district, the talented
6 administrators that you refer to, did you track
7 where they went?

8 MR. WHITTLE: We know from our
9 experience all over the United States that many
10 different things happen to them. Many left teaching
11 altogether. Many went to other careers. Many went
12 to the suburbs where they were probably paid --

13 CONGRESSMAN FATTAH: You've finally
14 gotten to the important part of what I was seeking.

15 MR. WHITTLE: Can I finish, please?

16 CONGRESSMAN FATTAH: Sure.

17 MR. WHITTLE: We have to do -- our job

18 is the art of the possible. We are given resources
19 and we are told, "This is what you have; now, do the
20 best you can with it."

21 Your job is to determine how much we're
22 given. I can't --

23 CONGRESSMAN FATTAH: I'm going to get to
24 that in a minute. That's why I was asking you about
25 the property tax base system.

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2 Do you know the percentage of property
3 in Philadelphia that the State does not allow the
4 City to tax for property purposes.

5 MR. WHITTLE: No.

6 CONGRESSMAN FATTAH: You don't know?

7 MR. WHITTLE: No.

8 CONGRESSMAN FATTAH: No one?

9 MR. WHITTLE: It's not our job, sir.

10 CONGRESS FATTAH: Well, in your report
11 you go to great lengths to criticize the City for
12 not keeping up its contribution through the property
13 taxes for the schools. Isn't that in the report,
14 Mr. Wayde? Don't you go through and say that
15 compared to other districts and compared to state
16 increases that the percentage of increase from
17 Philadelphia has been less?

18 MR. WAYDE: Yeah, we do. We just state
19 the fact.

20 CONGRESSMAN FATTAH: So you make the
21 criticism.

22 Do you have any understanding about the
23 percentage of property that is on the tax role, not
24 by action of the City, but by action the State?

25 MR. WAYDE: Sir, it wasn't a criticism.

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2 We stated the fact.

3 CONGRESSMAN FATTAH: Just a fact.

4 MR. WAYDE: Just a fact.

5 CONGRESSMAN FATTAH: So If I told you
6 that a third of the property in Philadelphia is not
7 taxable, it's owned by non-profits, Universities,
8 hospitals, zoos, churches and the like and,
9 therefore, those dollars, those dollars are not even
10 available to be tapped and that those rules are set
11 by the Commonwealth, do you think that might have
12 been important to mention in your report?

13 MR. WAYDE: Sir, we were stating the
14 facts around the revenue of the District. And Part
15 of that recommendation was that more revenue come
16 in.

17 MR. WHITTLE: And Our assignment was not
18 to get into tax policy in the State of Pennsylvania

19 and Philadelphia. We're not qualified to do that.
20 We manage schools. And we were asked to go, given
21 the situation you have here, what do you recommend,
22 what options do you provide. That's what we
23 provided.

24 We may agree or disagree with you
25 regarding the issues of taxes. That's not our

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2 venue. Meaning, that's not what we.

3 CONGRESSMAN FATTAH: Well, you're a very
4 influential man in this country. And I just wonder
5 since these debate have been raging since -- you can
6 go back to Brown versus Board of Education about
7 whether or not we should have and separate and
8 unequal school system. That was on race. The
9 Philadelphia lawsuit make as claim the Commonwealth
10 funding system that to the degree you raised the
11 percentage of African-Americans and Latinos in a
12 School District that the rate of increases
13 diminishes. The increase appropriation from the
14 State diminishes. It's a very well laid out case.
15 It resulted in the negotiations that led to the
16 study that you have been paid for to comment about
17 what we do about this situation. So I just was
18 wondering whether or not you looked at it.

19 In New York City, for instance, the
20 Council of Great City Schools have shown that if you
21 have are a kid living in New York City that \$57,000
22 less is going to be spent on your education over
23 kindergarten to 12th grade than if you live in the
24 suburbs. That same study shows that if you were in
25 Philadelphia, some \$30,000 difference is going to be

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2 spent. So that when the Governor comes in and says
3 this is the worst district. And your report that
4 you do for him doesn't shed any light on some of
5 these broader issues that could have an impact, I
6 just wonder whether you see that as deficiency in
7 the work that you've done to date?
8 MR. WAYDE: Can I respond to that?
9 CONGRESSMAN FATTAH: Yes.
10 MR. WAYDE: I think it wasn't a
11 deficiency. Our job was to provide information that
12 the policymakers could use to decide. If you want
13 to really to the bottom line of our work, what we --
14 our proposal say there that need to be at a minimum,
15 if you looked at the Governor plan, about a
16 9 percent increase in district funding. That's what
17 we said coming out. That's public record. How that
18 money gets dealt with, that's for the policymakers
19 to decide. That's out of our purview.

20 CONGRESSMAN FATTAH: Well, my colleague
21 is here, Congressman Flake and I know he used play a
22 little basketball when were in the hill together,
23 and we got a great basketball team here in
24 Philadelphia. When they play, the NBA sets the
25 rules. They decide the height of the rim, the width

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2 of the court and all of that, the salary cap. And
3 Every team they play against has the same set of
4 rules. The Governor, his report which written by
5 you criticizes Philadelphia in comparison to
6 districts in which the rim for those children are at
7 the different height, that the resources provided
8 are in a different set of circumstances. And then
9 they use that to criticize the Philadelphia
10 District, which I would argue to you that no one who
11 had actually looked at this matter that meter could
12 ever say that Philadelphia was the worst urban
13 district in the country. That anyone who said it
14 was not being intellectually honest. The truth of
15 the matter is that the Commonwealth, has also been
16 sued by 200 poor rural districts on the same
17 allegation that their kids are never going to be in
18 a position to compete with other kids in the
19 Commonwealth if they're going to be out-spent by

20 those kind of differentials in the classroom.

21 And so my point is I would just hope at
22 some point maybe on behalf of your own stockholders
23 you might add your voice to the point that states
24 should not have financing systems in which they say,
25 well, you can only tax property. And then you

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2 follow from that, that a large percentage of the
3 property in any City -- and I can go through the
4 numbers in New York -- are going to be off the
5 roles. And then after crippling these districts,
6 now you come in and say, well, we're going rescue
7 you. And the way we're going to do that is, the
8 schools that are in our City some of the best in the
9 State, what you put in Tier 1, You don't want the
10 School Board to run anymore: Central, Girls High,
11 the High School for Performing Arts. Not that
12 you're going to change anything, But you want make
13 want to make a profit for what you say is just
14 essentially leave them alone.

15 (Applause.)

16 CONGRESSMAN FATTAH: The schools in the
17 middle, you're not doing much for them except paying
18 them and provide some professional development and
19 you promised them new textbooks -- but wait a
20 minute.

21 MR. WHITTLE: But it's untrue what
22 you're say, sir.
23 CONGRESSMAN FATTAH: Well, this is how I
24 read the report. But I'm a product of the
25 Philadelphia Schools. Maybe I can't read.

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2 MR. SURF: We're here to give you an
3 opportunity to --
4 CONGRESSMAN FATTAH: Let me just say
5 this to you. It would be a contradiction to give
6 you control of a School District in which you would
7 decide where the resources went. Obviously, you
8 would favor the schools that you would be actually
9 managing to the detriment of all of these schools.
10 And I think that to make such a proposal brings into
11 question the very character of the company. Because
12 if you can't possibly take control of the central
13 administration and not favor and not hold to the
14 same level of responsibility the schools that you
15 have a specific profit motive in. So I think that
16 you need to think about what you propose, think
17 about whether or not you're prepared to come into
18 this City absent the support of the Mayor, of any
19 major elected officials, and run a school system and
20 whether or not that is something you want to do, or

21 whether you would prefer to see a circumstance in
22 which whatever benefits you can provide, that they
23 be provided under the guidance and accountability of
24 the people who have been elected by the people of
25 the City who pay the taxes here.

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2 (Applause.)

3 COUNCILWOMAN MILLER: Thank you,
4 Congressman Fattah. Thank you, Edison.

5 We want to bring up the community groups
6 now. We want to bring up the next witnesses. Ted
7 Kirsh, Lois Yampolsky, and is Dr. Jolley Christmas
8 still here? Please come up to the table.

9 State your name for the record.

10 MR. TED KIRSH: Good evening. Ted
11 Kirsh, President of the Philadelphia Federation of
12 Teachers, and seated beside me is vice president of
13 the Federation of Jerry Jordon.

14 I guess I'm the first person speaking
15 the afternoon from this side of the table that can
16 state that they were born and raised in
17 Philadelphia, went to the Philadelphia Public School
18 System, children went to their neighborhood schools.
19 And actually I can track my beginning with the
20 Philadelphia Public School System to 1946. So I do
21 have somewhat of a history and background. And I'm

22 proud to say that I'm a public school graduate and a
23 success like many people who are in this room today.
24 My greetings to the Members of the School Board,
25 Chairman Miller, Chairman Washington -- chairperson,

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2 Members of if State House, City Council.

3 For the next few minutes I would like to
4 discuss the Governor's reform proposal for
5 Philadelphia Public Schools and suggest an
6 alternative approach which might work for those of
7 us who care about public education and the 200,000
8 plus kids that depend on us.

9 After reviewing the Governor's reform
10 plan and report on the Edison Company on which his
11 proposals are based, Philadelphia Federation of
12 Teachers joins parents, community and civic leaders
13 labor, clergy and other concerned taxpayers in
14 opposing the State's plan to take over, carve up,
15 and privatize Philadelphia School System.

16 It is a flawed plan based on erroneous
17 assumptions, Distorted statistics and self-serving
18 analysis. Like other so-called reform proposals, it
19 tinkers with governance and management, but barely
20 addresses the core issue, the grossly inequitable
21 funding that has sabotaged our schools'

22 opportunities for success.

23 It fragments a school system that is
24 just starting to recover from a disastrous
25 seven-year experiment with decentralization and

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2 clusters, and throws enormous of sums of new money
3 around the district, except where it's needed most,
4 in the classrooms.

5 Further, this proposal ignores the
6 wishes of the people of Philadelphia who
7 overwhelmingly oppose privatization as published in
8 a recent poll. It give a Board a political
9 appointee with no oversight or accountability
10 sweeping powers, including the power to tax all of
11 the residents of Philadelphia without their consent.
12 And I say to you, this is taxation without
13 representation.

14 (Applause.)

15 MR. KIRSH: While the PFT agrees with
16 and has itself advocated some of the changes in the
17 report such as a district-wide curriculum providing
18 meaningful staff development, expanding support for
19 new teachers, and increasing funding, we believe the
20 proposal overall is an elaborate justification for
21 subjecting our children to another experimental
22 program with no proven record of improving the

23 public schools or student achievement.

24 Instead of changes like reducing class
25 size that have been proven to help children succeed

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2 academically, the Commonwealth has chosen
3 privatization, the controversial concept that has
4 failed time and again to significantly improve
5 student achievement.

6 In major studies examining student
7 achievement in privately managed public schools,
8 researchers have found that students perform no
9 better and sometimes worse on standardized test than
10 comparable students at traditional public schools.

11 Evaluators Dade County, Florida;
12 Minneapolis, Colorado, and Massachusetts, for
13 example, found that students perform the same, and
14 I'm quoting, "the same or worse" than comparable
15 students in regular district schools. In
16 Miami-Dade, for example, a fourth-year evaluation of
17 private management of schools by Edison Schools
18 concluded that students in those schools, and I'm
19 quoting, "Never once exhibited an academic advantage
20 over the students in their regular program.

21 Consequently, the evaluation failed to produce any
22 evidence that the Edison model represent a superior

23 educational program."

24 Additionally, the track record of state
25 takeovers is less than encouraging. In more than

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2 ten years under state control, schools in three New
3 Jersey cities have seen significant improvement in
4 management practice and cost control. But students
5 test scores have remained near the bottom in state
6 ranging in spite of major efforts to turn those
7 schools around. According to the New York Times,
8 again quoting, "There has been no striking
9 turnaround in student performance ... and the state
10 as seen by residents as little more than an
11 occupying force."

12 These are hardly bringing endorsement
13 for the Commonwealth's plans for our schools.

14 Furthermore, the state takeover as
15 proposed tramples the rights of Philadelphians who
16 voted last year to change the City charter, to make
17 the Mayor more responsible and more accountable to
18 Philadelphia taxpayers for improving public schools.

19 The plan replaces the School Board. And
20 the Administration with the School Reform Commission
21 appointed by a lame duck Governor to serve terms
22 that extend far into the next Governor's term. This
23 commission, neither elected nor accountable to

24 anyone, would be granting seeping authority to hire
25 and fire employees, outsource the jobs of thousands

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2 of Philadelphia residents, and decide the fate of
3 210,000 children and 26,000 school employees and
4 their families with a vote of just two of the five
5 commissioners. Three people make a quorum, two
6 votes are a majority.

7 This commission could, without any
8 public input whatsoever, award a seven-year
9 225-million-dollar contract to a private company to
10 manage the District, as well as 45 individual
11 schools. Two likely beneficiary of this
12 unprecedented arrangement is the Edison Schools
13 Incorporated.

14 Under Act 46, this control board would
15 have the authority to increase City taxes without
16 the consent of the people. In the birth place of
17 democracy, democracy's most basic right is being
18 crushed. More than 225 years ago, colonists dumped
19 shiploads of tea into Boston Harbor to protest
20 taxation without representation. What will be our
21 response to the loss of our rights to a
22 representative government?

23 In New York City when a private company

24 tried to take over the public schools, New Yorkers
25 were given a voice in the process. Elections were

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2 held where parents voted whether they wanted their
3 neighborhood schools privatized. When the ballots
4 were counted, 80 percent of New York's parents
5 rejected privatization.

6 Because the new state control Board will
7 have power, not only over our schools, but also over
8 our taxes, We demands that Philadelphia residents be
9 given the same opportunity as New York parents to
10 vote privatization up or down.

11 Yesterday afternoon, the Coalition to
12 Keep Public Schools Public announced that it is
13 seeking an amendment to Act 46 that there would be
14 no takeover without a vote of approval by those who
15 would be taxed. The coalition has legislators to
16 sponsor this amendment which we hope will be
17 introduced in the general assembly when it convenes
18 next week.

19 Today the PFT is calling on City
20 Councilmembers to once again step forward and insist
21 that Philadelphians be given the opportunity to vote
22 on who will manage their schools. We have you ask
23 you to back an amendment to act 46 that would will
24 restore democracy in the birth place of democracy

25 and offer one last chance to keep our public schools

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2 in public hands.

3 The Governor's plan also establishes a
4 system that fragments Philadelphia Schools, dividing
5 them into categories of good, mediocre, and failing.
6 It then assigns very leaves of assistance and
7 oversight. The good schools would be left alone.
8 Sixty low-performing schools would be handed over to
9 so-called community partnerships which would have
10 unspecified and potentially unchecked powers over
11 the schools. The majority of the schools in the
12 middle, with an addition no getting a new coat of
13 paint, would receive vague promises of the
14 assistance.

15 We are told that the plan calls for
16 implementation of a district-wide curriculum,
17 something that PFT has demanded and won during its
18 last contract negotiation and is in the process of
19 being implemented.

20 However, the curriculum the
21 governmenter's plan proposes would not be required
22 for the top 30 good schools nor the bottom 60
23 schools where community partners would be permitted
24 to institute their own reforms. This is not, in our

25 view, a district-wide curriculum. And in a City

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2 where 30 percent of our children change schools at
3 least once during the school year, this
4 decentralization and balkanization continues to deny
5 equal opportunity to children throughout the city.

6 If one good thing has come from the
7 review of the district, it is their acknowledgment
8 that our schools are woefully underfunded.
9 Surprisingly, few people seem to have noticed or
10 commented on the enormous infusion of new money and
11 the destructive cost-cutting measures required under
12 this plan. If we have this kind of financial
13 support over the last ten years, I doubt the
14 district would be in the position it's in today.

15 (Applause.)

16 MR. KIRSH: The State proposes to inject
17 more than 600 million into a 1.7 billion district
18 budget in the first year alone. The biggest chunk
19 of that money comes from \$300 million bond issue to
20 wipe out the deficit and 160 million in new City,,
21 State, and federal tax money. But the state also
22 proposes to save more than 225 million annually
23 through cost cutting that includes reducing the
24 number of teachers through attrition and the
25 wholesale out-sourcing of transportation, food

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2 service, and custodial services. This will result
3 in the loss of jobs, livelihoods and medical
4 coverage for thousands of Philadelphia families.

5 This ill-advised and callous plan,
6 particularly in the wake of September 11th and
7 deepening economic recession would hit minorities
8 and woman who are the single held of households the
9 hardest. It would have a ripple effect on local
10 businesses, and in the long run would diminish the
11 effectiveness of the teams of professionals and
12 support staff that teach, nurture, feed and keep
13 safe the children of our City.

14 Misusing national statistics, the report
15 implies that Philadelphia has too many teachers.
16 Then the proposal argues that through attrition the
17 District could reduce, and their term is
18 right-sizing, the number of teachers by up to
19 10 percent per year. This proposal is outrageous in
20 a City where we fight every year to hold the maximum
21 class size to between 30 and 33 children and where
22 you would be hard pressed to find a kindergarten or
23 first grade with fewer than 34 children.

24 Reducing class size is the most
25 effective education reform available today. In

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2 studies dating back 16 years, reducing class sizing
3 kindergarten through third grade results in
4 life-long achievement gains, particularly for
5 disadvantaged minority students.

6 By the eighth grade. Children in
7 classes of 15 to 17 students in grades K to 3 test
8 one grade level ahead of their peers who are in
9 regular classes in both reading and mat. They are
10 less likely to drop out, More likely to complete
11 high school on time, and more likely to take advance
12 placement courses in college entrance exams.

13 Yet reducing class size is not mentioned
14 anywhere in either the Edison report or the
15 Governor's proposal, While reducing the complement
16 of teachers is the first personnel cost reduction.

17 The report goes on to recommend that the
18 district outsource transportation services,
19 eliminating 3,000 jobs with benefits that support
20 Philadelphia families and another 5,000 custodial
21 and maintenance positions. Food service and other
22 jobs may also be on the line as well.

23 You've heard the expression, "It takes a
24 village to raise a child." I'd like you to know
25 that it also take as team to educate one. The team

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2 consists of able administrators, talented teachers,
3 security employees who keep our kids safe, and food
4 service employees who create nutritious meals. It
5 includes bus drivers and ours have to have
6 background checks, whose job it is to deliver our
7 children home safely each night. The team includes
8 maintenance workers who work from dawn to dusk to
9 make certain that our aging and decrepit schools
10 have heat and facilities are clean. All these
11 people are neighbors, people who live in
12 Philadelphia, pay taxes here and they shop here. Do
13 we really want to fire them so that we can afford
14 hundreds of million dollars for outside contracts in
15 the next seven years?

16 (Applause.)

17 MR. KIRSH: There is no public support
18 for this plan. No reformed proposal will be
19 successful without the support of the employees,
20 parents, students and the community.

21 So far, at least 50 parent community
22 civic and labor organization have voiced their
23 opposition to the plan. There are at least three
24 different owe coalitions opposing the state takeover
25 and privatization of our schools. And an

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2 independent poll of Philadelphia residents by a
3 national firm showed that 76 percent of
4 Philadelphians oppose privatization. The only
5 support for the takeover and privatization comes
6 from those who stand to profit.

7 (Applause.)

8 MR. KIRSH: Governor Schweiker is right
9 when he says that the parents want changes in the
10 public school system. In fact, this poll found that
11 more than two-thirds of them want changes in our
12 public school system, but not the changes that have
13 been proposed. What parents want, what we want,
14 too, are effective schools in which children succeed
15 and become creative productive citizens.

16 We want early childhood education
17 programs that prepare children to learn. We want
18 smaller classes which have been proven to raise test
19 scores. We want to close the achievement gap
20 between white and minority students and prepare more
21 minority students for college. We want uniform and
22 consistent disciplinary standards that make every
23 school safe and orderly. We want alternative
24 programs for students who cannot confirm. We want a
25 curriculum and proven programs in reading and math

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2 with a track record of success.

3 Parents what qualified, supported
4 teachers supplied with modern books, materials and
5 technology in the classroom. They want well-stocked
6 modern libraries with trained librarians. They want
7 music, art and sports programs. They want school
8 nurses, psychologists, and other resources to meet
9 children's special needs.

10 In short, we all want to have the same
11 high-quality programs and resources suburban
12 students have in their schools.

13 These reforms, the reforms that is work,
14 are largely ignored in State's plan, and that is the
15 plan's biggest failure.

16 We have a unique opportunity right now
17 to make the kinds of changes in our public school
18 system that will help the majority of our children
19 succeed in school and succeed throughout their
20 lives.

21 We can choose reform that that are
22 proven to work or we can experiment. Time is
23 running out. November 30th is rapped by
24 approaching.

25 We urge the Governor and the Mayor to

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2 reach an agreement to bring us back from the
3 precipice of privatization and develop a proposal
4 with broad community and legislative support.

5 We urge our elected officials to amend
6 Act 46 immediately to give every Philadelphian the
7 right to vote on the issue of privatization.

8 Our children can't wait. We must bring
9 all the stakeholders to the table now and build a
10 broadly supported research-based plan that will give
11 our children the educational opportunities they need
12 and deserve. Thank you.

13 (Applause.)

14 REPRESENTATIVE WASHINGTON: Okay, Lois,
15 would you like to --

16 MS. LOIS YAMPOLSKY: Good evening. My
17 name is Lois Yampolsky. I'm a parent activist, a
18 child advocate. I just want to tell you that I'm
19 back and with a vengeance. Edison really scared me
20 tonight. After being paid close to \$3 million to do
21 an analysis, they can't tell us where we fair in the
22 country in education. If Edison thinks that the
23 parents will stay quite, they are sadly mistaken.
24 If Edison thinks they can make a profit on our
25 children, they are mistaken. This is Philadelphia;

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2 this is not some small town. They need to get
3 familiar with Cottman Avenue, Germantown Avenue, and
4 Broad Street. Because if we have to, we will shut
5 them down. Don't mess with us.

6 Edison 's track record stinks. That's
7 as plain as I can say it. They don't know the first
8 thing about education in Philadelphia. What is so
9 different about their organization? Do you think we
10 trust them with \$1.7 billion to play around with? I
11 don't think so.

12 This is nothing more than a political
13 move by a former Governor and present Governor to
14 have school vouchers. They couldn't do it the way
15 they wanted to, so they'll do it this way.

16 I promise to make sure that everyone I
17 speak to watches every move they make. Believe me,
18 if there's one bad move , my will pay the price. I
19 guarantee it.

20 Let's see, so far the top 55 positions
21 will be controlled by Edison. Edison will have
22 complete control over the checkbook in the amount of
23 1.7 billion. Edison has a history of steering away
24 from students with special needs because it's too
25 expensive. What do they intend to do with them,

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2 Throw them out? Privatizing of custodial and
3 cleaning of the schools? We need to have smaller
4 class size, which means we need more teachers.
5 Edison thinks our student/teacher ratio is lower
6 than average so they want to eliminate teaching
7 positions to save money. Oh, and by the way, after
8 two about a half years, the teachers contract won't
9 be worth the paper it's written on.

10 Maybe the parents of Philadelphia should
11 look into filing a class action suit against the
12 State, Because it is our taxes that is go into the
13 City of Philadelphia School District and the State
14 wants to misuse those funds.

15 You know, Edison hasn't hand seen me in
16 action, and I never make threats I can't keep. But
17 I promise to do everything in my power to stop them
18 from running our school system into the ground for
19 their own profit. Thank you.

20 (Applause.)

21 COUNCILMAN ORTIZ: Lois, we promise you,
22 we'll be right there with you.

23 MS. YAMPOLSKY: Cottman Avenue looks
24 more inviting every single day.

25 COUNCILMAN ORTIZ: We'll be right there.

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2 REPRESENTATIVE WASHINGTON: Rotan Lee

3 and Michael Churchill. Dr. Jolly Christmas.

4 Who is this gentleman here?

5 MR. MCNEIL: Reverend Ernest McNeil.

6 REPRESENTATIVE WASHINGTON: You're not

7 on the schedule.

8 REV. MCNEIL: I was with Rotan Lee.

9 REPRESENTATIVE WASHINGTON: Excuse me?

10 REV. MCNEIL: I was with Brother Rotan

11 Lee, I was there as part of his group.

12 REPRESENTATIVE WASHINGTON: Okay. Only

13 Rotan will be able to speak, okay?

14 REV. MCNEIL: All right.

15 MS. JOLLEY CHRISTMAN: My name is Jolley

16 Bruce Christman. I'm a senior researcher at

17 Research for Action, a small non-profit here in

18 Philadelphia that studies educational reform both in

19 this City, but also across the country.

20 I've come tonight -- I thank you for the

21 opportunity to testify. And I've come tonight to

22 talk to you a little bit about what I and my

23 colleagues at research or action have learned about

24 school reform and what works in the Philadelphia

25 Public Schools.

2 Most recently, we've been working on a
3 study of educational reform with the Consortium for
4 Policy Research and Education. We've been in more
5 than 40 schools for five years. We've interviewed
6 hundreds of teachers observed in hundreds of
7 classrooms. We have a lot of data to share.

8 Mainly, I've come here, though to
9 witness or the people in schools, the students, the
10 teachers and the principals and to talk to you a
11 little bit about what I've seen. Like you, I've
12 seen a multitude of educational reforms wash over
13 schools. Well-intentioned and in some cases even
14 well-thought-out educational reforms. But
15 nonetheless, reforms that leave little imprint on
16 what happens in classrooms between teachers and
17 students. There are many reasons that reforms fail.
18 But most of them have to do with not paying careful
19 attention to the local context of schools, to the
20 differences among schools and to the differences
21 among the children that those schools serve.

22 We need educational reforms that will
23 help people in our local schools craft long-term,
24 robust strategies for dealing with the most
25 difficult problem in our own and other cities, how

2 to educate the large number of students who come to
3 school every day with many educational needs.
4 That's an urgent problem, one that requires bold
5 thinking.

6 Unfortunately, the urgency of the
7 problem has often produced top down, short-term
8 reforms that have been devised far away from the
9 schools in which they enter. They tried to find
10 easy-to-implement strategies that will produce
11 short-term results but without really changing the
12 nature of education and what happens with students
13 in our school. This is what I call the drive-by
14 approach to school reform.

15 We need longer-term thinking and more
16 robust strategies. And I want to give you that kind
17 of thinking, present a picture of it from the
18 perspective of a Philadelphia school that's making
19 consistent progress with its students and also
20 changing its educational program in ways that I'm
21 sure you would be as proud of as the people in that
22 school are.

23 In many ways, this school is like others
24 in Philadelphia. It's a middle school. It has 1100
25 students. Almost 90 percent of those students are

2 from low-income backgrounds. It's a racially and
3 ethnically diverse population. It has a high rate
4 of turn-over, a problem that many of our middle
5 schools face, with teachers coming and going. In
6 fact, there were four principals in this school
7 between 1994 and the year 2000. But this school
8 made progress. Why is that the case? What can we
9 learn from it?

10 Like some other Philadelphia middle
11 schools, this school, the Abbott School -- that's a
12 pseudonym, it's not the real name of the school --
13 adopted a whole school reform model. It put in
14 place small learning communities. That's the way it
15 looked like other schools. But it looked different
16 in very significant ways. And I think that those
17 differences really point us to what we want for all
18 of our schools.

19 First of all, when you walked into
20 Abbott School and you visited from classroom to
21 classroom, you saw good teaching in all the
22 classrooms. There were not pockets of success.
23 There was consistently good instruction. How did
24 this happen? It is an unusual thing that happens in
25 urban schools. I want to tell you some of the

3 to provide consistently good curriculum and
4 instruction to its students and why those students
5 in turn made significant, although not dramatic
6 gains, in their performance on standardized tests.
7 So let me just give you a short list of the things
8 that we found.

9 First of all, there was a lot of parent
10 participation in the school. Parents participated
11 in choosing the principals that came to that school.
12 That's something that doesn't happen in every school
13 in Philadelphia, but needs to happen.

14 There was a consistent strategy for
15 school improvement, despite changes in the
16 leadership. People adopted a plan, stuck with the
17 plan, new leaders that is came into the school did
18 not come with a whole different agenda. They built
19 on what was there.

20 There were processes in place for people
21 to talk about hard things, to analyze data, to
22 reflect on their practice, to deliberate, to
23 disagree with each other but to come back the next
24 day and say we're going do the best job we can.

25 But most of all, there was dogged

3 and instruction, attention by teachers who invested
4 in their own learning, attention by parents who
5 volunteered at the school in high numbers.

6 It was significant blocks of time for
7 professional that development and planning.

8 What were the results of these efforts?

9 The children at Abbot School made good gains, not
10 dramatic gains, but good gains. And the case of
11 Abbott shows us the road is long and hard to
12 improving education for these children. We cannot
13 afford another drive-by reform. We cannot afford to
14 believe that changing some of the players, some of
15 the programs will result in improving education for
16 our children.

17 There are real strengths in Philadelphia
18 and in our schools to build from. And there are
19 real questions about current proposals for change.
20 For example, today a powerful idea permeates public
21 thinking about Philadelphia schools. All of our
22 kids deserve and can benefit from a good education,
23 but the current proposals include provisions to
24 ensure that all schools able to meet the needs of
25 the full range of our City's children. Do they

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2 outline clear and fair procedures for handling
3 children who are considered difficult? Is there

4 adequate oversight to guarantee that schools receive
5 resources equitably according to their needs rather
6 than according to the purse and the political
7 sponsor?

8 We know more about our schools now than
9 we did in the. And That's because the District has
10 opened the windows to let us see the data. The
11 proposals on the table now offer common ways of
12 assessing student progress and are there going to be
13 mini measures of student achievement, not just one.
14 The proposals include ways to monitor whether all
15 schools are providing sound educational programs.

16 We have an approach to teaching literacy
17 in the early grades in Philadelphia that's reaping
18 real gains in achievement. But our middle and high
19 schools continue to be plagued by high failure and
20 dropout rates. The current proposals offer viable,
21 well-researched strategies for addressing the mini
22 problems in our middle schools and high schools.
23 What is the track record of success in those
24 schools?

25 Right now we have a spirited

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2 conversation in Philadelphia about public education.
3 The proposals under consideration now offer avenues

4 for building the public will and civil coalitions
5 necessary to support the kind of long-term hard work
6 that it takes to put more schools like Abbott Middle
7 School on the road to improvement. Or will we
8 settle for drive-by reforms that leave our schools
9 and our children in the dust? Thank you.

10 REPRESENTATIVE WASHINGTON: Thank you.

11 (Applause.)

12 REPRESENTATIVE WASHINGTON: Rotan.

13 MR. ROTAN LEE: I'm Rotan Edward Lee and
14 I'm here in really two capacities. I'm working with
15 a group that has called itself the coalition of
16 education reform with community control, which is
17 comprised of approximately seven groups, universal
18 companies and community connections out of South
19 Philadelphia, the West Philadelphia Coalition, the
20 Overbrook Coalition, the Neighborhood School
21 Network, the Germantown Settlement, and the Nueva
22 Esperansa. And These are groups that are interested
23 in community control and operation of schools in
24 their geographical area. So for the sake of
25 argument, we'll call them clusters.

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2 COUNCILMAN ORTIZ: Those aren't the same
3 groups that are named in the Edison plan, the Edison
4 proposal?

5 MR. LEE: Some are, but not all.

6 COUNCILMAN ORTIZ: So they already have

7 bought into it?

8 MR. LEE: Bought into...

9 COUNCILMAN ORTIZ: Edison.

10 MR. LEE: No, they bought into community

11 school management. So whether or not they bought

12 into Edison per se, I mean, I actually thing if you

13 asked Dwight, Dwight said I'm going to take the

14 train moving. If you ask Kenny Gamble, I think he'd

15 say that, too. They've bought into community

16 control of schools. And I think that distinction

17 needs to be made.

18 I want to tell two quick anecdotes.

19 Thirty years ago I was in jail for civil rights.

20 And I didn't call my mother for about two or three

21 days sitting in jail. So I ended up calling Rush

22 and her husband, who came down and bailed me out of

23 jail. And they bailed me out of Jail for two

24 reasons. One is because they were in favor of what

25 we were doing, which was trying make sure that

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2 there was quality education for African-Americans in

3 this country and particularly the State of Maryland,

4 which at this time was under the leadership of one

5 Spiro Agnew. And the second issue is that if they
6 could have, they would have been in jail themselves
7 because they would have marched for the same causes.
8 So I say that looking at her now, 30 years later
9 because she would do the same thing and largely is
10 doing the same thing now because she could have
11 retired years ago and spending her time in Bermuda,
12 as it were, or Myrtle Beach, which is I understand
13 your spot. But the point is that she's here because
14 she wants to be here.

15 The one mistake that I think that Edison
16 has made -- they made a lot of mistakes, but they're
17 not all wrong. Is that they haven't really
18 understood that there's a lot of passion about this
19 issue in this town. And it is embodied in a lot of
20 people. And I chose Dorothy Rush because she
21 probably has been at it at that table the longest
22 and certainly the longest in my life. And we don't
23 always agree, Dottie Rush and I, but the point is
24 that she's always available to debate the issue.
25 Sometimes at her house, sometimes at my house,

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2 sometimes on the street. And if she doesn't like
3 it, she'll tell you. But I'm the say way. And I
4 think Edison missed that nuance. The second thing
5 that Edison missed that I thought was intellectually

6 unfair of them was to have a report that did not
7 address economic fairness. That was a mistake.
8 Now, it could have been that the
9 Governor said, You don't get a contract if you do
10 that, and maybe that was the deal. But You can't
11 talk about education reform and not talk about tax
12 reform at the same time. Every 1 percent increase
13 in the state tax base is about a billion dollars,
14 Every 1 percent. A 2 percent tax increase across
15 the board in this state is an additional \$2 billion
16 of availability. Even with an additional 2 percent
17 tax on the current population, that tax base would
18 still be less than the state tax bases for the
19 States of New York and new Jersey. Now, there is
20 not a Governor who wants to talk about raising
21 taxes, and certainly not a Republican governor. And
22 What I didn't like about Tom Ridge -- and I don't
23 know Governor Schweiker, but I do know Tom -- is
24 that he was very disingenuous in sending the
25 Republicans to this town to talk about education

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2 reform and not talk about money at the same time.
3 Unfair.

4 I have said often, I have said in my
5 columns, I have said in speeches that I have made

6 education is a political issue and it has to be
7 dealt with as a political issue. And It's
8 unfortunate that the dialogue politically has a
9 direct effect, and oftentimes negative, on the
10 children, which gets me to the second part.

11 This spring I wrote an essay that I
12 published entitled, "Reading for Life." It raised
13 the question as to why black kids don't read and
14 can't read. I was stunned as I went around the
15 City, went to schools, talked to students from K to
16 12th, and stunned at the fact that they didn't read,
17 didn't want to read, didn't care about reading, many
18 of them very bright kids. And I got very angry when
19 I would read the literature that talked about the
20 African-American and Latino children being literally
21 deficient, phonetic deficit, lingually underwater,
22 whatever the metaphor might have been, particularly
23 for a group of people that have spent a life time of
24 civil rights advocacy on brilliant oratory, whether
25 it was Frederic Douglas way back or Jessie Jackson

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2 today and zillions of great orators in the middle.
3 Why weren't we reading?

4 So I started a program this spring
5 called "Reading for Life," and have since set up a
6 corporation which beta tested about 50 middle school

7 students. We had it at the Christian Street Y,
8 raised some money, put some money together, bought
9 some computers, and it was based on the notion that
10 here's what we're going to do, we're going to read,
11 you're going to read to us, we're going to read to
12 you, you're going to read to us. I mean, there's no
13 magic to this. There were some phonetics involved,
14 but the whole purpose was to reacquaint students
15 with words and phrases, critical thinking. Five
16 days a week, four hours a day, all summer from June
17 through starting of school and the students were
18 there every day and they hated it. But they got
19 into it even though they hated it because there's
20 not a kid who about wants to spend four hours a day
21 on a summer day, and I would be crazy to come here
22 and tell you, "Gee, they couldn't wait to get back
23 the next day." They didn't. In many cases their
24 parents said, "You'll be there." Or an aunt and
25 uncle said, "You'll be there." And they were there.

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2 But the point was as they begin to evolve, I began
3 to realize that we could bridge this gap.

4 Now, I've been spending an awful lot of
5 my time -- not on Wall Street anymore, none of that
6 stuff -- I'm in schools every day. Before I came

7 over here, I was in the fourth and fifth grade
8 classes at Universal Institute Charter School
9 dealing with the ten under-performing students at
10 each of those grades working with them to get them
11 ready to do what I call the start-stop process.
12 Start-stop. Because their whole life from here on
13 out is start-stop. Start stop. And I realize how
14 difficult it is every day dealing with fourth
15 graders and fifth graders. And I'm doing the same
16 thing at the Porter Day school and Broadway Academy.
17 You know where that is, up -- that's Davis sisters
18 up off of Bellfield. And these are young kids who
19 are a lap or two behind. You know, when
20 African-American children come to school, they
21 haven't had thousands of hours of people reading to
22 them. I know we have to go through some radical
23 comprehensive changes.

24 Now, I believe what Edison did do well
25 was bring together an aggregation of some very, very

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2 talented people and wrote some very, very
3 interesting things about how to make schools work.
4 I have said publicly that I don't believe that they
5 deserve the keys to this City or any other city
6 because there's not enough background to say that
7 they're all that. But they're also in an industry

8 of Wall Street, and I've spent a lot of time in that
9 venue, that is a very marginal industry. The Wall
10 Street mavins are not sold on education
11 privatization as something they are going to advance
12 to the public and say, Here's where I want you in
13 the equities and fixed income business to put
14 equities into education privatization. I don't care
15 if the stock 8 to 23 because it is a very uneven
16 business. And I think Anvil (ph) the Columbia
17 University School graduate that he is struggling
18 with Wall Street really put it on the head. These
19 are not cars and boats and planes; they're people.
20 So it becomes a little bit unwieldy when you're
21 talking about how do you measure profit performance
22 in a very marginal industry. But That's Chris
23 Whittle 's problem.

24 And If you all remember the 25 years
25 ago, health care was never privatized. When my not

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2 father was practicing medicine, all health care was
3 part of the public venue. Today, you would be hard
4 press to find any part of health care that's not
5 part of the private venue.

6 Now, Whether or not education will go
7 through a similar transformation from being all

8 public to private, I don't know. And I'm not here
9 advocating that one way or another. What I am
10 advocating is the need for comprehensive and radical
11 change where there are high standards, high
12 performance, available resources to make things
13 work. And That runs from the capital budget to
14 schools that is are not working in thier physical
15 plants because you can't do algebra on a day in
16 January when it's cold and the heat doesn't work;
17 and you can't do chemistry on a day in the summer
18 where the air conditioning doesn't work. So There
19 is a correlation between the quality of the physical
20 plant and whether students learn. There is a
21 correlation between students having the book that
22 everybody else is using or an older book or no book
23 at all. All those things make sense, and there is a
24 lot of what Chaka said that made sense. But here's
25 what also makes sense. Communities should have, in

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2 my view and in the view of this coalition, control
3 of schools. They should have say-so about
4 principals. They should have say-so about
5 operations. And in many cases, they should be bona
6 fide partners in the day-to-day operation because as
7 part of the choice menu, not the word "choice"
8 within the Republican context of that -- getting

9 back to the fact that education is a political issue
10 -- but choice meaning alternatives other than
11 sending a child to the Turner Middle School there
12 should be some opportunity to find a charter school
13 there be or somebody running the charter middle
14 school where the people who live off of Baltimore
15 Avenue and in that community begin to say, "We have
16 say-so in how the school operates.

17 To me, those issues are dynamic and
18 central. I do not like the way in which the
19 Governor has gone about this process. I've said to
20 some of the people who have run this place from the
21 Chris Whittles to Wayde and to Tucker and to others,
22 the file following: They're smart, and they really
23 are. They've done some really good things, but
24 they've come here in the worst possible light
25 possible: Having a Republican governor shove down

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2 the throat of the largest Democratic compound in the
3 State and say, You're going to do this. I mean,
4 even if they were Santa Claus, it wouldn't be right
5 because they weren't a Democratic Santa Claus,
6 they'd be Republican Santa Clause. And this is
7 right after, say, we'll take the parking lot or
8 whatever the next sortie might be, as rumor rolls

9 about the Housing Authority.

10 So unfortunately, the politics and turf
11 fight have really muddied the waters here. When I
12 talk to LeAnna early on, I said to LeAnna, "When you
13 start to run this hearing and you get together with
14 your counterparts, you have to take the position
15 that what we're really after here is the best for
16 the children and not the political fight that is
17 brewing here. And there is a political fight and
18 we're not into the third round yet. The third round
19 doesn't start until a few day from now and God knows
20 I'd hate to see a thousand or 2,000 students and
21 parents in front of schools and shutting them down
22 for 10 or 15 days. So when the kids take that next
23 battery of tests, they'll be under water again,
24 which makes absolutely no sense to me. So there's
25 got to be a way for both governmental entities to

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2 get together and kind of resolve this issue.

3 Now, should Ed Edison run the entire
4 School District? Absolutely not. There is no
5 nobody on the outside that should run the School
6 District. And as I said to Michael early on, the
7 greatest number of elected officials in the United
8 States are School Board members. If you take the
9 Commonwealth of Pennsylvania alone in the 502 or 3

10 school district and look at the number of people who
11 are elected to the School District, There are more
12 elected school board members in the Commonwealth of
13 Pennsylvania than any other elected officials and
14 more elected school board members than any other
15 elected officials in the United States. So school
16 boards are not about to release the public's control
17 of education. I mean, it's too ingrained. But does
18 that mean that schools do not want to have outside
19 partners come in and pay for them, whether they're
20 profit or not profit, to help run better systems? I
21 don't think that that's not the issue.

22 Are they going to relinquish all of
23 that? Should they be forced to relinquish all that
24 of that to an outside organization to run the entire
25 venue? No. And I think that's unfair for the

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2 Governor to do that to us and it's unfair to Edison
3 which has a lot to offer to be placed in that
4 situation. Because they're getting peppered not on
5 their pedagogy. They're not getting peppered on the
6 quality of what they might be able to do. They're
7 getting peppered on, where have you done this before
8 because we don't want to be in a situation where you
9 haven't done anything and can't demonstrate to us

10 the quality of you what you've done.

11 So In closing, let me say this: I give
12 them some prepared remarks. I gave them to LeAnna.
13 I'd like you to make sure that Donna gets one.
14 She'll enjoy it. The issue becomes this: At the
15 end of the day, we have 210,000 students between
16 70 percent and 80 percent of which comprising the
17 African-American and Latino populations who with the
18 exception of the magnet schools are behind, and we
19 have to do something about that. And the something
20 that we have to do should be done within the
21 framework of what's the best for them in a
22 structured way and not the best for us in a
23 political way. And how we're going be able to
24 juggle that becomes very difficult. Thank you,
25 Madam Chair.

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2 MS. BROWN: I think you started the
3 issue of community local control of schools. And I
4 want to understand based on your review and analysis
5 of the Edison proposal, my read of it says that
6 given that they have stated their intent, to manage
7 the growth of charter schools, what is your
8 understanding of the extent to which that proposal
9 will in fact increase costs, increase the inclusion
10 of communities in determining their schools versus

11 narrow that determination to a limited number of
12 partner that is are spelled out in the proposal?
13 I'm trying to reconcile your stated commitment to
14 local control with a proposal that, in fact, I think
15 is narrowing the control of schools to a limited
16 number of organizations that have, in fact, signed
17 on the dotted line in support of Edison. And I
18 would further want to say that I've been in this
19 community for a while and this notion of local
20 control is a difficulty one because you never know
21 where the local control is going to come from.

22 And let me just give you an example of
23 that. It goes back about four years and it, in
24 fact, involves Germantown Settlement, which I know
25 based on my professional career is an outstanding

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2 organization committed to the Germantown community.
3 However, I was at a community meeting at Germantown
4 Settlement into which a woman entered the room and
5 said, "Who are you people sitting in here saying
6 that you are our community?"

7 This notion of local control is
8 complicated. And you , I think, based on the
9 proposal, are in fact narrowing the opportunity for
10 people to be involved in their community. The

11 Edison proposal, that's my read of it. I'm just
12 trying to follow your comments about local control
13 and match them to the Edison proposal in my read of
14 it. Maybe I misread it. Can you help me with that?

15 MR. LEE: I can give you 30 seconds on
16 that.

17 MS. BROWN: You can give me more than
18 30, I think.

19 MR. LEE: If there is a week point in
20 the Edison proposal, and there are many week points
21 along with good points, the issue of how they would
22 attend to address local control, in my view, is
23 week.

24 MS. BROWN: Well, can you just give me
25 30 seconds then on the strong points, since you were

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2 --

3 MR. LEE: I want to stay with your
4 question. There are community group that have
5 formed together who believe that they are capable
6 and are developing the capacity to manage schools.
7 Kenny Gamble believes that in South Philadelphia.
8 Dwight Evans believes that in West Oak Lane.
9 Emanuel Freeman believes that is in Germantown
10 Settlement. They're trying to be able to not only
11 identify the schools that they would like to manage,

12 but be able to build curricula design and the
13 management capability to operate that. To suggest
14 that that is not possible would not be fair. It is
15 more likely than not that they can build that
16 capacity. Now, there ought to be criteria
17 established to determine whether or not they are
18 capable of doing that. But in point of fact, Manny
19 Freeman, Kenny Gamble and Dwight evens think that
20 they can do a job and are willing to put together
21 the kind of curricula design, fiscal and managerial
22 accountability to demonstrate that they can.

23 MS. BROWN: Can I just ask you then, the
24 charter school law provides the opportunity which
25 both Kenny Gamble and Manny Freeman have taken

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2 advantage of to run schools in thier neighborhood,
3 as has Dwight. They have some years of experience
4 under their belt, they are yet untested. What is it
5 that is not available through the charter school law
6 that would be available through the recommendations
7 of Edison that allowed you or resulted in in your
8 support for the Edison proposal?

9 MR. LEE: The speed to the be able to do
10 that in large chunks as opposed to the bureaucracy
11 that is associated of doing a charter school by

12 charter school process. And a charter school by
13 charter school process does not lend itself for
14 feeder school systems where you start at grade K and
15 you go through high school and control the entire
16 feeder school dynamic. So I think that speed does
17 that.

18 In addition to that, the groups like
19 Kenny Gamble and Manny Freeman and Dwight evens, I'm
20 just using those three, are also trying to expand
21 the base of the school operations to a broader
22 community involvement that includes the distribution
23 of multiple services where the school becomes the
24 centerpiece of their community. And These are not
25 new concepts. These are concepts, however, that are

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2 not quite as tried and tested in this environment,
3 and I think that they might very well work. So The
4 community school concept is a cluster-based concept.
5 But to specifically answer your question as to
6 whether or not those groups represent all the people
7 in those communities, and those people in the
8 communities would say, yes they do and yes they
9 don't, the answer would be no. But do they
10 represent a significant contingent of our community,
11 can they demonstrate capacity to operate and provide
12 services for a broad community? The answer to that

13 question is yes.

14 MS. BROWN: I'm a resident of the same
15 Germantown neighborhood as Germantown Settlement.
16 And my only observation is that we do a charter of
17 law that allows for local choice and local control.
18 In fact, that charter law by this school board has
19 been interpreted to put emphasis on the opportunity
20 for grass roots organizations to propose and, in
21 fact, operate charters. Further, there's an appeal
22 board that if this board is not interested or
23 appeals that at school is not qualify, they can also
24 go directly --

25 MR. LEE: This is larger than the

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2 charter concept. This is charter-plus.

3 MS. BROWN: It's a charter-plus. But I
4 guess I would want to make sure that what we're not
5 doing is narrowing choice by saying, these five
6 groups or ten, however many, are the chosen ones
7 versus an opportunity for any community, whether
8 it's the Asian-American community, the Latino
9 community, or other members of the community to
10 propose the kind of charter schools that they might
11 want. I would just ask that we are careful an not
12 make a decision that narrows choice to a few groups

13 versus maintaining open opportunity --

14 MR. LEE: I think that's a fair
15 statement. The management of cluster groups does
16 not preclude or exclude the evolution and operation
17 of charters. The Charter movement is separate and
18 distinguishable from that, and I think that there
19 ought to be as many charter schools as can be
20 managed and people able to demonstrate their
21 capacity to perform them. But the operating of the
22 clusters doesn't preclude that.

23 MR. RAMOS: To switch topics for a
24 minute. Are you still a health care guru? I know
25 you were in the health care industry a couple years

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2 ago. Are you still pretty current?

3 MR. LEE: Still do a little bit of that.

4 MR. RAMOS: What are you hearing in
5 terms of health care -- what are insurance companies
6 asking these days in the last couple of months and
7 now while this Edison report has been going on,
8 what's the market rate increases that insurance
9 companies are talking about, what range?

10 MR. LEE: 20, 25 percent. Between 20
11 and 25 percent.

12 MR. RAMOS: I think if you're huge
13 you're really huge you're in the high teens. How

14 credible do you think a report would be that had
15 that estimated that amount in the single digits,
16 let's say, in the 7 percent area? Would you think
17 that's a credible estimation?

18 MR. LEE: I'd question that.

19 MR. RAMOS: Okay, thank you.

20 MR. LEE: I'd absolutely question that.

21 MR. MICHAEL CHURCHILL: My name is
22 Michael Churchill. I'm chief counsel of the Public
23 Interest Law Center of Philadelphia, and I represent
24 the community groups that have brought suit along
25 with the School District and the City in the case of

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2 charging the State with discriminating in school
3 funding formulas against the City of Philadelphia.
4 Before I get onto that subject, I just
5 want to say I could not disagree more with Rotan on
6 his last comment in response to you, Christine
7 James. This is not charter-plus that's being
8 proposed because the essence of the charter is that
9 it was a choice. Parents could choose charters if
10 they want. There is going to be no choice for the
11 residents of these areas as to whether their
12 students are going to go there, and it's a major
13 change.

14 (Applause.)

15 MR. CHURCHILL: I want to talk to you --
16 it's late and it's going to be very brief. I want
17 to talk to you about two numbers that are not in the
18 Edison report or in the Governor's report, and
19 they're not there for a reason. The numbers are
20 \$450 million and \$420 million. \$450 million is the
21 amount that the Philadelphia School District would
22 receive if it were receiving funds from the State on
23 the same basis as school districts with comparable
24 levels of poverty which were predominantly white.
25 This is according to one of the most well known

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2 established economists in the City of Philadelphia,
3 Professor Anita Summers.

4 The other number, 420 million, is what
5 happens when you multiply 210,000 students by \$2,000
6 a student, which is a difference between what
7 Philadelphia has to spend for its students and the
8 average suburban student.

9 Now, just think of what you could do
10 with between \$420 million and \$450 million every
11 year. You wouldn't have the deficit that's
12 requiring us to sell our souls to the Governor and
13 let him bring in Edison. You could reduce class
14 sizes. You could train your teachers. You could

15 provide for the facilities that are missing. You
16 could have all the arts and music programs that have
17 been cut out. You could have the summer school.
18 You could have intensive learning for those students
19 that is need it. Essentially, you could do all of
20 the programs that the School District said it wanted
21 to do in the empowerment plan that it presented to
22 the State in which the state approved just this
23 spring as the appropriate way to go about improving
24 student performance.

25 Now, I don't want to belabor the point.

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2 It is an important one, though. It is not in the
3 plan because what they want to do is basically avoid
4 the issue of how to pay for educating poor minority
5 students.

6 (Applause.)

7 MR. CHURCHILL: This is education reform
8 as avoidance of real reform.

9 Now, one of the problems that you have
10 in this State, however, is that -- and one of the
11 good things about it is that Philadelphia is not
12 alone in being underfunded. There really are 360
13 School Districts in the State which had very
14 substantial gaps of over \$1500 per student between

15 what they are able to spend and what the top
16 20 percent of the school districts in the State are
17 able to spend. That means there are considerable
18 allies for the tax reform that you heard Congressman
19 Fattah talking about as a necessity and which my
20 good friend Rotan Lee talked about earlier when he
21 said it was a fraud not to talk about the fiscal
22 elements.

23 There are 360 districts which are
24 potential allies in dealing with the legislature.
25 It is, frankly, criminal that the School District

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2 and the City have not sought to mobilize those on
3 their side to get substantial reform. We are not
4 going to get \$450 million, frankly, only for
5 Philadelphia. That isn't in the cards politically.
6 I think everybody recognizes it. You're going have
7 to show that, in fact, there is a reform for others
8 also. There have been several proposals on the
9 table in the legislature over the course of the last
10 two years, including one introduced by a Republican
11 Senator, Senator Rhodes, and one introduced by a
12 democratic representative. Both of those proposals
13 had bipartisan support. And It is up to you to
14 start to moving those if you really want to solve
15 the problem. But do not -- the important point for

16 this hearing is to recognize that in fact they are
17 not being Santa Claus when they come in and say,
18 "Well, we'll provide \$75 million more to make up for
19 the problems of this year's deficit." That is
20 against the 420 million to \$450 million which would
21 be a fair measure of what they should be providing.

22 That's really my remarks. But I do want
23 to say one other thing here about the structure of
24 what is being proposed. There is something
25 attractive about the idea of introducing competition

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2 to see whether or not the School District can
3 perform some of what it is doing better. One of the
4 major problems of the proposals before you, however,
5 is that it is offering to replace a monopoly with
6 another monopoly, to give the whole system over the
7 Edison with no accountability on their part to any
8 elected body and to have responsibility for the
9 entire system is merely to have one monopoly which
10 in the end is not designed to provide the kind of
11 levels of competition that they claim is their goal
12 in this process.

13 So I urge you to keep your eye on the
14 ball of the money and its absence. Michael Mash was
15 right on point. They are going to try to reduce the

16 total expenditures even while they are, in fact,
17 modestly increasing the revenues, they are planning
18 to reduce the total expenditures and widen the gap
19 between what Philadelphia is able to spend for its
20 students and what the surrounding communities are
21 able to spend in theirs. No one has ever justified
22 to me or explained why it is fair to try to attempt
23 to educate Philadelphia students for less than what
24 it costs to educate students in our suburbs. Those
25 students come with less educational deficits, less

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2 financial problems, and more help at home. The
3 state government has repeatedly recognized that the
4 cost of educating students with the backgrounds that
5 we have in Philadelphia is higher and, nevertheless,
6 they want us to do it with less. That just fails
7 the basic fairness test. Thank you.

8 COUNCILMAN ORTIZ: The term "community
9 control," that has many, many definitions. And in
10 fact, in one of my earlier reincarnations, I was
11 part of the community control movement in the New
12 York City as a teacher. Community control at that
13 point meant that the people, the whole of a
14 neighborhood, the whole of a district, not an
15 organization, not a community development
16 corporation, the parents of the students, the

17 parents of the students voted, elected, selected.
18 The concept in its conceptual aspect, a very good
19 one. And they would be given hiring powers. They
20 would select the board. After that I train people
21 so that they could become members of local school
22 boards that control local schools districts. And
23 they would sit and they would have powers to hire
24 the principal, the district superintendent, work on
25 the budget. They would be the central board and

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2 there would be other boards across the City.
3 It got corrupted along the way. It got
4 corrupted by the politicians. It got corrupted by
5 the process that of people coming into it. But
6 community control, that's what it meant. What we're
7 talking about in Philadelphia, what we're talking
8 about in the Edison process is not community
9 control, because it isn't the community who is going
10 to be making the hiring decisions, the budgetary
11 decision. It's going to be one organization that
12 has been contracted and working together with Edison
13 to be able to put that forward. That is not
14 community control.

15 MR. LEE: Kenny Gamble is going to speak
16 Saturday on his own. Dwight Evans, I mean these are

17 people --

18 COUNCILMAN ORTIZ: Excuse me. Dwight
19 has a dual role here, and it bothers me because he
20 is legislating and he's also trying to --

21 MR. LEE: I want to center in on -- as
22 opposed to getting into the politics of the
23 personality, let me take a minute to talk about your
24 concept because I was in grad school in New York
25 when this process was going on in New York. Here's

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2 the deal. Kenny Gamble, and I'm going to use Kenny
3 because he's not a politician. He said, Look, I
4 want to come into a community that is deteriorating
5 and here's what I want to do: I want to try to do
6 housing, I want to try to do job training, I want to
7 try to do health care, I want to try to do
8 education. What I want to do is I want to get my
9 arms around this community in much the same way the
10 Mills City's programs attempt to work in the late
11 1960s.

12 COUNCILMAN ORTIZ: And we know what
13 happened with that.

14 MR. LEE: And I'm saying that this is a
15 later day, this is a new day. This is a day that
16 people become smart.

17 Now, listen to this: So what he has

18 attempted to do is to try to bring all of those
19 entities together to work for the citizens, the
20 children , the parents, and work in such a way that
21 they are integrated. So he says, in order for me to
22 be able to do that effectively, I need to be able to
23 have some say-so in how schools operate because I'm
24 developing a community base.

25 COUNCILMAN ORTIZ: But is that community

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2 control?

3 MR. LEE: His view, which I agree with,
4 of community programs is to enhance that market
5 community, not just himself because community
6 connections encompasses the religious community and
7 other community groups. It is a stronger, better
8 later day model city with respect to community
9 control.

10 How can you argue that, Angel? We don't
11 know if it works because it's evolving.

12 COUNCILMAN ORTIZ: Because it is not
13 what you what you're saying. I mean, we're using
14 semantics and wordplay in order to project an image
15 is that is not true about it. It is not community
16 controlling.

17 MR. CHURCHILL: It's a community facade

18 for other people who have control of the system.

19 COUNCILMAN ORTIZ: And you know very
20 well because you and I are good friends. And The
21 use of words and the use of different terminology in
22 order to represent something that is not is very
23 clear. It has been used today. Today, you know,
24 the War Department is the Defense Department. But
25 it is, again, not community controlled.

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2 MR. LEE: Angel, I'm not trying to be
3 euphemistic about this. This is an issue where the
4 community, through its leadership has grouped
5 together to try to be able to manage how a system
6 works better. I'm using Kenny Gamble for the very
7 reasons that I don't want to get into Dwight and the
8 legislative issue, but it is a community based
9 community controlled system. It is that.

10 COUNCILWOMAN REYNOLDS-BROWN: Mr.
11 Churchill, could you possibly give us a brief update
12 on the status of the federal case?

13 MR. CHURCHILL: Yes. The federal case
14 was initially thrown out by the District Court
15 Judge. On appeal, the Court of Appeals upheld the
16 right of the community groups and School District in
17 the City to bring a lawsuit saying that there were
18 violations of the federal regulations which said you

19 could not have a funding system which had a
20 discriminatory impact. Just at the time we were
21 getting ready to try that case and we're going
22 through the process of discovery so that we could
23 find out what was happening, The Mayor and the
24 Governor, Governor Ridge at that time, entered into
25 an agreement to suspend any further operation of the

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2 case so that they could spend a year negotiating
3 some kind of a settlement. In fact, during the
4 course of that year, it turned out that the Governor
5 sent one letter to the Mayor, and that was the full
6 range of any attempt by the State to have any kind
7 of discussions with the Mayor or the School District
8 prior to May of this year when in the 11th month the
9 School District itself initiated trying to have
10 those discussions. Nevertheless, the matter was
11 then suspended for another three months until
12 October 31, to, again, allow this negotiation
13 process. And it has been on an defecto extension
14 until the end of November.

15 At that point, the case can resume. But
16 in the meantime, I must tell you that the question
17 of whether or not we can proceed under the legal
18 theory that we had been proceeding under that you

19 could sue to enforce these regulations that say no
20 discriminatory impact have been called into question
21 by the United States Supreme Court. And the third
22 Circuit has another case in which they will decide
23 that issue. And so My guess is that there will be
24 not extensive action in this case until that is
25 decided, which I hope will be sometime in December.

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2 At that point, we will be prepared to
3 resume this action as a vigorously as we can. We
4 have used this year to make sure that our expert
5 keeps getting the most up-to-date numbers that we
6 can get out of the State so that we can make sure
7 that the factual situation has not changed. And I
8 can tell that you since we filed this case
9 originally in 1997, I guess it was, 1998 until now,
10 the State funding formulas have not shown any change
11 in the amount and level of discrimination, not only
12 against Philadelphia, by the way, but against all of
13 the predominantly minority school districts in the
14 State. And the economists tell us that from their
15 point of view -- I heard the word "robust" earlier
16 -- these number are very strong and very robust and
17 they are very confidant that they will hold up in a
18 trial. We are anxious to get that going again. And
19 as I said, as soon as we can restart it, we will.

20 COUNCILWOMAN REYNOLDS-BROWN: I Thank
21 you for the explanation.

22 COUNCILWOMAN MILLER: Thank you. Are
23 there any other questions of these witnesses?

24 MS. BROWN: Can we get some free legal
25 add Vines or analysis on a specific area. One of

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2 the things THAT the School Board most enjoys is
3 hearing from the people who we will hear from the
4 rest of the this evening and on Saturday at our many
5 meetings in the community. And I have not be able
6 to figure out whether or not the Sunshine Law will
7 apply and will there be regular meetings and
8 opportunity for community input into somebody
9 somewhere as it relates to the proposal.

10 MR. CHURCHILL: Well, that's an
11 interesting question. As I understand it, though,
12 the Sunshine Law applies to legislative bodies and
13 the executives can sit and negotiate all they want.
14 So I believe I believe that there is no requirement
15 for a public meeting unless, again, official action
16 needs to be taken.

17 Now, the legislator has acted. If they
18 have to act again, the Sunshine Law will --

19 MS. BROWN: Mr. Churchill I mean moving

20 forward as it relates to the body that will oversee
21 the district if the a proposal is approved.

22 MR. CHURCHILL: Well, if there's a state
23 control commission that's appointed, they would
24 subject to it unless there was some explicit
25 exception to it in that act. And I don't recall

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2 there being one. And So in the absence of that,
3 yes, when they meet and vote and decide the Sunshine
4 Law will apply. And, of course, any contracts that
5 they sign are public documents and those are subject
6 to the Freedom of Information Act in the State.

7 MR. LEE: They can do nothing in secret.
8 They are absolutely subject to, as if they were the
9 board because they have fiduciary and legislative
10 responsibility. And They cannot pick and choose,
11 they're still subject to state procurement law in
12 addition to that.

13 MR. CHURCHILL: Well, there's some
14 exceptions written into if Act on that.

15 MS. BROWN: Thank you.

16 COUNCILWOMAN MILLER: Thank you. Thank
17 you for your patience.

18 Wendell Harris, Sarah Gilmore.

19 After Wendell Harris and Sarah Gilmore
20 we have Helen, Jim, Shelly Yanoff, Ed Schwartz.

21 Then the last panel will be Barbara Dowdall, Dr.
22 Karin Bivens and Eugene Bivens. And that's the end.
23 Please state your name for the record.
24 Speak directly into both mikes.
25 MR. HARRIS: My name is Wendell A.

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2 Harris. I'm a parent. And those credentials, I'm
3 not even going to mention anything else, that should
4 be adequate. I would like to say to our
5 distinguished panel and people here that in the
6 future, this is a friendly suggestion, when you have
7 these public hearings, put some of the people,
8 sprinkle them in up front, Community, parents,
9 whatever, because it's not giving a good appearance.
10 I mean, a lot of these people are very articulate.
11 They have so much data and information. And again,
12 the people, the parents, the community, have to wait
13 around for six, seven hours even to make a
14 statement. A lot of our statements won't go for 20
15 minutes or 25 minutes because we speak for our heart
16 and our guts and like a lot of you have done in many
17 cases. But I'm just saying in the future, try to
18 consider that. I felt bad that so many parents had
19 to leave. I know they have an opportunity on
20 Saturday. Edison people, most of them have left.

21 Didn't have a chance on the question them. I just
22 feel that the whole process if it's fair it will
23 have everybody's credentials adequate. Do you want
24 to address that Ms. Miller.

25 COUNCILWOMAN MILLER: Let me remind you

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2 that we only had two people prior to the community
3 input. We had Goldsmith, the CEO and then we had
4 Edison. It was just lengthy. And Unless we just
5 cut Edison off in half and brought people on and
6 brought them back again --

7 MR. HARRIS: I hear you.

8 COUNCILWOMAN MILLER: Because other than
9 that we've only had two groups. One the CEO of the
10 school district. The second group was Edison and
11 then we opened it up to the community.

12 MR. HARRIS: Well, maybe you should have
13 put a time limit on it. If I'm talking too much
14 shut me up.

15 COUNCILWOMAN MILLER: I'm not going to
16 shut you up. Please proceed.

17 MR. HARRIS: I mean, I don't mind.
18 After seeing what everybody else did, you know, I
19 don't care.

20 Any way, hello to everybody. Thank you
21 for coming out because it very important that we do

22 to express our voices and opinions. You know who I
23 am, Wendell Harris. I'm a parent, seven children,
24 four of which are in public education. I'm a
25 product of that education. My three other children

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2 are on their way. I served as president of home and
3 school association at four different schools over
4 the pass 17 years that my children have attended.
5 So I'm saying that the parents are involved. We
6 care about our children and there's parents that are
7 really concerned about this. A lot of parents don't
8 have all the information. As parents and
9 stakeholders, we must speak out. Too many are
10 speaking for us and saying the wrong things.

11 Our children are being attacked. Our
12 opinions and voices are being ignored. We cannot
13 and will not accept that. Who knows more than us
14 what's needed in Philadelphia but the true
15 stakeholders that is we are.

16 (Applause.)

17 MR. HARRIS: I say to the Governor,
18 without the support of the true stakeholders,
19 community, our elected officials and people who have
20 been trying to do just that with insufficient funds
21 and resources, you will have the biggest urban

22 revolt in America.

23 (Applause.)

24 MR. HARRIS: Edison Schools,

25 Incorporated, has had a horrendous track record.

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2 How can anyone advocate them as our saviors. A high
3 percentage of their schools are elementary. The
4 most problematic across the nation is middle schools
5 and high schools. So I say they don't have enough
6 experience. Tell us, Governor, why don't we see or
7 hear suburban schools knocking down Edison's doors
8 asking for advise and best practices? I haven't
9 heard much about that. Why? Because there's not
10 many. Also tell us if the funds aren't here for
11 public education, how can they be here for Edison or
12 private?

13 People, when you're down, there's only
14 one way to go and that's up. Governor, Edison
15 Incorporated knows this but wants to control
16 us and make a profit while doing it. A few of our
17 politicians have sold themselves and us out for the
18 same reason, profit.

19 Profit as I defined it, is giving less
20 and making more. And who can define that any better
21 than Edison, Incorporated. What have they given
22 Philadelphia thus far, its children and citizens? I

23 say little of nothing, a big bias report. They
24 already started making a profit, though, true to
25 that definition. They received 2.7 million for a

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2 three-month redundant study, tens of thousands in
3 stock options, and a proposed fee over \$230 million
4 over a five-year period. Money that should and
5 could go directly to our children. They have even
6 proposed to sell the symbol of public education, the
7 Board of Education building, one more obstacle in
8 our way when they fail, and they will if given the
9 opportunity.

10 Governor, let's get real. As I said
11 before at the board meeting, don't throw the baby
12 out with the wash water. You change the diaper.
13 And Governor, most of the crap in it didn't come
14 from this baby but from you and your ill-guided
15 advisors, which makes it imperative to us now that
16 for the sake of our children and other stakeholders
17 in Philadelphia that some done deals must become
18 undone deals. We say no to privatization, no to
19 Edison, no to Governor Schweiker and those who hold
20 your views. But yes to a fair and equitable funded
21 public education accountable to all its people.
22 Thank you.

23 (Applause.)

24 MS. SARAH GILLIAM: I think Mr. Harris
25 put that quite eloquently. My name is Sarah

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2 Gilliam. I'm the executive director for Parents
3 Union for Public Schools in Philadelphia, a
4 city-wide educational advocacy organization
5 protecting the rights of parents and students
6 enrolled in the Philadelphia Public Schools for
7 nearly 30 years.

8 (See attached testimony.)

9 COUNCILWOMAN MILLER: Thank you. Thank
10 you for your testimony.

11 Helen Gym, Shelly Yanoff, Ed Schwartz.

12 It's my understanding that Barbara is
13 going to take Ed's place right now.

14 MS. HELEN GYM: Hi, my name is Helen
15 Gym. I'm with Asian Americans United. I'm a parent
16 of a child entering public schools next year and I'm
17 with Asian Americans United and a coalition called
18 Philadelphia United to Support Public Schools.

19 Yesterday, 800 people rallied outside
20 City Hall with one clear message, no Edison and
21 reopen the debate on public education. Let's be
22 clear about one thing. In San Francisco, Edison
23 Schools got kicked out by the School Board for

24 racist disciplinary practices and for violating
25 their charter to educate all their children. The

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2 State had to intervene, take over the school and
3 then convert it into a charter in order for Edison
4 to be maintained as a school there.

5 In Philadelphia we have had totalitarian
6 measures like Act 46, stealth legislation in the
7 form of secretive midnight amendments, close door
8 dealings, empty promises, and fraudulent claims.
9 Even now, the constant threat of a State takeover
10 hangs over these supposedly open hearings. There is
11 something fundamentally and deeply flawed about this
12 company if this is what it takes to get them here.

13 There are many problems of Edison
14 schools that have already been stated. But the real
15 problem of Edison is that the problem is bigger than
16 Edison. Their mere presence has us locked into a
17 ridiculous debate of, if not them, than what, the
18 status quo? We do not disbelieve that Edison has
19 the capability of turning around a few public
20 schools, though not at a profit, obviously. But
21 Never have they turned around nor has anyone ever
22 turned around on a large scale urban school
23 districts with high populations of poor and largely

24 children of color. So I think we have to look
25 deeper at the broader picture, for school are merely

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2 tiny microcosm of the larger society around them.
3 If our society is segregated, Our schools are
4 segregated. If there are wide economic disparities
5 in our country, there are wide economic disparities
6 in our schools. The larger question begs how have
7 we shown that we fundamentally believe that all
8 people in our society are deserving of an equal
9 opportunity? If we can't answer that question on
10 the larger scale, how can we transfer down to our
11 schools?

12 In 1993 there were lots of debates about
13 standards, but loss among that debate was a
14 reference to something called Opportunity to Learn.
15 Opportunity to Learn standards holds a guiding post
16 for a new debate about public education. They were
17 created out of recognition that academic standards
18 could not be created in a societal vacuum. That is,
19 how fair is it to hold children in urban districts
20 which have so much fewer resources and much greater
21 needs to the same standards as wealthy suburban
22 districts who spend almost twice as much per
23 student. While standards focused on teachers and
24 students, Opportunity to Learn standards recognize

25 that governments and administrations have to be held

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2 equally and firstly accountable if academic
3 standards were ever to be achieved. These
4 Opportunity to Learn standards include such things
5 as resource standards to assure that all schools
6 have sufficient resources to deliver high levels of
7 curriculum content. Outcome in capacity building
8 standards to ensure that all schools have the
9 continuing capacity to deliver a quality public
10 education and are evaluated by the quality of the
11 goods that they deliver to all students. They
12 included research standards for implementing and
13 monitoring equitable finance formulas for within and
14 between schools and within and between districts.
15 There a blueprint for the future that exists.

16 Unequivocally, we are opposed to Edison
17 and the wholesale sale of public schools in
18 Philadelphia. We're opposed on principal, on the
19 blatant profiteering, on the loss of quality jobs
20 for our workers. We are Opposed to the process by
21 which Philadelphians are silenced and shut out. But
22 most importantly, we're opposed to this Edison deal
23 because we believe that it will never bring us to
24 the fundamental problem of school system which is

25 money and willpower. Do we have the money and the

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2 willpower to commit the same resources and passion
3 to our children as we do to all children in the
4 wealthiest districts. By relinquishing our schools
5 and by adopting Edison's budget-minded model, we
6 will never come to that debate. As a parent, I
7 never believed that a debate about education, about
8 making it better is going to focus on cost-cutting
9 and budgeting measures instead of equity and
10 quality. We need to break this deal. We need to
11 change the structure of this debate. We need to
12 change who's making the decision. And we need to
13 bring this debate home to the people and to the
14 children who care about it the most.

15 This is an unprecedented opportunity for
16 the schools debate to change drastically. Edison
17 has made its case. Last night, 800 people made
18 their case. The question is, will you stand with
19 us, the people, for a new future for our children?
20 Thank you.

21 (Applause.)

22 MS. SHELLY YANOFF: Wow. It's always
23 hard to follow Helen and it's always hard to speak
24 this late in the night, but I want to thank you all
25 for staying. It's not easy to sit and listen to all

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2 this, so I appreciate it. As you know, I'm Shelly
3 Yanoff from Philadelphia Citizens for Children and
4 Youth and a member of the Coalition that Helen
5 Barbara and Ed also are members of.

6 (See attached testimony.)

7 MS. BARBARA DOWDALL: I'm here on behalf
8 of the Alumnae Association of the Philadelphia High
9 School for Girls which passed a resolution last
10 week -- my name is Barbara Dowdall, it's spelled
11 D-o-w-d-a-l-l. I'm also English department head at
12 Dobbins Randolph AVT School.

13 The Executive Board of the Alumnae
14 Association of the Philadelphia High School or girls
15 hereby resolve that we support the full and fair
16 funding of all public schools in the City of
17 Philadelphia. We support the continuing and
18 meaningful involvement of parents and citizens of
19 Philadelphia in the governance of their schools, and
20 oppose privatization of public schools.

21 We take pride in the history of our
22 school, in the accomplishments of our graduates, and
23 in the quality of the current student body, staff,
24 and administration. We urge all elected
25 representatives including the Governor, Pennsylvania

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2 State Legislature, Major and Philadelphia City
3 Council to reject privatization of public schools
4 and to do all in their power to continue and
5 maintain local governance by and for the citizens of
6 Philadelphia passed on November 2, 2001.

7 And I would like to say names of
8 graduates including School Board Member Sandra
9 Dungee-Glenn. I think Dorothy Sumners-Rush had a
10 daughter went to Girls High. Councilwoman Blondell
11 Reynolds-Brown; Arlene Parsens-Bennett, first
12 African-American woman to graduate from Penn Medical
13 School; Barbara Harris, the first woman Bishop in
14 the Episcopal Church; Ann Hobson Pilot, Principal
15 harpist to the Boston Symphony; and Judith Rodin,
16 President of the University of Pennsylvania.

17 The staff of girls high is equal to the
18 staff or the staff of other schools are equal. All
19 the school staffs are pretty much from the same
20 source, so we're all good.

21 (Applause.)

22 MR. EDWARD SCHWARTZ: Hi, I'm Ed
23 Schwartz. I'm here from the Institute for the Study
24 of Civic Values. I want to thank you for holding
25 this hearing, not just for holding it, but last week

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2 I got real concerned understanding that there was
3 greater unity on the part of the elected officials
4 and the School Board and everybody else on this
5 question and has existed in some kind, and yet since
6 you serve in different legislative bodies, the only
7 coverage and the only focus was on the splinter
8 group here that has been for what is coming down.
9 And I felt that there needed to be some gathering of
10 all of you to demonstrate the unanimity that does
11 exist on this question, and you have done this. And
12 I think that's extraordinarily important and you
13 deserve credit for having pulled this off because
14 you immediately have changed the political context.
15 And to the extent that citizens out here saying,
16 "God, there's nothing we can do," a meeting like
17 this tells us all that we have a lot that we can do.

18 And I made a commitment to a few people
19 last week that I was doing an analysis of this plan,
20 not knowing it would be a hearing at which I would
21 even have a chance to present it. So I was working
22 on this anyway and I found out about the hearing
23 yesterday when I called Alexis Moore over at the
24 School District to tell her what I was doing.

25 So I'm here first to the have the whole

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2 analysis that I'm offering here read into your

3 record, so it's part of the public report. Having

4 said that, then, I wanted to summarize some of the

5 points that I make here, some of which you know.

6 But I have to say that the perspective I brought on

7 their analysis was -- this is evidence of the work

8 of this company. So you look at what kind of

9 analysis do they do tells you something about how

10 good they are or how weak they are. They can't even

11 analyze this thing properly for \$2.7 million, then

12 what kind of work are they going to do to manage the

13 system. And I was coming at this, and I put a lot

14 of appendices here to indicate this. As someone

15 whose whole work is not really not as well known in

16 Philadelphia because much of it happened before I

17 came here. I was the national president of the

18 United States National Student Association in

19 1967-68 before I came here by a good many of years.

20 And I was the national leader of student run center

21 educational reform. I wrote extensively about it.

22 And Even while I've been here, I've done some

23 national conferences on citizen education that have

24 been done with the National Council of Social

25 Studies, the AFLCIO, which again, have largely not

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2 been known in Philadelphia. Now, that's the
3 background I bring to the assignment beyond the
4 Ph.D. and various things.

5 Along the way I must confess and almost
6 apologize that I made discovery that Chris Whittle
7 confirmed tonight. I must apologize that I seem to
8 be partially responsible for him. It turns out I
9 learned in an article about him, an interview with
10 him, that his first inspiration to get involved in
11 educational reform was in -- the article said
12 19700 -- at the conference of this radical
13 organization called the Nation Student Association.
14 And I thought, well, that was two years after I was
15 there, but the project I developed was there. Well,
16 tonight it turns out that it was in fact the year I
17 was president. He said it was a conference at the
18 University at Manhattan, Kansas. I said, yeah,
19 that's the one I was president. And he said I took
20 this booklet out and he went back to Tennessee with
21 it. I wrote it. So you have you my apology. I
22 told him tonight that I was embarrassed, in fact, to
23 learn that I might have had something do with this.
24 So To the extent that one must give full disclosure,
25 I give it.

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2 But I came at the Edison report looking
3 for what they said. And I guess I came up with some
4 conclusions that have been uttered here, but I put
5 some numbers behind them that might be useful to you
6 in the debate.

7 The first thing is that Edison, of
8 course, goes through how terrible Philadelphia is.
9 But its basic point is that even though we're
10 terrible, we can be saved because there are other
11 cities like us which have been saved. And they make
12 a comment along the way, well, yeah, child poverty
13 and some of these other obstacles in Philadelphia
14 exist, but that's beyond the scope of their
15 analysis. And besides, there are comparable cities
16 with similar size, they say after that, that have
17 solved problems better than Philadelphia and
18 therefore Edison is in a position to do it here.
19 And The four cities they pick -- three other cities
20 are Houston; Broward County, Fort Lauderdale; and
21 Clark County, Las Vegas. Now, on the surface, I
22 think when you think Philadelphia, those other three
23 cities don't just immediately jump to mind. So it's
24 laughable on its face, but obviously we need to be a
25 little more statistic.

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2 Well, Edison says that child poverty is
3 serious problem. So I looked up in these other
4 cities. Our child poverty rate in 1990 was 31.35
5 percent. In Broward County it was 14 percent. In
6 Clark County was 14 percent. Less than half. Only
7 Houston came close on that one, and that was
8 29 percent. But Houston has a very distinct
9 difference in a couple of ways. One is the number
10 of people in Houston who have college degrees. Huge
11 importance. After all, it's family of a person with
12 a college degree is going to have a little more
13 educational support at home than a family without
14 it. Philadelphia, unfortunately, only had
15 15 percent -- 14.2 families with college degrees.
16 Houston had 22 percent. There's a legacy here that
17 I'll go into in a moment of Philadelphia that I
18 think is essential to its educational problems.

19 The final one that no one mentions here
20 in these comparisons is the portion of students who
21 actually attend public school. This has not come
22 out in the debate, but it really needs to. In
23 Philadelphia, 27.2 percent of the students go to
24 private school, parochial and Friends schools and
25 the rest of that. In Houston it's only 7.7 percent.

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2 In Broward County it's 12 percent. In Clark County,
3 it's 5 percent. So that means that the better
4 students, many of them, are all going to public
5 schools in those cities. And in Philadelphia those
6 same students are going to private and parochial
7 schools. So of course the test scores in this other
8 cities are going to be better because they reflect
9 this much larger population that were going to
10 public education then go to public schools in
11 Philadelphia. And of course, this is well known
12 because Philadelphia's Catholic School system and
13 our Friends systems has a legacy and a life all
14 their own. But it's also true that many of the
15 better students in the City end up in private and
16 parochial schools for obvious reasons. And if they
17 don't succeed, they have to leave those places. And
18 where do they end up? In public schools. This is a
19 constant complaint of our teachers. But the
20 analysis from Edison don't take any of this into
21 account. And so I evaluate here they don't even --
22 for \$2.7 million -- I was paid nothing to do this.
23 They're paid \$2.7 million to come up with an
24 analysis and these comparisons that are fraudulent
25 on their face.

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2 Now, the other thing that they do is in
3 some ways understate and glide over the critical
4 problem that we do face. And Pedro Ramos and I have
5 discussed this one for a long time. And that is
6 that we have made progress in the last five or six
7 years, not enough, but we've made some real progress
8 in improving elementary schools. A year ago before
9 all this started, I put on our web site 36
10 elementary schools that had, not 5 percent gains in
11 improvement in a year, but 10 percent. And I put
12 them on and wrote a piece for the Inquirer saying,
13 you know, we really ought to look at what those
14 school are doing that's right as basis for perhaps
15 best practices in these other places.

16 Right now, 87 of Philadelphia's 182
17 schools which administer the SAT-9 test had reached
18 the point where 60 percent of their students are at
19 basic or better. That's almost half the elementary
20 schools in Philadelphia. In contrast, however, all
21 but one of Philadelphia's 23 high schools,
22 neighborhood high schools, that is, fewer than
23 20 percent of the students tested basic or better.
24 And the one exception to that is Washington High
25 where 35 percent are basic or better. And this

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2 deterioration is well under way by the time students
3 reach middle school. Here, there are only four
4 middle schools out of 33 where more than 80 percent
5 of the students are at basic or better. There are
6 six middle schools where more than 80 percent of the
7 students are testing below basic or worse. So the
8 problem that we have here is that the gains that we
9 are making in elementary school are not being kicked
10 up and ratcheted up to the middle schools and the
11 high schools. And anyone who wants the so-called
12 quick fix now that we're all looking for has got to
13 put a laser on that set of problems and really start
14 figuring out how we can solve them.

15 Well, the point is that the last place
16 on educational earth where we can expect experience
17 in that area is Edison Schools because it turns out
18 that they never run, really, a high school. And I
19 learned that rather happenstance at the annual
20 meeting of the Greater Philadelphia Urban Affairs
21 coalition where Reverence Flake spoke. And at the
22 end of the meeting somebody asked him, "Well, how
23 are you kids doing in college?" And his answer was
24 we haven't gotten that far yet. And I said, "What?
25 We haven't gotten that far yet." I didn't say that

2 there, but I said to myself, "What?" He said, "What
3 we do is sort of go up from one grade at a time.
4 And then I looked at their web site in writing this
5 report, and it's all sort of borne out there. Out
6 of 136 schools, they've got 5 high schools. And
7 only one of those high schools has been in operation
8 for more than two years. I just wanted to be sure I
9 was accurate with this tonight, the statement I make
10 in the report that they have not yet produced a high
11 school graduate, Chris Whittle confirmed with me in
12 conversation tonight that that is accurate.

13 Now, there is one school where they've
14 had four or five years and that's the school called
15 Mount Clemens in a little town in Michigan. And As
16 it happens, one of the great evaluations of Edison
17 which drove them ballistic because it was fair was
18 done by Western Michigan University. And Their
19 conclusions about Mount Clemens as follows:

20 Mount Clemens Secondary Academies is a
21 district contract school established in 1996. Both
22 the Edison middle school and Edison high school
23 share a common building with their district's only
24 other middle and high school, Edison reported that
25 the total enrollment in their Secondary Academies

2 totalled 481. Wouldn't we like have to have a high
3 school that had only 481 students?

4 Data on ethnic composition for 1997-98
5 indicates slightly more white, 62.9 percent than
6 non-white students. According to data presented in
7 Edison's annual reports, the proportion of students
8 receiving special education had dropped in recent
9 years by 11.4 percent in 1997-98 and 7.9 percent in
10 1999-2000. This is their high school, folks. And
11 the proportion of students qualifying for free or
12 reduce lunches has dropped even more sharply,
13 27 percent in 1997-98 down to 12.5 percent in
14 1999-2000. So in the only high school that Edison
15 has managed for as long as five years, A sizable
16 proportion of the poorest and most challenged
17 students have dropped out. And This is the track
18 record that Edison will apply to our high schools in
19 Philadelphia? If you're required serious surgery,
20 would you hire a doctor who has never performed the
21 operation? Yet this is what Governor Schweiker and
22 Edison School wants us to do. Edison's general
23 approach to improving high schools would take years
24 to implement. "Please note," they say on their web
25 site, "Edison contracts are typically K to 12

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2 schools, which usually open as K to five schools and

3 expand each year, one academy at a time." So If
4 implemented on this basis, it would take five to
5 seven years more on the learn whether this
6 long-range strategy will work. That's the basis for
7 their seven-year contract.

8 Now, Edison has modified this strategy
9 for Philadelphia, however. Here they propose 60 to
10 80 schools suitable for private management that
11 would be comprised to five to seven K to 12 group,
12 each group consisting of a high school, an
13 elementary, and middle schools that feed into it.
14 Selection of actual schools for this group would be
15 based primarily on academic performance. However,
16 strong community significant school reform would be
17 factors in these selections

18 Does this sound familiar somehow? It
19 should. What Edison is now proposing is the cluster
20 system under David Hornbeck's Children Achieving
21 that we have just dismantled. Both this system and
22 the rationale behind it are the same. We created a
23 network of schools linked to a high school to
24 achieve continuity in curriculum and development.
25 We use the network to build support from groups in

3 their way through the system, they improve. This
4 was Hornbeck's argument for the clusters back in
5 1995 and it made sense. But It didn't work.
6 Whatever we gained at the elementary school level
7 didn't stick later on. And yet now, what Edison
8 wants is to try it again, This time using a better
9 more coordinated curriculum. This is beginning to
10 seem like the movie "Ground Hog Day." Those of you
11 who have seen that movie know what that metaphor
12 meant.

13 The other breathtaking proposal from
14 Edison appears in the cost-savings section. It's
15 been alluded to, but let's go into this. While
16 every other group that examined our schools has
17 stressed the importance of smaller classes, meaning
18 more teachers, Edison insists that we can cut the
19 number of teachers in the system over the next three
20 to five years and still improve the quality of
21 education. Well, on what base basis do they make
22 this claim? Well, It's that comparable districts
23 again. We're Back to our old friends. Broward
24 County, Las Vegas, all those cities, but they have a
25 broader one. They say that the District's 1.9:1

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2 student/teacher ratio is really out of whack with
3 the 100 largest school districts, according to the

4 National Center for Educational Statistics.
5 Well, I went to the very article where
6 they got the number. And the National Council is a
7 little smarter, it seems, than Edison is because
8 they make it clear that the hundred largest school
9 district are homogeneous and certain characteristics
10 such as race, ethnicity, poverty level, and
11 disability status vary across these districts. The
12 percentage of title one students varies from less
13 than one to 95 percent. So how can Edison propose
14 that we use this broad group of districts as a basis
15 for any comparison, let alone to justify as
16 important as reducing the number of student teachers
17 needed to help at-risk disadvantaged young people
18 succeed at school. Is certainly a distressed City.
19 Now, Edison adds one other city that I
20 thought was interesting, and it turns out to be even
21 more interesting based on who was here today from
22 them, and that was Detroit. They put Detroit in
23 there. And Detroit is certainly a distressed city.
24 So What I chose to do, since we heard so much about
25 detroit today of former superintendent -- I didn't

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2 have any idea this person would be here or they were
3 part of the so-called Edison team, nut last night as

4 I was putting this together I went on to the Detroit
5 school system web site. And there on Page 7 of my
6 report their test scores. And As you can see in
7 Detroit it appears that a whole bunch of school
8 basically have less than 20 percent of their
9 students reading and testing at grade level and only
10 a handful of schools, you know, above that. If this
11 is what it's supposed to justify, cutting the number
12 of teachers, Detroit, with failures like this, who
13 needs success -- or rather would success like this,
14 rather, who needs failure?

15 So there is a tremendous gap between
16 rhetoric and reality, between promise and
17 performance that lies at the heart at everything
18 Edison does.

19 As a start-up firm in the 1990s that
20 promised investors a fast route to wealth by buying
21 into a surefire solution to problems facing urban
22 education all over the United States, that's what
23 its article said. But Now, as it has to turn the
24 profit, it pleads that innovation takes time.

25 Edison tells local School Districts that

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2 they can achieve miracles at a reasonable price.
3 But then we read about all these school districts
4 that have drummed them out for costing too much.

5 Edison boasts that they can do a better
6 job than the existing public schools, but then
7 resents it when evaluators compare their performance
8 with other comparable schools in a district, such as
9 you heard today, and finds no appreciable
10 difference. At that point, Edison has argued that
11 comparisons are inappropriate. They should be only
12 measured against what they propose to do.

13 Edison is now trying to lure a handful
14 of politicians, and you've had this dialogue tonight
15 and neighborhood activist in Philadelphia with the
16 promise of community control. Sort of charter
17 school with more money. But its own report calls
18 for ways to bring cost of charter schools down.
19 This is a franchising operation, Edison. And
20 bringing a Edison School to your neighborhood would
21 be the educational counterpart to Wendy's. Nobody
22 who is allowed to manage it.

23 And now Chris Whittle tells a
24 Philadelphia reporter, "We've been training for this
25 for 13 years, in 50 cities. We've invested

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2 \$500 million to figure out 'how do you turn around
3 struggling schools,'" when they've managed just one
4 high school for more than four years with a dropout

5 rate of low income and special education kids no
6 different from anywhere else.

7 Edison tells us we need them because
8 we're really sick. The question remains, would you
9 let these people perform surgery on you?

10 We believe Edison tells us that by
11 having the right organizational and political
12 contacts and by committing to a comprehensive
13 improvement plan, the Philadelphia School District
14 can become a national model for performance
15 improvement.

16 Well, the political context surrounding
17 Edison has already been created. The Governor is
18 trying to impose, as we've talked, against our will
19 this whole plan.

20 And here's where the political context
21 lies, as I see it. Of seven state senators, six
22 voted against it. Of 26 state representatives, 21
23 voted against it. The Mayor of Philadelphia called
24 it fancy land when he read about it in the newspaper
25 the next day. Fifteen members out of 17 of this

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2 City Council, I'm told, signed the resolution
3 opposing all of this. And Our representatives in
4 the House of Representatives has indicated this
5 evening led by Congress Chaka Fattah they are all

6 against it as well. Both local newspapers have come
7 out against the Edison takeover, along with Home and
8 School Association, the parents union, all the
9 groups you've heard tonight. This is the political
10 context that Edison has helped to create. They tell
11 us that in other imposed turnarounds, it did not
12 matter how the governing body was selected, but by
13 what the governing body did. Even they admit that
14 various few stay or city turnarounds of local
15 districts can be considered unqualified successes.
16 The returns are in and it's a loser. But Edison
17 doesn't care.

18 In effect, Edison seems to be guided by
19 Macchiavelli's principal in "The Prince" that it is
20 much safer to be feared than loved. That they leave
21 they can work successfully in Philadelphia on this
22 basis, a place which values personal relationships
23 and neighborhood and politics above just about
24 everything else ought to by itself disqualify them
25 for the assignment.

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2 So Edison may be a business, but it has
3 no business running our School District. It has
4 misdiagnosed our problems in order to fit their
5 prescribed solutions. In has no track record

6 whatsoever in running an entire School District and
7 it's managed only one school for more than two
8 years, high school. It projects success for its
9 efforts based on comparable cities that are not
10 comparable to Philadelphia in any meaningful way.
11 It has chosen to involve itself here not through
12 some meaningful process of negotiation and dialogue
13 with the leadership and the people of this City, but
14 as the enforcer of an imposed takeover by what
15 amounts to a Colonial Government in Harrisburg.

16 There are huge educational and fiscal
17 problems facing the School District. The illnesses
18 are quite real. Edison Schools is not the cure.

19 I hope this is useful to you. I will be
20 out on our web site tonight and getting to the
21 press. I've tried to give some statistical
22 ammunition for some of the points that we are
23 making. I do feel in terms of the general public,
24 just in terms of my reaction and by advise to you
25 that when I learned that Edison had never run a high

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2 school, that blew me away as I was sitting at that
3 meeting. I think that getting that word out -- some
4 of these other things are a bit more complicated,
5 but that is simple. They pretend to have a track
6 record. Everybody knows they've never run a system.

7 But I'm sure that not many people know they've never
8 even run a high school. And We know how necessary
9 it will be to get somebody helping us in trying to
10 rebuild these high schools.

11 I want thank you for what you're doing
12 here. I want to offer my continued help. If you go
13 onto out web site, you will know or if you're e-mail
14 listed every day I now have Philadelphia versus
15 Harrisburg and I am putting on for easy-to-read
16 every morning somebody can go to the web site and
17 read the latest stories like this on what has
18 happened each day. And I have renamed what used to
19 be just called state government with a banner and a
20 picture of our new governor under the battle the
21 Colonial Government of Harrisburg. So when you go
22 to the Colonial Government of Harrisburg, you can
23 immediately e-mail the Governor, it's all there. As
24 well as send e-mail to all of our elected officials.
25 So I'm doing what I can and I'm really delighted --

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2 COUNCILMAN ORTIZ: As a Puerto Rican,
3 we're used to colonialism.

4 MR. SCHWARTZ: Well, it's a good city in
5 which to practice this imposition. And as I said to
6 Chris Whittles -- I did say this to Chis Whittle

7 tonight, I said, you know --

8 COUNCILWOMAN MILLER: Excuse me.

9 MR. SCHWARTZ: I'll just stop.

10 COUNCILWOMAN MILLER: Let's just do

11 this. I want to recess the hearing until Saturday

12 at 10:00 a.m. and Then you and Ortiz can continue

13 to talk.

14 MR. SCHWARTZ: Fair enough. All right.

15 Thank you very much.

16 COUNCILWOMAN MILLER: Thank you.

17 MR. RAMOS: Madam Chairwoman, I just

18 want to thank the Chairwoman, Councilman Ortiz,

19 Representative Mark Cohen, School Board Members who

20 are still here, Sandra Dungee-Glenn, Vice President

21 Dorothy Sumners-Rush, Chris James-Brown. I also

22 want to thank Dr. Bivens and Mr. Bivens right here

23 are going to return -- have waited all this time and

24 decided to return on Saturday. We look forward to

25 seeing you. You're always real troopers even when

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2 you're beating us up, so we really appreciate it.

3 COUNCILWOMAN MILLER: And we'll make

4 sure that you are among the first people. Thank you

5 for staying. We really appreciate it. Thank you.

6 (Council adjourned at 10:30 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of November 8, 2001, were reported
fully and accurately by me, and that this is a

8 correct transcript of the same.

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12 RE: COMMITTEE OF PUBLIC SAFETY

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17 _____
Maureen Broderick, RPR
and Notary Public

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