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COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE OF THE WHOLE

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, May 23, 2007
10:40 a.m.

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PRESENT:

9

COUNCIL PRESIDENT ANNA C. VERNA

COUNCILWOMAN JANNIE BLACKWELL

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COUNCILMAN DARRELL L. CLARKE

COUNCILMAN FRANK DiCICCO

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COUNCILMAN W. WILSON GOODE, JR.

COUNCILMAN WILLIAM GREENLEE

12

COUNCILMAN JACK KELLY

COUNCILMAN JAMES F. KENNEY

13

COUNCILWOMAN JOAN L. KRAJEWSKI

COUNCILMAN BRIAN J. O'NEILL

14

COUNCILWOMAN BLONDELL REYNOLDS BROWN

COUNCILMAN DANIEL SAVAGE

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COUNCILWOMAN MARIAN B. TASCO

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BILL 070015 - An ordinance amending Section
19-1301 of The Philadelphia Code, relating to
17 real estate taxes imposed by the City...

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BILL 070118 - An ordinance amending Section
19-1801 of The Philadelphia Code, entitled
19 "Authorization of Tax"...

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BILL 070119 - An ordinance amending Chapter
19-1800 of The Philadelphia Code, entitled
21 "School Tax Authorization"...

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COUNCIL PRESIDENT VERNA: Good

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morning, everyone. This is a public

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hearing of the Committee of the Whole,

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and I would ask Mr. McPherson to please

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read the title of Bill Nos. 070015,

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070118 and 070119.

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MR. MCPHERSON: 070015, an

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ordinance amending Section 19-1301 of The

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Philadelphia Code, relating to real

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estate taxes imposed by the City, and

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Section 19-1801 of The Philadelphia Code,

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relating to real estate taxes imposed by

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the School District of Philadelphia, by

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shifting an additional portion of real

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estate tax from the City to the School

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District of Philadelphia, without

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changing the overall combined rate of the

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City and School District real estate tax,

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all under certain terms and conditions.

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Bill No. 070118, an ordinance

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amending Section 19-1801 of The

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Philadelphia Code, entitled

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"Authorization of Tax," to further

25

authorize the Board of Education of the

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 School District of Philadelphia to impose
3 a tax on real estate within the City of
4 Philadelphia, all under certain terms and
5 conditions.

6 Bill No. 070119, an ordinance
7 amending Chapter 19-1800 of The
8 Philadelphia Code, entitled "School Tax
9 Authorization," by amending Section
10 19-1806, entitled "Authorization of
11 Realty Use and Occupancy Tax," to further
12 authorize the Board of Education of the
13 School District of Philadelphia to impose
14 a tax on the use or occupancy of real
15 estate within the School District of
16 Philadelphia.

17 COUNCIL PRESIDENT VERNA: Thank
18 you very much.

19 Our first witness?

20 MR. MCPHERSON: The School
21 District of Philadelphia.

22 COUNCIL PRESIDENT VERNA:
23 Mr. Vallas.

24 COUNCILMAN GOODE: Madam
25 President.

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2 COUNCIL PRESIDENT VERNA: Oh,
3 I'm sorry. The Chair recognizes
4 Councilman Goode.

5 COUNCILMAN GOODE: Thank you,
6 Madam President. I wanted to make some
7 brief remarks on Bill 070015. These
8 remarks are consistent with remarks I
9 made on the floor of Council on March
10 22nd. They are consistent because my
11 public policy has been consistent, my
12 politics have been consistent on this
13 issue, and I'm consistent about putting
14 public policy before politics. And I
15 said these words on March 22nd.

16 I told the story about how on
17 September 28, 2006, Major John F. Street
18 created the Philadelphia Education
19 Advisory Task Force to conduct a
20 comprehensive assessment of the City's
21 education system. Mayor Street said
22 then, "Children of Philadelphia is the
23 most important and challenging
24 responsibility. Investing in our
25 children and improving their educational

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2 opportunities is amongst the most
3 important actions we can take as a city."

4 Those are the words of John Street.

5 I attended that press
6 conference, and as the only member of
7 Council present at the time, I was
8 publicly asked by the Mayor for a
9 commitment to support more local
10 resources for public schools. I
11 committed then and I remain committed
12 now.

13 On December 11, 2006, Mayor
14 John F. Street testified in City Council
15 before the joint Committees on Finance
16 and Education on resolutions dealing with
17 School District finances, truancy and the
18 dropout rate. Mayor Street said then,
19 "Let me tell you something, we aren't
20 fooling anybody up here on the finances
21 of this City. You got people up here who
22 know as much about this as anybody
23 anywhere, and that's basically what I
24 meant. There are things that we can do
25 that will cost us money and there are

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2 things that we can do that can increase
3 our revenues. I guess my bottom line is
4 that this School District very shortly is
5 going to need more money, both from the
6 Commonwealth of Pennsylvania and the City
7 of Philadelphia, if we're going to do
8 something to accelerate the kind of
9 progress we think is necessary in our
10 schools."

11 Those are the words of John
12 Street. Needless to say, I agreed with
13 him then and I agree with him now.

14 On December 30th of 2006, Mayor
15 John F. Street delivered his New Year's
16 radio address. Mayor Street said then,
17 "The future belongs to the children. We
18 will continue to invest in our children's
19 education, safety and well-being. In a
20 few weeks, we will unveil the
21 Philadelphia Education Advisory Task
22 Force report, a thorough examination of
23 our School District's programs, finances
24 and needs."

25 Those are the words of John

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2 Street. I anxiously awaited the Task
3 Force report then. I anxiously awaited
4 that Task Force report at the time when
5 he made the remarks two months ago, and
6 we're still awaiting that report now.

7 On February 22, 2007, Mayor
8 John F. Street delivered his fiscal year
9 2008 budget address to City Council.
10 Then Mayor Street said, "Although the
11 City's annual support for the School
12 District has steadily increased, any
13 decision for increased funding should
14 wait until the Education Advisory Task
15 Force issues its draft report," which
16 we're still waiting on several months
17 later.

18 So what accounts for the
19 Mayor's change in support for more local
20 money? My introduction of Bill No.
21 070015 on January 23, 2007. It's quite
22 simple. He asked for my support, not my
23 leadership, but leadership is what I'm
24 offering. I have the support of
25 educational advocates today and at the

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2 time that I made these remarks before, I
3 had the support of every major democratic
4 candidate for Mayor, and I still have the
5 support of the democratic nominee for
6 Mayor.

7 The time to address this crisis
8 is now. Every major issue in the City --
9 crime and violence, job creation,
10 economic development, as well as the
11 overall quality of life -- is intertwined
12 with the issue of public education, the
13 need for more local investment.

14 The Mayor says this bill won't
15 solve the problem. That's true. It is
16 meant to be part of a more comprehensive
17 effort. So to the Mayor I say this is a
18 very serious public policy matter. It
19 requires more than a lame-duck response.
20 I remind the Mayor and my colleagues of
21 the Mayor's own words last year:
22 "Children are Philadelphia's most
23 important and challenging responsibility.
24 Investing in our children and improving
25 their educational opportunities is among

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2 the most important actions we can take as
3 a city. I guess my bottom line is that
4 the School District very shortly is going
5 to need more money, both from the
6 Commonwealth of Pennsylvania and the City
7 of Philadelphia, if we're going to do
8 something to accelerate the kind of
9 progress we think is necessary in our
10 schools. The future belongs to the
11 children. We will continue to invest in
12 our children's education, safety and
13 well-being."

14 I couldn't have said it better
15 than he did, but for me, money talks
16 louder than words.

17 Thank you.

18 (Applause.)

19 COUNCIL PRESIDENT VERNA: Thank
20 you very much, Councilman.

21 Mr. Vallas.

22 Mr. Nevels, would you like to
23 join Mr. Vallas.

24 MR. NEVELS: Good morning.

25 COUNCIL PRESIDENT VERNA: Good

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2 morning. Welcome.

3 MR. NEVELS: Thank you very
4 much.

5 COUNCIL PRESIDENT VERNA:

6 Please identify yourself for the record
7 and proceed with your testimony.

8 MR. NEVELS: My name is James
9 Nevels and I'm the Chair of the School
10 Reform Commission.

11 Madam Chair, it's good to see
12 you again. It's good to be back. I
13 would like to acknowledge two members of
14 the School Reform Commission who have
15 attended this morning and joined us, who
16 have been absolute stalwarts in the
17 support of children and what we have been
18 doing in this city for the last five
19 years.

20 Commissioner Glenn, would you
21 please stand and acknowledge yourself,
22 and Commissioner Martin Bednarek.

23 On behalf of children, I want
24 to thank you for your continued support
25 of Philadelphia's school children over

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2 the past year.

3 When we first came to City
4 Council in 2002 -- and I'm sure that all
5 of you remember that, what a different
6 time it was -- we were a School District
7 beginning an historic and unprecedented
8 journey in educational reform. The five
9 Commissioners on the School Reform
10 Commission were charged with turning
11 around a school system that no one
12 believed in and to prove to the City, the
13 state, our children and all of our
14 stakeholders that our children could
15 learn and that they would learn, and I'm
16 pleased to report that they have learned
17 and continue to learn.

18 One of our first acts in
19 conjunction with former Governor Mark
20 Schweiker and Mayor John Street was to
21 hire Paul Vallas in July 2002 to lead and
22 implement district-wide academic reforms.

23 In 2004, the SRC adopted the
24 Declaration of Education defining target
25 goals to be achieved by June 2008.

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2 According to the Declaration of
3 Education, the mission of the School
4 District of Philadelphia is to provide a
5 high-quality education which prepares,
6 ensures and empowers all students to
7 achieve their full intellectual and
8 social potential in order to become
9 life-long learners and productive members
10 of society.

11 The basis for all of our
12 decisions and our actions over the past
13 five years has never wavered. One,
14 improve the quality of educational
15 programs and offerings to our students
16 and, number two, empower the heretofore
17 powerless.

18 Before 2002, only the wealthy
19 could create educational choice for their
20 children. If you were fortunate to be of
21 certain economic means, you could send
22 your children to private or parochial
23 schools. Our efforts leveled the playing
24 field. No matter what someone's station
25 in life or economic status, all children

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2 now would have options, and they are
3 learning.

4 Sometimes we lose sight of this
5 because we can't measure the feeling of
6 empowerment or success by test scores
7 alone, nor can we know the true value of
8 our efforts in only five years.

9 Together with Paul Vallas, we
10 pursued reforms in ten critical areas:
11 governance, goal-setting, accountability,
12 curriculum, professional development,
13 classroom monitoring, data and
14 assessments, and early childhood and
15 elementary school instruction, secondary
16 reform, and strategies for boosting the
17 performance of the lowest performing
18 schools and students.

19 To quote Michael Casserly of
20 the Council of Great City Schools during
21 his lecture at the Philadelphia
22 Inquirer's Great Expectation Forum on
23 Public Education on April 5th of this
24 year, "What sets Philadelphia apart is
25 how many reforms are being pursued

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2 simultaneously. The efforts are clearly
3 producing results."

4 The reforms instituted are
5 among the most aggressive and productive
6 in the nation, yielding unprecedented
7 increases in test scores and decreases in
8 below basic scores. Thirty-two percent
9 of Philadelphia's fifth-graders achieved
10 proficiency on the Pennsylvania Reading
11 test in 2006. I'll repeat. Thirty-two
12 percent, as compared to just 21 percent
13 in 2002. Math proficiency rose to 42
14 percent from 20 percent. At the eighth
15 grade level, there were 20 percentage
16 points up in both reading and math.

17 Today, the School District of
18 Philadelphia's system of reforms is
19 providing a national model for urban
20 districts across the country. We are
21 improving academic achievement and
22 financial responsibility. And let me
23 repeat -- and I will repeat it again and
24 again and again -- our children are
25 learning.

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2 The most unique aspects of
3 reforms adopted by the School Reform
4 Commission is the implementation of a
5 diverse provider model in which
6 day-to-day management of 45 persistently
7 low-performing schools was turned over to
8 for-profit, not-for-profit and university
9 partners. The diverse provider model
10 also supported the expansion of charter
11 schools to provide parents with school
12 choice and reduce bureaucratic
13 impediments to improving school
14 performance. These dramatic changes in
15 governance, management and school choice
16 made in the course of a single year
17 reflect a reform agenda that would
18 normally comprise a decade.

19 We have not even begun to
20 realize the full potential of the
21 educational choices that we've made.
22 Radically changing the public's view of
23 public education is a formidable task
24 under the best of circumstances, but
25 slowly, we believe we are rebuilding

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2 support for public education in
3 Philadelphia, building confidence in our
4 public school district and educating and
5 empowering our children.

6 Full participation by all
7 stakeholders is the only way this model
8 works. No one yet knows the true cost of
9 reaching our full potential, but we all
10 certainly know the cost if we fail.

11 I thank our students for
12 proving the skeptics wrong. Our children
13 can learn. I thank parents, whose faith
14 and confidence in the School District of
15 Philadelphia was at an all-time low when
16 we arrived. I thank our teachers, who
17 have been asked to take on the difficult
18 task of changing the way they teach in
19 the name of improving the quality of
20 public education. They have proven their
21 versatility, adaptability and dedication,
22 and we must give them the tools they need
23 to win. For them more than anyone,
24 failure is not an option.

25 We know we still have a long

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2 journey ahead of us.

3 You will hear from our CEO,
4 Paul Vallas, who is sitting with me. He
5 has announced that he will step down as
6 CEO at the end of the school year to
7 become the Superintendent of the New
8 Orleans Recovery School District. I want
9 to thank Paul for five years of
10 dedication to the children of
11 Philadelphia.

12 We have our challenges: the
13 budget, personnel, academic programs,
14 class size, to name a few, but we knew we
15 would have challenges, bumps in the road
16 on our journey.

17 You have my guarantee that our
18 children are our priority and schools
19 will open on schedule in September.

20 We will also be asking Governor
21 Rendell, Mayor Street, the General
22 Assembly and we are asking you, the City
23 Council, to reaffirm your support for the
24 School District as we move into a new
25 year. We are committed to continuing

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2 with one of the most ambitious and
3 successful reform efforts in urban
4 education. Children in Philadelphia, I
5 repeat, are learning. They responded to
6 our challenge and they deserve our
7 support. As partners we can ensure that
8 the reforms that have been successful
9 continue and all of our expectations
10 continue to rise.

11 We take our fiduciary
12 responsibility to the children of
13 Philadelphia very seriously. We will
14 continue to develop and implement
15 policies that improve our fiscal and
16 organizational oversight of the District.
17 Despite a budgetary setback, you will
18 hear from Paul and our CFO. We will act
19 responsibly and deliberately so we do not
20 undermine the successes that we have
21 achieved to date and the reform efforts
22 planned over the next several years.

23 Many partnerships formed over
24 the last five years have been at the
25 heart of the reform process, and it is

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2 crucial to continue community involvement
3 in our schools if we want to succeed.

4 Most important are our
5 partnerships with the City of
6 Philadelphia, the Commonwealth of
7 Pennsylvania, the business and faith
8 communities, our friends in the
9 non-profit and civic organizations, but
10 most of all, parents and students
11 themselves. We cannot reach our goals
12 without everyone's confidence, support
13 and continued investment in our
14 educational reforms and our children.

15 To quote my friend and
16 colleague, Commissioner Sandra Glenn,
17 "Our work is well begun, but much more
18 remains to be done."

19 Our goal is noble. Failure is
20 absolutely unacceptable. The experiment
21 is about our future. I am honored to be
22 part of this journey with you and our
23 attempts together to reach our goals.

24 Our children are succeeding,
25 and we'll forge ahead, I hope with your

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2 support and partnership. I hope as we
3 collectively discuss ways to make
4 Philadelphia great, we do so with the
5 realization that we will only achieve
6 greatness if our children are equipped to
7 succeed.

8 Thank you very much.

9 (Applause.)

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 Are there any questions of
13 Mr. Nevels?

14 The Chair recognizes Councilman
15 Goode.

16 COUNCILMAN GOODE: Thank you,
17 Madam President.

18 Good morning, Mr. Nevels, and
19 thank you for your testimony.

20 MR. NEVELS: Good morning.

21 COUNCILMAN GOODE: As we move
22 into the future -- and this is very much
23 about the future -- we salute the work of
24 Paul Vallas, but we are glad that you
25 will still be in place to offer your

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2 leadership. One of the things regarding
3 my bill that many people are concerned
4 about, that I'm concerned about as well,
5 is that we not hand the School District a
6 blank check. I've had a brief
7 conversation with you about what we might
8 do to alleviate those concerns. One
9 thing I've suggested that's been
10 suggested to me is that we look at
11 formulating a Memorandum of Understanding
12 that tells us exactly what we're going to
13 get for the additional revenue that we
14 might provide and particularly in the
15 areas of early childhood education, class
16 size, after-school programs, dropout
17 prevention and safety.

18 Would the School District,
19 particularly the School Reform
20 Commission, be willing to execute such a
21 Memorandum of Understanding with the
22 City?

23 MR. NEVELS: Well, at the very
24 outset, Councilman, I want to let you
25 know how deeply appreciative the School

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2 Reform Commission and children in
3 Philadelphia are of your efforts on
4 behalf of children.

5 As to a Memorandum of
6 Understanding, I obviously would have to
7 consult with my colleagues on the School
8 Reform Commission to get a sense of
9 whether that would be acceptable. We
10 can't deliberate right now because that's
11 not appropriate, but we certainly -- I
12 certainly would be absolutely willing to
13 take that to the Commission for its full
14 consideration and hopefully for
15 implementation.

16 COUNCILMAN GOODE: And that is
17 something that as Chair of the Commission
18 you would be in favor of personally?

19 MR. NEVELS: I would be
20 supportive of that.

21 COUNCILMAN GOODE: Thank you.
22 It is also part of an amendment I will be
23 offering today, and, in fact, I find it
24 necessary probably to make this bill
25 contingent upon such a Memorandum of

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2 Understanding.

3 MR. NEVELS: I'm very
4 respectful of that and certainly will
5 take that to the Commissioners as well.

6 COUNCILMAN GOODE: Thank you,
7 Mr. Nevels.

8 MR. NEVELS: Thank you.

9 COUNCILMAN GOODE: Thank you,
10 Madam President.

11 COUNCIL PRESIDENT VERNA:
12 You're welcome.

13 The Chair recognizes Councilman
14 Clarke.

15 COUNCILMAN CLARKE: Thank you,
16 Madam President.

17 Good morning, gentlemen.

18 MR. NEVELS: Good morning.

19 COUNCILMAN CLARKE: Mr. Nevels,
20 again, I want to concur with Councilman
21 Goode that it's good that you're going to
22 still be around to bring us through all
23 of this.

24 And, Mr. Vallas, good luck in
25 your new endeavors. It's been a pleasure

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2 working with you.

3 I'm going to cut right to the
4 chase on one of the primary issues with
5 respect to one of the concerns that I've
6 had. Here in the City of Philadelphia
7 years ago we had some fiscal difficulties
8 and a program was put in place to ensure,
9 in the spirit of cooperation, that we had
10 some oversight over our fiscal policies.
11 It was called PICA. And it's not clear
12 to me, although the SRC had members of
13 both city appointees and state appointees
14 to it, if it's supposed to play that role
15 from a fiscal standpoint as it relates to
16 the School District's finances. If in
17 fact it was, where was the breakdown in
18 terms of not getting a sense of the
19 looming deficit and subsequent ballooning
20 deficit as it relates to the School
21 District funds? And if in fact that is
22 not the case where they did or will play
23 such a detailed role in the fiscal
24 oversight of the School District's
25 budget, do you recommend a change in

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2 strategy as it relates to that, something
3 similar to a PICA like oversight
4 committee?

5 MR. NEVELS: Thank you,
6 Councilman. Again, thank you for your
7 support and thank you for the question.
8 One of the things -- and I'm going to
9 defer to Paul and our CFO in terms of
10 answering that question, but I want to
11 say to you that when we were here in
12 2002, early 2002, one of the linchpin
13 approvals -- Council President will
14 remember this as well -- that we were
15 very concerned about getting funds
16 immediately through a deficit reduction
17 bond, and we did that and we did that
18 collaboratively with the state and with
19 the Council as well. Those funds were
20 what provided us a fundamental basis to
21 pay outstanding obligations and go
22 forward.

23 What happened was, we had a
24 situation where literally those funds
25 were to be totally expended, as I recall,

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2 Paul, in about two years, and through
3 some very, very creative management,
4 those funds were extended. We are now at
5 the point where the funds are gone and we
6 now need funds on an ongoing basis.

7 So we had at that time funds
8 that were supplementing what we were
9 getting. So we have had, in fact, a
10 decrease in revenues but revenues that
11 were borrowed as well.

12 COUNCILMAN CLARKE: But didn't
13 we anticipate that?

14 MR. NEVELS: Certainly we
15 anticipated that, but during the course
16 of what we were doing, the funds ran out
17 and in the process we were engaged in
18 very sweeping reforms. So to the extent
19 that we could recognize that, we did and
20 we have.

21 COUNCILMAN CLARKE: That's
22 not -- and I don't want to be combative
23 with you, but that's not consistent with
24 the testimony.

25 MR. VALLAS: When I go through

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2 my testimony, I'll go through that point
3 by point if I could -- I could answer it
4 now or do it as a part of my testimony.
5 And believe me, as the President has
6 pointed out, she's got me on a timer
7 here, so I'll definitely try to get to
8 those points in the most expeditious way.

9 But I'll talk about the deficit
10 financing bond or the myth of the deficit
11 financing bond and I'll talk about the
12 really '06 budget crisis, which is what
13 we're suffering from here in '07. It's
14 the '06 bills carrying over into '07.
15 And then I'll obviously talk about the
16 challenges that we face in this budget,
17 '08 and beyond.

18 And I've laid it out in
19 presentation form in that order. So if
20 you can just -- if you can give me about
21 10 or 15 minutes to get to that point of
22 business, I think I'll be able to answer
23 your questions in detail.

24 COUNCILMAN CLARKE: We'll
25 probably be here for quite some time.

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2 MR. VALLAS: Okay.

3 COUNCILMAN CLARKE: Madam
4 President, it's up to you if you want to
5 have Mr. Vallas respond during his
6 testimony. I'm fine with whatever way
7 you choose.

8 COUNCIL PRESIDENT VERNA: Why
9 don't we wait until after he testifies.

10 COUNCILMAN CLARKE: That's
11 fine.

12 MR. VALLAS: Okay.

13 COUNCIL PRESIDENT VERNA:
14 Councilman Clarke, do you have any other
15 questions?

16 COUNCILMAN CLARKE: No. That's
17 my primary focus.

18 COUNCIL PRESIDENT VERNA: Okay.
19 The Chair recognizes
20 Councilwoman Tasco.

21 COUNCILWOMAN TASCO: Thank you.

22 I'd just like to know, recently
23 the SRC appointed the leadership for the
24 School District. Did you all ever give
25 any consideration to the diversity of the

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2 leadership?

3 MR. NEVELS: Absolutely, and I
4 can tell you that the School Reform
5 Commission has certainly during its
6 tenure been absolutely emphatic about
7 diversity, about MBE/WBE participation,
8 and one of the things that in terms of
9 this interim team, there will be
10 minorities in chief of staff positions
11 and otherwise.

12 COUNCILWOMAN TASC0: What about
13 the interim and also the top three
14 leadership positions?

15 MR. NEVELS: What we did was,
16 we initially contemplated working with an
17 individual, the current CIO, and had
18 conversations with him about his interest
19 in being the interim. Unfortunately, he
20 was unable to take on that role, and
21 then, frankly, we went and looked within
22 the organization to provide continuity
23 during an interim period of time and
24 moved down that list.

25 COUNCILWOMAN TASC0: Is the

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2 search process in place? Have you hired
3 a search firm to look for a CEO?

4 MR. NEVELS: Let's talk about
5 that for a moment. What has happened is,
6 we are going to engage in a national
7 search. There has been prepared an RFP
8 soliciting proposals from specific search
9 firms, and we are now in that phase.

10 One of the very important
11 responsibilities of the search firm will
12 be to develop a process for public input.
13 And we are also in conversations with
14 some of the individuals that worked with
15 the Philadelphia Inquirer that did their
16 community forums to get input.

17 But, yes, we have a process in
18 place. We'll be moving to select a
19 qualified search firm or firms and move
20 forward as quickly but as deliberatively
21 as we can to find a successor to our
22 leader.

23 COUNCILWOMAN TASC0: So as you
24 move through that process and you engage
25 the search firm, will there be a

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2 selection committee, and what will that
3 selection committee look like? I assume
4 that the forums will be for the community
5 to have input into what you might be
6 looking for, but who will comprise the
7 selection committee to make the final
8 determination? Will there be broader
9 participation than just the SRC Board?

10 MR. NEVELS: We certainly --
11 the primary responsibility of the SRC
12 will be to act to select a leader, but
13 obviously to the extent that there are
14 inputs to the SRC and we're respectful of
15 inputs, opinions and advice, we're going
16 to be open to that.

17 I have not had a substantial
18 conversation with members of the SRC. We
19 have one more individual who is about to
20 come on and fill a seat. But we're going
21 to talk about that and come to some
22 determination as to how we move about
23 selection, but the primary responsibility
24 will fall on the SRC.

25 COUNCILWOMAN TASCO: What is

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2 your timeline?

3 MR. NEVELS: As quickly as we
4 possibly can, but we want to take as much
5 time as we need. So I would say to you
6 that it would be wonderful if we could
7 have a new leader by the opening of
8 school. I'm not sure that that's
9 possible, but we will get a better sense
10 of that from the Commission sitting down
11 with the firm or firms that are selected,
12 and we'll certainly report back to you in
13 that regard.

14 COUNCILWOMAN TASCO: Now, what
15 role will this interim team play in terms
16 of decisions relative to -- will they be
17 sort of like the gatekeepers to maintain
18 what you have in place or will they have
19 the ability or responsibility to move
20 forward on making any new changes or
21 anything like that in the District?

22 MR. NEVELS: When you have a
23 \$2.1 billion operation, you have to have
24 leadership in order to make sure that
25 things run, that they operate. We have a

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2 great concern obviously with opening the
3 schools on time and going on with the
4 operation of the organization. Those
5 individuals will be charged with that.
6 They will be responsible for that, and
7 that's certainly no different than the
8 current situation under current
9 management.

10 COUNCILWOMAN TASC0: I guess my
11 question is, will they put forth any --
12 when the new administration or new
13 Superintendent arrives, he has his ideas
14 or her ideas about what the School
15 District should look like and they want
16 to put forth these ideas.

17 Will this interim team make any
18 of the changes that have been put forth
19 by the current Superintendent and the SRC
20 or will they sort of maintain and operate
21 and run the school in the status quo or
22 will they have the ability to make
23 drastic changes?

24 MR. NEVELS: They will report,
25 as does current management, to the School

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2 Reform Commission, and the five
3 Commissioners will make a determination
4 as to what is being done and whether it
5 should be done, just as is the case now.

6 Now, the other thing to keep in
7 mind, please, Councilwoman, is that we
8 have a plan, and that plan for educating
9 children comes from the Declaration of
10 Education. The Declaration is our
11 guiding principle, our guiding star, and
12 we intend, I believe, the Commission, to
13 adhere to that and continue moving toward
14 the achievement of those goals, and those
15 individuals as part of the interim team
16 will be charged with staying that course.

17 COUNCILWOMAN TASC0: I guess
18 one question I want to ask but it will
19 probably go back to Mr. Vallas relative
20 to the budget deficit. The question I
21 want to ask is, what did you know and
22 when did you know it, Mr. Nevels, in
23 terms of the financial situation?

24 MR. NEVELS: In terms of the
25 financial situation, we have monthly

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2 meetings, and I can't recollect exactly
3 when it was. I would have to go back and
4 look at notes as of that time, but
5 certainly there was good information flow
6 from the CEO to me personally and to the
7 Commission about the status of the
8 deficit.

9 COUNCILWOMAN TASC0: Well, if
10 the deficit focuses in on year 2006, were
11 there any red flags for you? I mean,
12 because the School District came to us
13 last year and said you had a balanced
14 budget, and then in the interim, you had
15 found out you had a deficit.

16 I'll wait until you talk, but I
17 want to ask Mr. Nevels, at what point did
18 you know when you were here in '06 that
19 there might be a deficit relative to that
20 budget in April of 2007?

21 MR. NEVELS: We knew that we
22 were running out of the deficit reduction
23 financing proceeds. We knew that.

24 COUNCILWOMAN TASC0: So you
25 knew that when you came to present the

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2 budget to the Council that right at that
3 point you had a balanced budget?

4 MR. NEVELS: Absolutely.

5 COUNCILWOMAN TASC0: But in the
6 back of your mind, did you know that at
7 some point in time that you would have a
8 deficit, meaning that you would end up
9 with this deficit?

10 MR. VALLAS: Since I provided
11 the testimony at the City Council
12 meeting, when we presented the budget
13 this past year, we presented what we felt
14 was a structurally balanced budget. And
15 let me point out that if we run a deficit
16 of \$23, \$24 million this year, then
17 technically we will have had a
18 structurally balanced budget. Our
19 problem was, we didn't close our books
20 and we don't close our books until
21 September and October, and at the time,
22 we felt that we were going to run a
23 deficit for the previous year that would
24 be covered by our reserves, by our fund
25 balance.

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2 The deficit, when we closed our
3 books, for reasons that I'll articulate
4 again in my testimony, ended up being not
5 22 million but ended up being \$73 million
6 due to a combination of some reasons.
7 One reason was our salvage was much lower
8 than anticipated. We thought we would
9 have our average salvage 24 million.
10 That's historical. We salvaged six
11 million.

12 Term pay. As you know, the No
13 Child Left Behind mandate that employees
14 be highly qualified was enforced. There
15 was a dislocation of about 750 employees
16 who worked for us that our term pay was
17 50 percent higher than it's been in the
18 past. Term pay is retirement, sick time,
19 et cetera, et cetera. Some people call
20 it severance, but there was a 50 percent
21 increase. We are surprised at that.

22 We also did not receipt -- we
23 conducted a number of property sales that
24 were consummated but suddenly got held up
25 in the courts. Incidentally, that have

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2 yet to be consummated.

3 So those three things alone
4 added something like \$30, \$35 million to
5 our deficit. So instead of closing the
6 books with a \$22 million deficit that
7 could be covered by our fund balance, we
8 ended up having a \$73 million deficit
9 that could not be covered by our fund
10 balance. Do you see what I mean?

11 And, again, I think the City
12 closed its books in October. It
13 discovered that their surplus was \$50
14 million higher than they had projected
15 and a hundred million dollars higher than
16 the original surplus that was submitted
17 when the budget was presented.

18 Now, I'm not suggesting that
19 people knew about that. That was good.
20 You erred on the sides of being too
21 conservative on your estimates. But the
22 bottom line is, the books get closed in
23 September and October, and that's when
24 the true numbers come in.

25 So instead of having a deficit

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2 for '06 that was manageable and that
3 could be funded by the remaining reserve
4 funds that we had in our fund balance,
5 the deficit was a heck of a lot higher
6 and we could not cover that deficit. So
7 as a result, those expenses rolled over
8 into the '06-'07 budget, and that
9 comprises the bulk of the deficit that we
10 have now.

11 We project that by the end of
12 this year -- we're still hoping that
13 we'll finish the year with about a --
14 between a \$35 and \$40 million deficit.
15 There are some suggestions that it could
16 be three or four million dollars higher.
17 On the other hand, we're hoping that term
18 pay and salvage will return to historical
19 averages. If they do, then it could
20 actually be in the 20's. But I'm not in
21 any way going to try to speculate or to
22 guess, because we won't know until
23 September what those numbers are either.

24 So that is the crux of the
25 problem. In a nutshell, we pushed the

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2 envelope. We tried to do too much. And
3 we tried to attrit out teachers at a
4 slower rate than we could have given the
5 fact that we've lost a large part of our
6 population to charter schools, I might
7 add. Because the enrollment of the
8 School District is stabilizing and, of
9 course, the School Reform Commission
10 creates charters. We're carrying almost
11 the entire cost of our capital program,
12 unlike other districts nationally,
13 through our operating budget, through our
14 operating budget. Camden gets 80 percent
15 of their school construction from the
16 state.

17 So there's a lot of things
18 that -- we're trying to do a lot with the
19 limited funds that we have. Also,
20 there's this myth that the deficit
21 financing bond, my God, all this money we
22 could spend, I mean, the deficit
23 financing bond netted the District \$317
24 million. The first act of the School
25 Reform Commission, prior to my arrival,

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2 once the deficit financing bond was
3 enacted, was to use something like \$115
4 million of that proceeds just to pay out
5 old bills that they had inherited from
6 the previous administration. In
7 addition, the debt service on the deficit
8 financing bond is \$24 million a year.

9 So the net proceeds I've had to
10 work with through the deficit financing
11 bond has been less than a hundred million
12 dollars. So much for the myth of the
13 deficit financing bond.

14 My point here -- and that's why
15 they call it deficit financing bond, so
16 you could draw down on that bond to cover
17 your deficit so that we could -- because
18 we weren't going to tell the City
19 Council, We got to use this deficit
20 financing bond to keep our budget
21 structurally balanced, while we postpone
22 curriculum instructional reforms,
23 postpone early childhood reforms,
24 postpone high school reforms, postpone
25 school construction. We pushed the

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2 envelope, and we came up short. We came
3 up short, like most school districts are
4 across the nation. But unfortunately,
5 unlike most school districts and unlike
6 every school district outside
7 Philadelphia, we can't raise our own
8 taxes. We are dependent on the state for
9 our money. We are dependent on the City
10 for our money.

11 So I'll take full
12 responsibility for spending more
13 resources than I had, but I'll also share
14 some of the responsibility with the
15 School Reform Commission for having some
16 of the biggest increases in test scores
17 in the country, for offering more school
18 choice than any other school district
19 could even hope to imagine, to have
20 introduced probably the best managed
21 instructional program in the country, to
22 have constructed a school construction
23 program that is historic in size, yet
24 only addresses one-third of our needs.
25 So we pushed the envelope and we are now

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2 at the crossroads.

3 Now, the budget that we face
4 for '07 and '08, it is a budget deficit
5 challenge that we had expected, because
6 we figured by this time, the deficit
7 financing bond proceeds would have been
8 exhausted, and all of our collective
9 bargaining agreements or, for that
10 matter, our capital programs back load
11 the cost. So we can do reforms and then
12 -- and so that we're not financially
13 constricting us up front, because as
14 Councilman Goode has said over and over
15 again, we have a crisis in our district
16 and we've got to provide our kids with
17 the supports that they need now.

18 But what's complicated this
19 budget that we're currently wrestling
20 with is the fact that we're going into
21 this budget with a carry-over deficit
22 from the previous year, which we had
23 hoped that we wouldn't have. I mean, if
24 we didn't have \$35, \$40, \$45 million in
25 carry-over deficit that really emanates

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2 from '06 and if we weren't -- and we
3 carried it over into '70 and now we're
4 going to have to in turn carry the
5 deficit over into '08, this budget would
6 have been a little more manageable,
7 because every year we face about \$100
8 million in cost drivers, but what's
9 complicating the budget this year is the
10 fact that we don't have a reserve fund.
11 We don't have deficit financing bond
12 proceeds. We don't have any more
13 creative financing ideas to get refunds
14 on some of our debt restructuring and
15 things like that. We're kind of -- we're
16 in a bind. We don't have a cushion that
17 we've had in the past, and that's why
18 we've gone to the state and that's why
19 we've come to the City Council for some
20 additional help.

21 So, again, we close the books
22 in September and October. We ended up
23 having a much higher deficit than
24 anticipated, and, unfortunately, we
25 weren't able to make the cuts in the

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2 middle of the year. After numerous
3 public hearings -- and the Mayor
4 participated in 14 hours of the public
5 testimony, because we were reluctant to
6 go in and cut things that would have an
7 adverse impact on our reforms. So we
8 continue to carry that deficit, and
9 that's the deficit that we're wrestling
10 with today.

11 Now, when I make my
12 presentation, I'll articulate the budget
13 challenges facing us this year, if I ever
14 get to it, and talk to some of the
15 recommendations.

16 I'm sorry for the long answer
17 to the short question.

18 Oh, I made my presentation.
19 Okay. But I do have an outline that I do
20 want to run by you, and if you can just
21 indulge me, just if you can give me about
22 15 or 20 minutes to give you the
23 highlights, I think the document is more
24 than self-explanatory. So if you can
25 just do that, I'd appreciate that.

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2 COUNCILWOMAN TASC0: All right.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 Councilman Clarke, is your
7 question of Mr. Nevels?

8 COUNCILMAN CLARKE: I don't
9 know if you're in the presentation phase.
10 You made one statement during the course
11 of your response, and I commend you for
12 taking responsibility for spending more
13 money than you had, and that kind of
14 brought me to the crux of my earlier
15 question of Mr. Nevels.

16 What mechanisms are going to be
17 in place to make sure in the future that
18 we don't spend more money than we have?
19 And if in fact you have to spend more
20 money than you have, we in Council will
21 have a sense of that early on so we can
22 hopefully respond in a way that's
23 meaningful and productive. So that's
24 kind of what I'm trying to get a sense
25 of, the fiscal oversight, to make sure

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2 that we don't find ourselves in that
3 process again. And I guess I'm asking
4 Mr. Vallas that question at this point.

5 MR. NEVELS: We are
6 certainly -- we have certainly been
7 chastened by what has happened and we
8 have put into place some mechanisms to do
9 that, and the question going forward is
10 making sure that we have sufficient and
11 adequate financial information systems in
12 place so that we can avoid this sort of
13 situation.

14 Now, one of the things that
15 Paul just mentioned -- and I think it's
16 important to mention -- is that there
17 is -- this is a dynamic process. We are
18 putting together -- we put together
19 budgets based on certain assumptions as
20 to revenue, and then we receive the
21 revenue, which may meet the assumptions
22 or may not meet the assumptions.

23 So we are engaged in a process
24 very unlike in business where you know
25 what you have coming in. And so what

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2 we're going to do is be very, very
3 studious about making sure that we have
4 in place on an ongoing basis financial
5 information systems that will allow us to
6 determine where we are, but also remember
7 that this is a sort of thing where you
8 have swings of 25, 30 million bucks in a
9 budget of \$2.1 billion. So we have those
10 in place and we're going to continue to
11 monitor that.

12 COUNCILMAN CLARKE: Can you be
13 more specific in terms of the types of
14 systems? I mean, is it more employees?
15 Have you changed the MOIS systems? I
16 mean, what exactly --

17 MR. VALLAS: If I can speak
18 specifically to this.

19 COUNCILMAN GOODE: Point of
20 order.

21 MR. VALLAS: One of the things
22 that --

23 COUNCIL PRESIDENT VERNA:
24 Excuse me, Mr. Vallas.

25 MR. VALLAS: I'm sorry.

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2 COUNCILMAN GOODE: Thank you,
3 Madam President.

4 COUNCIL PRESIDENT VERNA:
5 Councilman Goode has a point of order.

6 COUNCILMAN GOODE: Did
7 Councilman Clarke address that question
8 to Mr. Vallas?

9 MR. VALLAS: Oh, I'm sorry.

10 COUNCILMAN CLARKE: I kind of
11 did.

12 COUNCILMAN GOODE: If he did
13 address that question to Mr. Vallas, it's
14 sort of a curious question. I don't
15 believe Mr. Vallas is able to spend one
16 dime after the beginning of the next
17 fiscal year. So there's not a question
18 of whether Mr. Vallas is going to spend
19 more than he has in the next fiscal year,
20 because he's not going to spend any of
21 it.

22 MR. NEVELS: Madam Chair, if I
23 may, one of the things I just received
24 from the CFO is a list of control
25 environment enhancements, and I would

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2 certainly like to submit this to the
3 record in response to the Councilman's
4 question. I mean, they include
5 encumbrance controls, expense budget
6 overrides and so on, which I can
7 certainly review them with you here, but
8 I think that it might be, in the interest
9 of time, time better spent by putting it
10 into the record, if that's okay.

11 COUNCILMAN CLARKE: I mean, is
12 it rather lengthy?

13 MR. NEVELS: Yeah. It's this
14 document that has -- that outlines
15 systems controls and then managerial
16 controls, and there are four items under
17 the system controls and another five or
18 six items under the managerial controls,
19 but I think that this would address the
20 question directly.

21 COUNCILMAN CLARKE: That's
22 sufficient for me.

23 MR. NEVELS: Okay.

24 COUNCILMAN CLARKE: Thank you.

25 COUNCIL PRESIDENT VERNA: Do

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2 you want a copy?

3 COUNCILMAN CLARKE: Yes. That
4 would be helpful.

5 COUNCIL PRESIDENT VERNA:
6 Mr. Vallas, do you mind if we have copies
7 made and distributed, please.

8 MR. NEVELS: Certainly.

9 MR. VALLAS: I also wanted to
10 make -- and it's from a historical
11 perspective. I realize that I won't be a
12 part of this process much longer, but we,
13 for the better part of the last six
14 months, have been collaborating, working
15 very closely with the state, particularly
16 Michael Masch in the Budget Office. Now,
17 we have periodically briefed the state
18 Budget Director and the Governor's
19 representatives on the status of our
20 budget. When we had the mid year
21 deficit, we went in, we met with them, we
22 discussed it with them. We have
23 periodically done that, as we have with
24 legislative committees and as we have
25 with Council staff from time to time, as

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2 you well know. But that process has
3 really become formalized. And in the
4 presentation of this budget, we've been
5 meeting not only weekly, but our staffs
6 have been doing work during the week
7 collectively to come up with a document
8 that is really a consensus document,
9 because if we're going to request more
10 funding from the City and from the state,
11 the state Budget Director needs to have
12 the confidence level that what we're
13 requesting is justified. And it's my
14 understanding that he'll be coming out
15 here next week to give you his assessment
16 of the School District's finances. And
17 so rather than to speak for him, I'll let
18 him certainly speak for himself.

19 But I imagine that that process
20 or my assumption is that process is going
21 to continue; in other words, that the
22 interaction and exchange with the state
23 is going to become more intensive rather
24 than less intensive as it has been in the
25 past. So rather than the monthly

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2 briefings, this has really become a
3 weekly exercise. So the state has really
4 immersed itself in the examination of our
5 finances, as they have done in a number
6 of districts.

7 But Michael will be before
8 the -- I believe I was told by the
9 Mayor's Office that he'll be here next
10 week to, in effect, present his report
11 and give you his assessment.

12 COUNCILMAN CLARKE: And there
13 will be a similar role from the City's
14 perspective in terms of weekly --

15 MR. VALLAS: Absolutely.
16 Because at all those meetings the City
17 has been represented, too. The City has
18 had its budget representative there and,
19 of course, Jackie Barnett. The very able
20 education czar has also participated in
21 that process. So it's been a collective.
22 Mr. Nevels and his representative,
23 myself, I've been there involved in those
24 meetings myself personally and, of
25 course, the Mayor's Office has been

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2 represented and Michael has been there
3 himself. And if anyone knows Michael,
4 Michael really has the -- he likes to
5 immerse himself in the data. And I
6 imagine that that process is going to
7 continue as we build -- because I think a
8 case can be made for more funding.

9 Let me point out that what
10 we're requesting from the state is a 5.7
11 percent increase in state funding, 5.7
12 percent. That is less than we've
13 received last year and that is consistent
14 with, at least over the last four or five
15 years, with the increases. So we're not
16 requesting 7, 8, 9, 10 percent funding.

17 What we're requesting from the
18 City, if you include the 9.2 million that
19 we've requested to help us fund our
20 after-school and summer school programs
21 and if you pass Councilman Goode's bill,
22 that would constitute a 5.8 percent in
23 City funding to the District, 5.8
24 percent, not 10 percent, 15 percent, 20
25 percent.

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2 So, again, if you look at
3 historical trends -- and I'm not
4 suggesting that that is easy to absorb in
5 the City's five-year budget plan, because
6 obviously the City has its own
7 challenges, that we're not requesting
8 something that is outrageous from a
9 historical perspective. So I just want
10 to point that out.

11 And what we've been trying to
12 do is, the Governor's people and the
13 Mayor's people have been going through
14 the numbers so they have a comfort level
15 that what we're requesting can be
16 justified and what we're requesting can,
17 in effect, be specifically earmarked. So
18 that money translates into restore
19 teaching positions or that money
20 translates into more early childhood
21 slots or that money translates into
22 funding for dropout prevention programs,
23 things of this nature. Okay?

24 But, again, the state will make
25 its presentation early next week and I'll

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2 certainly defer those further questions
3 to them.

4 COUNCILMAN CLARKE: Okay. I'm
5 in no way suggesting that there does not
6 need to be more revenue generated for the
7 School District.

8 MR. VALLAS: Accountability.

9 COUNCILMAN CLARKE: I'm on
10 record early on as saying that I'll be
11 supportive of additional revenue. My
12 question only relates to oversight to
13 make sure that we don't find ourselves in
14 a similar situation a year or two out.

15 MR. NEVELS: Absolutely, and
16 we're respectful of that. And, again,
17 the materials on budgetary controls have
18 been -- will be circulated to you and put
19 in the record.

20 COUNCILMAN CLARKE: Thank you.
21 Thank you, gentlemen.

22 Thank you, Madam President.

23 COUNCIL PRESIDENT VERNA:
24 Mr. Vallas, you keep referring to the
25 report that we will be given next week.

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2 Knowing that we were having these
3 hearings today, why couldn't the report
4 be submitted to us?

5 MR. VALLAS: It's not my
6 report, so I don't --

7 COUNCIL PRESIDENT VERNA: I beg
8 your pardon?

9 MR. VALLAS: I know the state
10 Budget Director has briefed both the
11 Governor and the Mayor on his preliminary
12 conclusions or conclusions, but I was
13 told by the Mayor's -- by Jackie that
14 they would be coming next week to
15 present. And so it's their report. It's
16 not ours. It's not our report. It's
17 their report. It's not something that
18 we're co-authoring.

19 COUNCIL PRESIDENT VERNA: So to
20 the best of your knowledge, the report is
21 completed?

22 MR. VALLAS: Well, then I'll
23 submit it since I haven't read it.
24 Jackie just gave me a copy of a letter
25 submitted by Michael to Jackie, and I'll

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2 just submit it to you and we can read it
3 at the same time. So I don't -- I'm
4 getting a copy of it this morning. But
5 it's my understanding that they've made a
6 presentation to both the Governor and to
7 the Mayor about the status of the School
8 District's budget and obviously to make a
9 case for additional funding. And I was
10 told that they would be here next week to
11 answer questions and to, in effect,
12 respond. And when I read the letter that
13 Jackie just handed me, I may be able to
14 elaborate further, but that's my
15 understanding. And I believe they've
16 pretty much completed their work. I
17 think they probably wanted to brief the
18 Governor and the Mayor before putting out
19 something publicly, but I imagine that
20 they'll be briefing the City Council
21 shortly.

22 COUNCIL PRESIDENT Verna: Well,
23 we have not been informed of that as yet
24 and I think we do have a timetable to
25 pass this before us, and I know that's

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2 not your concern.

3 Councilwoman Brown, did you
4 want to be recognized?

5 COUNCILWOMAN BROWN: Yes.

6 Thank you, Madam President.

7 Good morning, gentlemen. Let's
8 go back to the discussion around the
9 search process. You say that your goal
10 for finding a new CEO is fall '07 by the
11 time school is open?

12 MR. NEVELS: That would be
13 optimal. I don't know if that's
14 realistic.

15 COUNCILWOMAN BROWN: With the
16 exception of the community input that
17 you're putting in place this time, how
18 does this search process differ from the
19 search process that gave us Mr. Vallas?

20 MR. NEVELS: It does not vary
21 in any substantial way.

22 COUNCILWOMAN BROWN: And how
23 long did the last search process take
24 then?

25 MR. NEVELS: Oh, my goodness.

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2 I'm hearing three to four and I'm also
3 hearing six months.

4 COUNCILWOMAN BROWN: Forgive
5 me?

6 MR. NEVELS: Six months. But I
7 believe three to four months was really
8 what --

9 COUNCILWOMAN BROWN: So it's
10 conceivable to think if we add community
11 input and the last process took six
12 months, it's a strong possibility that we
13 will not have someone in place prior to
14 schools opening?

15 MR. NEVELS: That's possible.

16 COUNCILWOMAN BROWN: Last year
17 there were a lot of questions raised
18 around the School District's fragile,
19 sensitive discussions with the building
20 trades. Update us on where you are with
21 the agreement that was put in place.

22 MR. NEVELS: As to that
23 agreement, I can say that it has moved
24 very, very nicely. There will be a
25 follow-up announcement in the next month,

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2 I believe, that will show that rather
3 than there being 500 apprenticeships that
4 are available, we're really on a trend
5 line that could yield 700. So rather
6 than we're looking at in the first year
7 100, it will be substantially more than
8 100, because we are now at the one-year
9 anniversary of that historic agreement.

10 So there's some very good news
11 to be shared in terms of the
12 collaboration with the building trades
13 and the fact that we are looking at an
14 increased yield of young people that will
15 be admitted to the building trades.

16 COUNCILWOMAN BROWN: So then
17 it's fair to say that you reached the
18 benchmarks that were stipulated in the
19 agreement?

20 MR. NEVELS: That is correct.
21 That's my understanding, yes.

22 COUNCILWOMAN BROWN:
23 Councilwoman Tasco gave us some
24 discussion and questioning around the
25 procurement activities there. What is

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2 the connection between the District's
3 vocational curriculum -- that question is
4 better suited for Mr. Vallas. The
5 remaining of my questions are better
6 suited for Mr. Vallas. So I thank you
7 for your testimony.

8 MR. NEVELS: Thank you very
9 much.

10 COUNCILWOMAN BROWN: Thank you,
11 Madam President.

12 COUNCIL PRESIDENT VERNA:
13 You're welcome.

14 The Chair recognizes
15 Councilwoman Blackwell.

16 COUNCILWOMAN BLACKWELL: Thank
17 you.

18 Good morning, Mr. Nevels,
19 Mr. Vallas --

20 MR. VALLAS: Good morning.

21 MR. NEVELS: Good morning.

22 COUNCILWOMAN BLACKWELL: --
23 members of the SRC.

24 I'm concerned, as always -- and
25 I was going to wait to mention the few

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2 issues, because I try not to bring my own
3 District Council issues into a full
4 budget discussion, but I think I'll do it
5 anyway.

6 I went to a meeting -- Al
7 Bichner and others were there, and I'm
8 grateful -- last night at West
9 Philadelphia High School, and I left the
10 meeting feeling that I don't know if
11 there's a real plan to do West Philly
12 High. I mean, at the meeting,
13 discussions were about how Turner School
14 would input, even though we've talked at
15 KIPP whether that would input. As you
16 know, we've been talking about Salzberger
17 becoming a high school. And if you're
18 going to do anything with West and
19 University City, you got to have a high
20 school feeder school. But it's as if the
21 discussion on all of these things is just
22 starting, not that it's been going on for
23 years, and it's very frustrating.

24 The students complain in the
25 schools that in spite of the fact that

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2 there are fires, that they don't empty
3 out the school every day and they don't
4 know what's real and what isn't, but you
5 and I know whether it's real or imagined.
6 If there's an alarm, you've got to empty
7 out the school, and we have to deal with
8 it. So there's so many of those things.

9 But I'm looking at the budget
10 and I'm trying to figure out where we
11 stand. We've worked hard to have a
12 comprehensive plan. I thought that we
13 could make West Philly or the Third
14 District a model for the City, but I
15 don't feel any further along than before.
16 I don't know if Salzberger is going to be
17 a high school. After I left West Philly
18 High School, I have no idea. I felt that
19 everybody was in -- I thought that
20 everybody was kind of in collusion to not
21 do anything. That's how frustrating it
22 is. We talked about boundaries. We talk
23 about cutting the school in half. Either
24 the Girls High or the boys part of the
25 school open, cutting that in half and

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2 lowering those numbers. But where are
3 those kids going to go? Then they
4 mentioned Turner School, which we were
5 talking about for KIPP. What happens to
6 half of those kids? What happens if
7 Salzberger doesn't become a high? And
8 Salzberger can't become a high school
9 with an elementary school gym, and we've
10 been fighting for the money. PHA was
11 willing to do the turnkey. They still
12 have their four million. We needed the
13 other four million. We're talking about
14 acquisition money that I understand the
15 School District has for West.

16 Penn is here. They talked
17 about, Penn and Drexel, redoing
18 University City and the part they would
19 play in that. So I've got all my schools
20 tied up, and I really try to stay on top
21 of the issue. You know I'm a former
22 educator. I love my schools. I love the
23 Education Committee, but I feel no
24 further along and more frustrated than I
25 did two years ago, because then I felt

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2 hopeful. Now it's just confusion, and I
3 don't feel we have any answers. We're
4 supposed to know for West by June 18th.
5 Well, that's about a week before schools
6 end. And I'm really frustrated at people
7 slipping me notes, call me, and the Home
8 and School and you've got still Concordia
9 in there. You've got the student union.
10 You got all of these entities on a
11 student level, as well as the adult
12 academic teaching level. I mean -- and
13 I'm just throwing it all out there, then
14 you can respond and I'm done with it at
15 this point of our hearings.

16 But Cliff James left in March.
17 Now we have Ozzie Wright. Ozzie Wright
18 is already at another school. Now we've
19 got more principals. I mean, if we
20 weren't going to have all this stuff
21 straight, why did we -- part of the
22 frustration with the Home and School and
23 the people who are there, as all of you
24 know, is that they didn't want Cliff
25 James to leave. Having said all of that,

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2 then why did we change principals and
3 couldn't even have an interim until the
4 end of the school year? I mean, we got a
5 search on. We have one new principal.
6 Ozzie Wright, everybody liked him or most
7 people, and then he left. He's already
8 in another school.

9 I mean, it's just mass
10 confusion on every level. It's very,
11 very frustrating, because our
12 responsibility as leaders is to lead, and
13 I have no idea what I'm supposed to say
14 and to whom you listen, because everybody
15 has a different point of view, whether
16 they're a teacher, an educator,
17 administration, and it's just -- I feel
18 that it's all just one big mess.

19 And so I'm happy to listen
20 to -- I'm not blaming anybody
21 specifically, but collectively how can we
22 be further behind than we were two years
23 ago?

24 MR. VALLAS: Was that in the
25 form of a question?

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2 COUNCILWOMAN BLACKWELL: Yes.

3 MR. VALLAS: Let me --

4 COUNCILWOMAN BLACKWELL: All of
5 that was a question.

6 MR. VALLAS: Let me respond.

7 First of all, as you know, Salzberger, we
8 want to convert Salzberger, but we can't
9 convert Salzberger until the new Barry is
10 built, because we have to house the Barry
11 kids in Salzberger. So Salzberger has
12 been delayed because of the need to house
13 the Barry students.

14 As you know, the Barry School
15 was not safe to be occupied. And the
16 Barry School is under construction, and
17 once the Barry School's construction has
18 completed its course, Salzberger can then
19 begin its conversion to a small high
20 school. And, as you know, we've talked
21 to Mastery Charter about, in effect,
22 doing the type of conversion that they've
23 done at Thomas and that they're going to
24 do at Pickett and that they've done at
25 Shoemaker. And all you have to look at

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2 is their middle school conversions and
3 they did an outstanding job.

4 COUNCILWOMAN BLACKWELL: But
5 you can't do it with an elementary -- the
6 gym is too small.

7 MR. VALLAS: We understand.

8 COUNCILWOMAN BLACKWELL: So we
9 wanted to have our community center.

10 MR. VALLAS: Right, and I
11 support the community center, but the
12 Commission will have to deliberate on
13 that. And I believe that the community
14 center is in the capital plan. But we
15 can't begin the conversion until the
16 Barry kids are out.

17 Secondly --

18 COUNCILWOMAN BLACKWELL: I
19 mean, I don't know how we view -- you got
20 replacement schools. You have
21 reservations. How do we translate that?

22 MR. VALLAS: Well, let me take
23 you through it, because we've had
24 conversations of this and I've met with
25 all of the community groups on your

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2 behalf many times with you.

3 We've asked KIPP about Turner,
4 but as you know, KIPP takes a year to
5 select the principal and then a year to
6 train the principal. That's their model.
7 And they will only do their school their
8 way, which is why they're successful,
9 because they don't go in and they don't
10 do the school until they have the right
11 team for that school.

12 COUNCILWOMAN BLACKWELL: But
13 now they're saying West kids may go to
14 Turner. Turner kids used to go to
15 Bartram.

16 MR. VALLAS: Well, as you
17 know -- but there is -- look, the
18 community has never been divided on a lot
19 of things that want to be done. Our
20 recommendation was to convert it to a K
21 to 8. There is still a group out there
22 that wants to convert it to a small high
23 school and has approached Mastery and
24 some others about converting it to a
25 small high school to reduce the

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2 population of West Philly. But the
3 bottom line here is, KIPP is still on
4 board to do the school once they've
5 selected the principal, and when we met
6 with the community and when we met with
7 the Seniors Council out there, that's
8 what they wanted, they wanted a K to 8
9 school. They didn't want to turn Turner
10 into a high school.

11 COUNCILWOMAN BLACKWELL: Well,
12 how are they going to get rid -- how are
13 you going to divide the population of
14 West Philly in half?

15 MR. VALLAS: Well, West
16 Philly -- and Al Bichner is here to talk
17 about it, and he'll be more than happy to
18 talk about the plans for West Philly for
19 next year, and he'll be more than happy
20 to talk about that. In terms of the
21 construction of a new West Philly, I can
22 go into all sorts of reasons why the
23 construction has been delayed, and you
24 know as well as I have that there was a
25 long time lack of consensus on where that

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2 building should be built, and if somebody
3 wants to blame me for indecisiveness, I
4 mean, I'm moving on, so I'll take
5 responsibility for everything and that
6 will kind of clear --

7 COUNCILWOMAN BLACKWELL: Not on
8 my part. I'm not indecisive.

9 MR. VALLAS: I know. I know.
10 But the bottom line here is on West
11 Philly, there was a lack of consensus on
12 a site. The status for West Philly is in
13 the capital plan. It is going to be
14 budgeted. It is budgeted in the capital
15 plan. The RFP for design is being issued
16 next week. The design phase will begin
17 in July. The design phase will probably
18 take at least six months. And as you
19 know, I mean, we went through that long
20 methodical -- what was the group? The
21 year-long Concordia group. What did it
22 take? 12 months?

23 COUNCILWOMAN BLACKWELL: I
24 didn't bring Concordia in.

25 MR. VALLAS: But the bottom

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2 line here is, the Concordia group brought
3 all the community organizations together
4 and they went through a year of --

5 COUNCILWOMAN BLACKWELL:

6 According to them. I didn't create that.

7 MR. VALLAS: I know, but what
8 I'm saying is, the Concordia group had
9 representation from all of the community
10 organizations and the individual feeder
11 schools. I'm not saying you brought them
12 in, but what I'm saying is, there's been
13 a long process of community involvement
14 in the schools. And they suggested small
15 schools. They suggested the design of
16 the small schools.

17 So there is a plan for West
18 Philly. It's just going to take longer
19 than anticipated. And it's going to be
20 because there's been a lot of input,
21 maybe too much input, into the whole West
22 Philly project. And I'll be more than
23 happy to have taken responsibility for
24 not trying to expedite it or not trying
25 to, in effect, muscle the project

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2 through, but at the end of the day, the
3 new West Philly will be built and we will
4 have a new high school out there.

5 Now, the status of Turner,
6 Turner is still in line to be a KIPP
7 school, and the future Superintendent or
8 in the future the Board may change
9 direction on that, but the bottom line
10 here is, KIPP is gearing up. They're
11 recruiting a principal, and they are more
12 than willing to convert the school into a
13 K to 8 school.

14 And I support the addition at
15 Salzberger. I've always supported that
16 addition. And there's no reason why we
17 can't go halves on creating that
18 addition. But nothing is going to happen
19 at Salzberger until the Barry kids are
20 out. And so we're going to continue to
21 have to wait until the new Barry School
22 is built, because we have to house those
23 kids somewhere.

24 Now, on the bright side,
25 Microsoft has opened and Sayre has

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2 converted to a small high school, and the
3 Sayre campus has been revamped and
4 revitalized and are almost done with the
5 athletic field. So some things are
6 moving, but I'll take responsibility for
7 the delays in the process.

8 COUNCILWOMAN BLACKWELL: I'm
9 not asking that. I'll ask two small
10 questions, because the President wants to
11 move on, only two specific small ones.
12 Number one, would you check into --
13 they're really complaining about that
14 music -- they have a traditional program
15 with students, alumni and others, a music
16 program every year in the school and
17 they're told they can't have that.

18 MR. VALLAS: At West Philly?

19 COUNCILWOMAN BLACKWELL: At
20 West Philly.

21 MR. VALLAS: Okay.

22 COUNCILWOMAN BLACKWELL: And
23 number two, is our supersite still on?

24 MR. VALLAS: Yeah. I mean, the
25 supersite is part of the budget, is part

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2 of the school budget. And, as you know,
3 we've been talking about the 4601 Market
4 Street site as the site for the
5 supersite.

6 COUNCILWOMAN BLACKWELL: And
7 they were talking about Lee Cultural
8 Center, too.

9 MR. VALLAS: Believe me, I
10 haven't -- that's not mine. I'm not --
11 the Cultural Center is not on my radar
12 screen.

13 COUNCILWOMAN BLACKWELL: All
14 right. Thank you.

15 COUNCIL PRESIDENT VERNA:
16 Councilwoman Brown, do you have a
17 question of Mr. Nevels?

18 COUNCILWOMAN BROWN: I do. I
19 want to seize the moment.

20 Tell us the process you went
21 through for identification and
22 recruitment of the current CEO.

23 MR. NEVELS: I beg your pardon?
24 I'm sorry.

25 COUNCILWOMAN BROWN: Please

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2 tell us the process you went through with
3 the identification and recruitment of the
4 interim CEO.

5 MR. NEVELS: What we did was,
6 we looked at the -- we started initially
7 with internal candidates. We started
8 with the current CAO. The SRC had
9 deliberation about that, talked to him
10 about his interest. He had other
11 opportunities and other opportunities to
12 look at and pursue. We then determined
13 that it would be important to remain
14 in-house internally during this process
15 and then moved to the COO, Tom Brady, who
16 has a wealth of experience at larger
17 school districts, Fairfax County and
18 other experience that we felt commended
19 him to be the interim. That was the
20 process that we used.

21 COUNCILWOMAN BROWN: And
22 subsequent steps regarding uniformly
23 making aware all SRC members of the
24 decision was what?

25 MR. NEVELS: I beg your pardon?

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2 COUNCILWOMAN BROWN: How did
3 you go about informing all of the SRC
4 Commissioners of the decision?

5 MR. NEVELS: There was a
6 process, and during the process, the four
7 SRC members were asked to submit names.
8 This was something that transpired over a
9 five- to six-week period. And during
10 that time, individuals were allowed to
11 come up with names, come up with
12 suggestions, and they did, and then we
13 sifted through those.

14 It is important to note that
15 this was not an intemperate act, that it
16 was in fact a deliberative act that
17 proceeded over a five-week period.

18 COUNCILWOMAN BROWN: So then
19 what are the lessons learned, given the
20 press reports that not all SRC members
21 were uniformly aware of the decision?

22 MR. NEVELS: What about the
23 press reports?

24 COUNCILWOMAN BROWN: No. What
25 are the lessons learned where, according

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2 to press reports, which are contrary to
3 what you've just shared with us, not all
4 SRC Commissioners were informed
5 simultaneously? What are the lessons
6 learned?

7 MR. NEVELS: I think that the
8 lessons learned are that, number one,
9 what we will do in the future is, we will
10 engage in the fullest measure all SRC
11 members, along with funders and others
12 that are involved, and would continue to
13 do so.

14 I will note to you that there
15 were ongoing conversations about this
16 process with funders as well. What we
17 will do is, we will be certainly more
18 transparent about that in the future and
19 more public about it.

20 COUNCILWOMAN BROWN: And when
21 you say "more transparent," that means
22 what?

23 MR. NEVELS: What that means
24 is, it will be a far more open process in
25 public deliberation in much the same way

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2 that we will try as we look to finding a
3 new leader, community input, look to have
4 also a search firm that will design that
5 process and reach out into the community
6 in that respect.

7 In the case of an interim, it
8 is my personal opinion that a broad,
9 far-ranging public engagement in that is
10 not appropriate.

11 COUNCILWOMAN BROWN: Thank you
12 for your testimony.

13 MR. NEVELS: That would be the
14 lessons learned.

15 COUNCILWOMAN BROWN: Forgive
16 me?

17 MR. NEVELS: That would be the
18 lessons learned.

19 COUNCILWOMAN BROWN: Thank you
20 for your testimony.

21 Thank you, Madam President.

22 COUNCIL PRESIDENT Verna: Thank
23 you so much, Mr. Nevels.

24 Mr. Vallas, if you don't
25 mind --

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2 MR. VALLAS: I won't dare make
3 the presentation now.

4 COUNCIL PRESIDENT VERNA: No.
5 Please don't, because we do have a
6 witness that has a very, very important
7 commitment and has asked if he could
8 testify.

9 MR. VALLAS: Yes.

10 COUNCIL PRESIDENT VERNA: So if
11 you don't mind waiting.

12 MR. VALLAS: Sure.

13 COUNCIL PRESIDENT VERNA: I
14 would like to call to the witness stand
15 Michael Nutter, who will present his
16 testimony, and Mr. Vallas will be next.

17 Good morning. Again,
18 congratulations and welcome.

19 COUNCILMAN NUTTER: Thank you,
20 Madam President.

21 COUNCIL PRESIDENT VERNA: I'm
22 sorry. Councilman Clarke, did you want
23 to be recognized?

24 COUNCILMAN CLARKE: Madam
25 President, do we get to ask questions of

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2 this witness?

3 COUNCIL PRESIDENT VERNA: Of
4 course.

5 COUNCILMAN CLARKE: Just
6 kidding.

7 COUNCILMAN NUTTER: You've been
8 looking forward to that one. Absolutely.

9 Thank you very much, Madam
10 President. My name is Michael Nutter,
11 N-U-T-T-E-R. I appreciate this
12 opportunity to give some very brief
13 remarks, which will be unusually
14 characteristic, which all the members I'm
15 sure by now will appreciate after 15
16 years of long speeches and testimony.
17 I'll be very brief today.

18 Madam President, Councilwoman
19 Blackwell, Chair of the Education
20 Committee, and all Councilmembers, as
21 well as Chairman Nevels, SRC Members
22 Dungee Glenn and Bednarek and CEO Vallas,
23 I appreciate this opportunity to give
24 brief remarks with regard to Bill No.
25 070015, which is sponsored by Councilman

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2 Goode, with regard to proposed additional
3 financial resources for the School
4 District to be transferred from the City
5 of Philadelphia.

6 First, Madam President and
7 Madam Chair, I am in complete support of
8 Bill 070015. I wanted to lend my voice
9 to finding additional support for the
10 School District of Philadelphia and the
11 City's ongoing commitment to providing
12 educational opportunity for our young
13 people. And while some may say that the
14 District's financial circumstances far
15 outweigh this amount of money presently,
16 I think it is critically important that
17 this City Council and this City
18 Administration continue to demonstrate
19 financial commitment and support to the
20 School District, but, more importantly,
21 that we send the right message to our
22 partners in Harrisburg, the Governor and
23 the General Assembly, as they go through
24 their budget process that for whatever we
25 can afford presently -- and I believe

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2 that we can afford this particular
3 transfer -- that for whatever we can
4 afford, we should put on the table as a
5 sign of good faith but also ask our
6 General Assembly to more than match this
7 funding for the schools, one, because
8 it's the right thing to do; second,
9 because the Commonwealth of Pennsylvania
10 has a constitutional responsibility to
11 provide fair and efficient education for
12 all children in Pennsylvania, and
13 certainly we are advocates for children
14 here in Philadelphia. And so I would
15 hope that these dollars would help to
16 leverage by multiples the funding that
17 should come from Harrisburg, not only to
18 solve the present financial circumstance
19 but to also right the ship financially
20 for the School District of Philadelphia
21 so that we do not have annual budget
22 crises.

23 Madam President, I'd like to
24 conclude with I believe it's important in
25 the course of a campaign that if we say

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2 that we support certain things or propose
3 certain things, that we in fact, through
4 our actions, as they say, put our money
5 where our mouths are.

6 During the course of the
7 campaign, I commented about this issue
8 and supported it strongly, and as a part
9 of the education plan that I laid out for
10 the School District and the City, I had
11 proposed the following: That as Mayor, I
12 will work with City Council to pass
13 legislation that will increase the
14 allocation of the property tax revenues
15 going to schools. As a member of City
16 Council, I supported then Mayor Rendell's
17 request for an additional tax on drinks,
18 which provided the additional funding for
19 the School District.

20 As Mayor, I will work with
21 Council to provide additional funding for
22 the School District by changing the
23 allocation of local property taxes that
24 go to schools from 58 percent to 60
25 percent. This would shift approximately

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2 \$18 million per year to schools. These
3 new educational resources will be
4 evidence of the City's increasing
5 financial commitment to the educational
6 success of its children, and this
7 commitment should be matched by a new
8 state commitment and private sector and
9 foundation funding of at least the same
10 amount. As a result, this \$18 million
11 commitment by the City will leverage
12 additional funding from new sources for
13 education.

14 That was the proposal then.
15 That was the commitment I made then, and
16 that's the commitment that I want to make
17 today as, for the moment, a private
18 citizen and the democratic nominee for
19 Mayor in the City.

20 I would hope that this Council,
21 through its wisdom, would support this
22 particular measure completely through the
23 legislative process to make sure that
24 this bill becomes law, and I want to
25 commend Councilman Goode for putting this

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2 legislation forward. I know there are a
3 number of members who are supportive. I
4 wanted to lend my voice to this effort,
5 and I thank you very much.

6 (Applause.)

7 COUNCIL PRESIDENT VERNA: Thank
8 you. Thank you very much. We appreciate
9 your taking the time to come in to
10 testify.

11 I know that no one has any
12 questions.

13 COUNCILMAN NUTTER: Thank you
14 so much.

15 COUNCIL PRESIDENT VERNA: Thank
16 you.

17 COUNCILMAN NUTTER: I was here
18 long enough to know that if there are no
19 questions up on the board, it's time to
20 get out of this seat.

21 Thank you for having me back.
22 I'm glad to be here at this particular
23 moment. I look forward to working with
24 all of you during the course of the next
25 few months of the campaign. Should I be

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2 successful in November, I want to have a
3 very good, close, warm and friendly
4 working relationship with City Council.

5 Thank you, Madam President.

6 COUNCIL PRESIDENT VERNA: I
7 think you missed one word: Sharing.

8 COUNCILMAN NUTTER: Sharing.

9 COUNCIL PRESIDENT VERNA:
10 Sharing.

11 COUNCILMAN NUTTER: Yes,
12 sharing.

13 COUNCIL PRESIDENT VERNA: We
14 are going to share.

15 COUNCILMAN NUTTER: We are
16 going to share. We're going to spend
17 wonderful time in the sandbox. We're
18 going to exchange our toys and
19 information. And I'm going to spend a
20 lot of time up here on the fourth floor
21 of City Council from a different office.

22 Thank you, Madam President.

23 COUNCIL PRESIDENT VERNA: Thank
24 you.

25 COUNCILMAN NUTTER: Thank you.

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2 COUNCIL PRESIDENT VERNA: Thank
3 you so much.

4 COUNCILMAN NUTTER: Thank you.

5 COUNCIL PRESIDENT VERNA:
6 Mr. Vallas.

7 COUNCILWOMAN BLACKWELL: Thank
8 you, Mr. Vallas. I think we're finally
9 ready for your testimony again, and thank
10 you very much.

11 MR. VALLAS: I think the Madam
12 President asked me not to go through my
13 testimony.

14 Let me for the members, though,
15 just point out a few things, because
16 every year I present rather detailed,
17 very specific testimony and then
18 sometimes questions emerge that were
19 actually in the testimony. So if you can
20 just indulge me.

21 COUNCILWOMAN BLACKWELL:
22 Certainly.

23 MR. VALLAS: As I just
24 summarize the document for you.

25 And I think it will be helpful,

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2 because you may have some questions that
3 you wanted to pose, but you didn't think
4 of.

5 What I did in the document on
6 Pages 2 through 7 -- and this will go on
7 our website, incidentally, today after
8 the testimony has been given -- is really
9 to summarize what the District has
10 become, about our successes in teacher
11 recruitment and retention, the doubling
12 of the number of kids in early childhood,
13 the curriculum reforms, the small high
14 schools -- we have 33 small high
15 schools -- what we've done with school
16 choice, what we've done on the student
17 discipline side, and it really lays
18 out -- it contrasts 2002 with 2007. So
19 as you're looking at the District's
20 budget for this year, please look at what
21 the District has become.

22 RAND, Mike Casserly, the
23 Council of Great City Schools, they all
24 came here to a public forum to discuss
25 school reform in Philadelphia the other

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2 day and they all had good things to say
3 about the progress that the District has
4 made, granted the District still has a
5 long way to go. So I do ask you and I
6 really beg you to take a look at the
7 document.

8 On Page 8 and Page 9 of the
9 budget, we really lay out a pie chart on
10 where the money goes and where the
11 revenues come from. Rather than to get
12 into those numbers, I think those numbers
13 are pretty revealing, and the numbers do
14 not say anything that I haven't said
15 privately. So please take a look at
16 those pie charts, because it shows where
17 the bulk of our money goes and it shows
18 where the bulk of our money comes from.
19 And rather than to belabor the point, I
20 think the point is pretty much there in
21 writing.

22 On 10, we identified, Madam
23 Chairman, the cost drivers, the things
24 that have been driving our costs since
25 2002. And the charter schools have grown

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2 in cost by 20 percent a year.

3 Alternative education costs have gone up
4 \$47 million. We all want to be tough on
5 zero tolerance, but that also comes with
6 a price. Utilities have grown by nine
7 percent. Debt service has grown by 100
8 percent.

9 Let me point out for anyone who
10 thinks that we have too much debt, you
11 can't say we have too much debt and we're
12 not doing enough on capital. There's
13 five billion in identified needs. We've
14 been able to construct a \$1.5 billion
15 capital plan in Phase 1. And in our
16 second five-year plan, we have \$730
17 million in capital over five years. So
18 we're not done. We need 160 million a
19 year just to maintain the physical
20 condition of our buildings. And we all
21 know about the neglect. Plus our
22 employee benefits have gone up 72 percent
23 since 2002.

24 So, you know, if you looked at
25 SEPTA, if you looked at the Housing

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2 Authority, if you looked at the state, if
3 you looked at all of the other
4 governments that are walking around with
5 a hundred-million-dollar-plus deficits,
6 you would see the same thing. It's the
7 same cost drivers driving our costs up.
8 The fundamental question we have to ask,
9 though, is what have we gotten for these
10 cost drivers?

11 If you look at Page 11 and Page
12 12, Page 11 and Page 12 talk about how
13 we've been able to finance these reforms
14 over the last five years, and it's due to
15 the fact that we've gotten more money
16 from the City and it's due to the fact
17 that we've gotten more money from the
18 state. It's also due to the fact that
19 we've done a lot of creative financing
20 things and we've done a lot of fiscally
21 accountable things in the District to
22 reprogram dollars. Because you don't do
23 this much school choice, you don't expand
24 early childhood this much, you don't
25 replace every textbook in the system, you

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2 don't modernize a lot of your classrooms,
3 you don't finance a \$1.5 billion
4 construction program, you don't open 31
5 small high schools, you don't pay for
6 four years of labor, peace and benefits,
7 you don't have large after-school and
8 summer school programs without doing
9 something -- without bringing some
10 efficiencies to the table.

11 So we've documented what those
12 revenues are that we've gotten from the
13 state and we've also documented what the
14 savings and efficiencies that we've
15 brought to this district. And let me
16 point out that all of our audits have had
17 literally no material findings. The
18 question here is, we're just overextended
19 because we've probably done too many
20 charters, we've probably -- our
21 after-school, summer school programs are
22 probably too large. I mean, we've
23 probably -- school choice has probably
24 cost us more than we anticipated. The
25 capital plan is more than we can finance

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2 locally. I mean, we're carrying the
3 entire capital plan ourselves. It's on
4 our book. It is our debt, yet it only
5 addresses about a third of our need. I
6 know there's frustration over the
7 Salzberger addition and things like that,
8 but the bottom line is, we have a lot of
9 needs and we just don't have enough money
10 to finance it.

11 On Page 13 is what Councilman
12 Clarke had requested. This lays out the
13 '05-'06, '06-'07 shortfall in specific
14 audited details, and this tells you why
15 we're going to finish this year with a
16 budget deficit, and it lays it out
17 specifically point by point by point.
18 And this isn't new testimony. This is
19 testimony that I've put out.

20 Finally, on Page 14, we talk
21 about the '07-'08 budget and we list
22 where the cost drivers are coming in the
23 '08 budget: 5.2 percent in salary
24 increases, 10 percent in benefits. We
25 got hit very hard with PSERS. The state

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2 retirement bill came due this year.

3 Charter schools is up 13 percent, debt

4 service up 19 percent, all other expenses

5 up 1.8 percent. So it really shows where

6 the cost drivers are coming from.

7 And in the documents in Pages

8 15 through 19, we talk about the revenues

9 and expenditure proposals in the budget,

10 all designed, in effect, to balance the

11 budget. And then on Page 20, we talk

12 about taking reform to the next level.

13 So that's an outline of the

14 presentation, and I'll be more than happy

15 to respond to any questions about any

16 element of it. We've been briefing

17 staff, as we always do. Of course, this

18 is on our website. It is going online.

19 Let me indicate that the

20 request in additional money that we're

21 requesting from the state and from the

22 City I think are reasonable based on

23 historical contributions. We are asking

24 for a 5.7 percent increase in state

25 funding. That's very comparable to what

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2 we've received in the past from the
3 state. And let me point out that all but
4 \$14 million of that money is already in
5 the Governor's budget. There's
6 already -- the alternative schools money
7 has been put into the budget. The money
8 for the EMO schools is in the budget.
9 The money for the increase in
10 accountability and categorical grants are
11 in the budget. It's just a matter of us
12 getting our fair share of that.

13 So we're actually asking for
14 about \$13 million more than what is
15 currently in the Governor's budget that
16 we are either going to receive or be
17 entitled to. So when you see a number
18 saying we want \$55 million in new money
19 from the state, actually we're asking for
20 a little over 13 million more than is
21 currently in the Governor's budget to
22 help us address our needs.

23 And we are asking for 27
24 million from the City. Obviously we
25 support Councilman Goode's resolution on

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2 the millage, and we are requesting some
3 additional funding to help us pay for our
4 after-school, summer school programs.
5 But that dollar amount constitutes a 5.8
6 percent increase in our City funding
7 request.

8 So that's kind of a summary of
9 the budget document. We lay out our
10 proposed expenditure cuts in very, very
11 specific detail. With the additional
12 money from the state, we're confident
13 that we'll be able to pass a budget that
14 does not dismantle critical programs if
15 we are able to receive the additional
16 funds. We have identified some
17 contingencies if those funds are not
18 received, and those contingencies are
19 documented on Page 20.

20 And then, finally, at the
21 request of the Council, I provided an
22 analysis of where we need to go to get to
23 the next level, and that's on Page 20 and
24 beyond. And so I've attempted to cost
25 out what district-wide class size

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2 reduction will cost us, what classroom
3 modernization will cost us and how we
4 might secure the money for it, expanded
5 student behavioral supports, expanded
6 alternative and transitional schools,
7 dropout prevention and reduction
8 initiatives, expanded capital
9 initiatives.

10 So I have critiqued those
11 recommendations and I've talked about --
12 I've made some suggestions on how we may
13 be able to address those issues.

14 So it's a pretty comprehensive
15 document. I'll be more than happy to
16 talk about any aspect of it. I'm sure
17 we'll have other opportunities to do so,
18 but I submit the document for your review
19 and I make myself available to answer any
20 of the questions that you may have.

21 COUNCILWOMAN BLACKWELL: Thank
22 you. I only ask one that's not directly
23 yours, but one group who will be
24 testifying, that on Tuesday, the 29th,
25 the SRC meets. Is that true, and that

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2 they'll be dealing with teacher cuts,
3 budget cuts, school closing, et cetera?

4 MR. VALLAS: On Tuesday, the
5 SRC will be voting on the budget.

6 COUNCILWOMAN BLACKWELL:
7 Tuesday, the 29th?

8 MR. VALLAS: Yes. I believe
9 that's the date to vote on the budget.
10 Yes, ma'am.

11 COUNCILWOMAN BLACKWELL: And
12 they say that includes teacher cuts,
13 school closing, et cetera.

14 MR. VALLAS: Let me point out
15 that our schools are losing population.
16 Some buildings need to be closed. And
17 we've closed a lot of buildings, but
18 we've converted most of those buildings
19 to small high schools. We've closed a
20 number of middle schools that we've
21 converted to small high schools, very
22 successful small high schools.

23 While test scores across the
24 nation in high schools are going down,
25 our test scores are actually inching up.

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2 And they're not where they should be, but
3 everyone else in -- other districts are
4 not releasing their test scores. They
5 release their elementary school test
6 scores, and then the high school test
7 scores are kind of like released on late
8 Friday afternoons when they get the
9 minimum coverage.

10 Our high school test scores
11 have been improving. Our high school
12 attendance has been improving
13 significantly, and our high school
14 dropout rate has actually been declining,
15 although it's still far too high. But
16 the bottom line is, we've gone from six
17 high schools making adequate yearly
18 progress to 30 high schools making
19 adequate yearly progress. And we've
20 created so many high school choice
21 options. I mean, I live in Northwest
22 Philadelphia in one of ten regions, and
23 in the old days, so to speak, Germantown
24 High School and maybe King were the high
25 schools of choice, but now you have the

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2 Leeds Military Academy, now you have the
3 Arcadia University High School for Peace
4 and Social Justice. As somebody likes to
5 joke, they call the military academy the
6 war school and the peace school.

7 We have -- there are two
8 charters in the area serving kids.
9 Lankenau is being converted to a
10 Masterman type school. You look at South
11 Philly where South Philly High School
12 used to be the only high school of
13 choice. Well, in addition to South
14 Philly, Audenreid will be open in
15 September. The Audenreid High School
16 will be open in September. There's plans
17 to convert Peirce to a small high school.
18 As you know, University of Pennsylvania
19 is very interested in putting an
20 international high school program there,
21 at least temporarily.

22 We converted Palumbo to a
23 Central High School, a Central High
24 School type high school and we're doing
25 massive renovations. There's two

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2 high-quality charters in the area.
3 There's -- is it Prep Charter and there's
4 Mastery Charter. And all you have to do
5 is visit Thomas School with the
6 renovations that they've done. And that
7 is in every area. And even in West
8 Philly, the long neglected West Philly,
9 there is a Microsoft, there is a Sayre,
10 there will be a West Philly. As long as
11 Sandra Dungee Glenn lives and breathes,
12 there's going to be a West Philly, and
13 she will follow me to New Orleans or to
14 the ends of the earth to make sure that
15 West Philly becomes a reality, and you'll
16 be close behind, I know that, Jannie.
17 And Salzberger will be converted as soon
18 as we get the Barry kids out.
19 So there are options. And in
20 Northeast there's a new Lincoln under
21 construction. Rush has been closed for a
22 year and a half as we're converting it to
23 a Kappa Northeast. There's a new Fels
24 High School under construction. There's
25 a new Gamp under construction. There's a

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2 new Carver under construction, not to
3 mention the National Constitution Center
4 High School and the Franklin Science High
5 School and the numerous small high
6 schools that we've opened, not to mention
7 seven small schools and additions that
8 are currently under construction right
9 now.

10 So there are a lot of things.
11 There are a lot more choices and there
12 are a lot more quality choices than we've
13 had in the past. That's not to suggest
14 that anything is where it should be. We
15 are light years ahead of where we should
16 be.

17 And you're absolutely right,
18 Councilman Goode, when you say that there
19 is a direct correlation between dropouts
20 and crime and poverty, and when you look
21 at the individuals who are victims and
22 both victimizers and you look at their
23 educational breakdown, there is a direct
24 correlation. There has been and there
25 always will be. So obviously we have to

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2 change the dynamic.

3 But I want people to recognize
4 that what you bought for this deficit is
5 something pretty special, and this is a
6 district that is in far better shape
7 today than it was years ago, with fewer
8 structural problems than it was years
9 ago. But, again, we remain a relatively
10 underfunded district, and I don't care
11 who comes in and testifies afterwards,
12 there's no escaping the fact that we
13 can't do school reform on the cheap and
14 we're going to need to step up to the
15 plate to provide more funding.

16 The Governor has been trying to
17 make up for 20 years of underfunding,
18 both this Governor and Governor
19 Schweiker, who did a lot for us, too.
20 And, of course, the City has its own
21 challenges with the need to address the
22 issues of public safety and
23 infrastructure. Certainly the City's
24 finances are stressed, too. Maybe not
25 this year, but over a four- or five-year

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2 period, you need to think long term about
3 these things.

4 But if you look at the
5 presentation, I think you'll see that
6 there is a lot to be proud of and that
7 there has been a lot of success. And I
8 think when Michael makes his presentation
9 next week, he's going to conclude the
10 same thing. We've done a lot of good
11 things for our expenditures here, and
12 there are more choices and more
13 opportunities than there have been in the
14 past.

15 But that said and done, I think
16 we now have the opportunity to get to the
17 next level, and that's what I've tried to
18 do by articulating my testimony. And I
19 guess I ended up making by budget
20 presentation anyway, didn't I? So I'll
21 take whatever additional questions you
22 might have.

23 COUNCILWOMAN TASCO: The Chair
24 recognizes Councilman Goode.

25 COUNCILMAN GOODE: Thank you,

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2 Madam Chair.

3 Good afternoon, Mr. Vallas.

4 Thank you for your service over the last
5 five years, and I am actually sorry to
6 see you leave.

7 Let me ask you two broad
8 questions, one related to the \$27 million
9 request in new local funding. It's a
10 two-part question. One, what does that
11 \$27 million buy us? And the second part
12 of that question is simply, if we did
13 nothing but the millage transfer, which
14 would amount to about \$18 to \$20 million,
15 what does that buy us?

16 MR. VALLAS: I've got a head
17 cold, so I didn't hear the second part of
18 that question. I apologize, because I
19 have like -- my ears are permanently --

20 COUNCILMAN GOODE: The second
21 part of the question was, if we did
22 nothing above the millage transfer, which
23 amounts to about \$18 to \$20 million, what
24 does that buy us?

25 MR. VALLAS: If we don't -- the

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2 additional \$9.2 million that we requested
3 from the City -- I'll answer the millage
4 question in a second.

5 The additional \$9.2 million
6 that we requested from the City will
7 allow us to continue to sustain what is a
8 pretty large after-school and
9 extended-day program and our summer
10 school programs. I'd like to say that
11 additional \$9.2 million would buy us more
12 summer school and more after school, but
13 I, in all honesty, can't say that. That
14 will help us sustain those programs. As
15 you know, we do have one of the larger
16 after-school and summer school programs
17 in the country.

18 The millage transfer will allow
19 us to maintain the status quo when it
20 comes to our teacher-student ratios. It
21 will allow us to maintain our status quo
22 when it comes to our staffing. Without
23 the additional millage transfer, we will
24 have to begin to attrit out teaching
25 positions to what we refer to as our

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2 contractual level, because the ratio of
3 teachers per students right now in the
4 District is about one to 26, and when you
5 take out the special education teachers,
6 it's about one to 28.

7 And so as the public schools
8 have lost population and as that
9 population incidentally has shifted to
10 charter schools -- because our population
11 is stabilizing for the first time in a
12 number of years. A lot of people talk
13 about -- I saw a story that talked about
14 the diminishing School District, and I
15 pointed out that we still have, what,
16 upwards to 200,000 kids in the system,
17 because we've got the charter school
18 system and we've got the alternative
19 school system, and that's what's the
20 choice, school choice.

21 But what we've done is, through
22 hold harmless and through supplemental
23 staffing positions and through keeping
24 the de-seg money in the schools, even
25 though we're no longer required to

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2 provide de-seg funding, we've been able
3 to, in effect, staff beyond what the
4 ratios that we're required to staff by in
5 our contracts.

6 Now, is that enough? No. We
7 need to hire more teachers, but the
8 millage will allow us to sustain those
9 additional staffing allocations. Because
10 right now, look, we have too few
11 counselors than we have kids, but we have
12 more counselors than we're statutorily
13 required to have. We have too few nurses
14 than we have children, but we have more
15 nurses than we're required to have. But
16 being able to sustain those levels and
17 even slightly increase those levels is
18 going to depend on the millage, in all
19 honesty.

20 So I think we'll be able to
21 stabilize the system to maintain the
22 status quo from a staffing standpoint if
23 we get the additional money. If we
24 don't, we're going to then start to --
25 we're going to have to reduce our

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2 numbers.

3 I'll also point out, too -- and
4 I think when CFO Masch makes his
5 presentation next year -- the cost
6 drivers this year are very high. The
7 cost drivers next year are much, much
8 lower. Where we had 150 million plus in
9 cost drivers this year, next year our
10 preliminary cost drivers are \$45, \$50
11 million. Why? Because all of our
12 contracts are up, our labor contracts,
13 everything. And our expenses are
14 always -- the expenditure increases are
15 always smallest in the first year of our
16 contract agreements. They're always
17 highest in the last year of our contract
18 agreements.

19 So if we are able to
20 structurally balance this budget and get
21 additional money this year so that the
22 budget is balanced, not on one time but
23 the budget is balanced structurally, it
24 will put us in a position to begin to
25 run -- we will run a surplus next year

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2 and we will begin to rebuild our fund
3 balance.

4 So we've introduced a status
5 quo budget plan, a status quo budget plan
6 for this year, but if this budget is
7 structurally balanced -- I mean permanent
8 revenue base with expenditures -- then it
9 will put us in a position to have more
10 flexibility to begin to do additional
11 things next year.

12 COUNCILMAN GOODE: What does
13 the additional state resources buy us?

14 MR. VALLAS: Well, the state
15 resources help pay for the reforms, too.
16 We are trying to get -- this is the
17 additional money we're requesting from
18 the state that is not in the Governor's
19 budget currently, and it's about 14, 15
20 million -- it's 13 -- I think it's \$13.2
21 million.

22 COUNCILMAN GOODE: Can you tell
23 me about the first portion before you get
24 to the additional 13 million?

25 MR. VALLAS: Well, first of

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2 all, there's money in the budget. I
3 believe there's about \$22 million in the
4 budget, and those are our basic grants,
5 the special grant, the General Fund
6 grant. And let me point out that that's
7 not a lot and that barely allows us to
8 maintain the status quo. In fact, that
9 money is less than our salary increases,
10 our compensation. Certainly you saw what
11 we got hit with in terms of PSERS, a ten
12 percent increase. So, clearly, that does
13 not cover the cost increases for special
14 ed and the cost increases for general
15 School District operations.

16 We are requesting that the \$22
17 million for alternative school funding be
18 restored, in addition to the basic grant
19 and the special education grant. And
20 that comes to about \$22 million.

21 We are also requesting that we
22 get our fair share of money that is put
23 in the Mayor's budget for early childhood
24 all-day kindergarten and technology. And
25 we've already dramatically increased our

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2 early childhood programs. We got 50
3 percent more kids in early childhood than
4 we've had in the past prior to 2002. We
5 have one of the large early childhood
6 programs in the country. And we already
7 do full-day kindergarten. So we think we
8 should get our fair share of that. And
9 it could be as high as \$30 million,
10 although we're only counting \$15 million
11 for budget purposes, because we want the
12 flexibility to do that.

13 I'm also asking the state for
14 the flexibility to spend our education
15 support dollars. They give us this EAP
16 money for tutoring, supplemental
17 education services. I'm asking for the
18 flexibility to spend that as we see fit
19 rather than to spend it in a very
20 restricted way that the state sets for
21 us.

22 I'm also asking for a full
23 reimbursement for the statutorily
24 required reimbursement for our charter
25 expenditures. We're supposed to be

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2 reimbursed at 30 percent. We're
3 reimbursed at about 27 percent. We're
4 appreciative of that.

5 I'm also asking for our funding
6 for the new autistic grant
7 reimbursements, and that comes to about
8 3.2 million.

9 If you look at Page 15, it lays
10 it out in detail what the additional
11 requests are. And, again, what's missing
12 from that is the three percent increase
13 in the state's basic grant and special ed
14 grant. That's worked into the base. So
15 that's what we're requesting. And all
16 but 13 million of that is currently in
17 the Governor's budget, and what's not in
18 the Governor's budget is the
19 transportation reimbursement for charter
20 schools, the charter school reimbursement
21 funded at the -- mandated at the
22 statutorily required level and the
23 earmark for special education services
24 for the autistic grants.

25 So really, we're asking for the

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2 state to fund the mandates and to give us
3 the flexibility to -- we're asking the
4 state for fair share. We're asking the
5 state to fund some of our critical
6 mandates, our state mandates, and we're
7 asking for the state for flexibility.
8 Those are the three things we're asking
9 them for. And that's kind of where we're
10 at.

11 We're also hoping that they
12 don't cut the EMO money, because let me
13 point out, even though in this budget we
14 do recommend a reduction in EMO spending,
15 we are spending upwards to \$70 million on
16 contractual educational services, be they
17 supplemental education services,
18 after-school, summer school programs,
19 privately run schools, university
20 partners. So I think we can make
21 alternative schools -- because we don't
22 get fully reimbursed for alternative
23 schools.

24 So I think I can make a case to
25 the Legislature that even though we're

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2 cutting back on funding for the private
3 managers, we are still spending far more
4 than we're getting reimbursed by the
5 state for contractual educational
6 services.

7 COUNCILMAN GOODE: Thank you.

8 One last question, and I will end where
9 we began. You may not remember where and
10 when you met me, but I actually met you
11 after you were hired on the Parkway at
12 Unity Day and had the opportunity to ask
13 you a few questions about what your
14 tenure would look like, and one of the
15 questions I asked was about inclusion in
16 terms of contracting by the School
17 District, and your answer was very direct
18 and you said that you had been very
19 successful in Chicago, that you opened up
20 contracting, and the biggest thing was
21 about opening contracting in terms of new
22 contractors would lead to more diversity.

23 MR. VALLAS: Yes.

24 COUNCILMAN GOODE: And I
25 believe that you've done that. And I

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2 salute you for what you have done in the
3 School District, which has not been done
4 pretty much anywhere, particularly within
5 local government, but that brings to me
6 the concern --

7 MR. VALLAS: To the tough
8 question.

9 COUNCILMAN GOODE: -- that
10 there are severe cuts to the Office of
11 Minority Business Development within the
12 cuts that are outlined here, and can we
13 actually sustain those cuts, particularly
14 because while we don't talk about it a
15 lot anymore, there was a time when many
16 people believed that the school Board was
17 just there for patronage purposes, the
18 school Board was just there to pass out
19 contracts and jobs, that people did not
20 care about the education of the children
21 in the City, and that people looked at it
22 as basically one of the political tools
23 by which they gained power and kept
24 power. I believe that your approach has
25 been different, particularly because

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2 you've opened up the contracting and
3 particularly diversified the contracting.

4 Is this office not crucial as
5 we move forward? One, because in view of
6 the fact that you are moving on, in view
7 of the fact that there are some other
8 political plays in motion right now over
9 governance and control, and some of them
10 may be related to patronage, shouldn't we
11 make sure that a system is kept in
12 place --

13 MR. VALLAS: Yes.

14 COUNCILMAN GOODE: -- that
15 ensures diversity and ensures that
16 there's openness in terms of contracting?

17 MR. VALLAS: Well, first of
18 all, let me respond, I've never viewed
19 that office, as you correctly pointed
20 out, that we don't view that office as a
21 patronage office. That office has been
22 important, and it's been very modestly
23 funded, and it has spearheaded our
24 efforts to bring more diversity to our
25 contracting. And so let me just say that

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2 my bosses will weigh in on that and I
3 think that we'll reach a resolution that
4 people will be satisfied with.

5 I also want to say that it's
6 been very easy to push these initiatives
7 when you've had a School Reform
8 Commission who has really made diversity
9 and inclusion a top priority and, through
10 Jim Nevels and, of course, Sandra Dungee
11 Glenn, constantly asking for monthly
12 updates on contract allocations and
13 things of this nature and, of course,
14 Marty Bednarek and others. They've made
15 this a top priority.

16 Also, as you're looking at our
17 diversity, too, look at the leadership
18 positions, too. We've had an
19 extraordinarily diversified staff, and
20 the majority of our principals in this
21 District are African-American. And it
22 wasn't because we're seeking out to do --
23 we don't have quota systems in the
24 District. We sought out the best
25 candidates, and the best candidates are

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2 running our schools. And the majority of
3 our principals, for the first time in the
4 School District's history, are
5 African-American principals.

6 So, again, it's easy to do when
7 you've got a School Reform Commission
8 that has really made this a priority.
9 It's been easy for me.

10 I think this thing will be
11 resolved to everyone's satisfaction.

12 COUNCILMAN GOODE: Thank you.

13 COUNCILWOMAN TASC0: When is
14 your last day with the School District?

15 MR. VALLAS: At the end of
16 June.

17 COUNCILWOMAN TASC0: At the end
18 of June?

19 MR. VALLAS: Yes, ma'am.

20 COUNCILWOMAN TASC0: So you
21 plan to be around to -- because during
22 your response to Councilman Goode's
23 question, you referred constantly to "I
24 will do this" and "I will do that." Do
25 you plan to be here to manage the budget

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2 process in Harrisburg?

3 MR. VALLAS: Well, the Governor
4 has asked me to stick around until the
5 budget process takes its course. Now,
6 that, of course, could be August, which
7 may -- because the Governor has a
8 reputation for holding out until he gets
9 his priorities met, and that's -- and
10 sometimes you need to do that.

11 So I am going to continue to be
12 available beyond June at the School
13 Reform Commission's request, and it will
14 really be up to them to determine what
15 that need is.

16 COUNCILWOMAN TASCO: Who is
17 managing your process in Harrisburg? Do
18 you have lobbyists or someone who is
19 there --

20 MR. VALLAS: Of course. We
21 have Lee Whitaker and Hugh Allen. I
22 mean, they've done -- I don't think
23 there's -- I've worked with some terrific
24 intergovernmental people, but I'll be
25 honest with you, when I robbed from the

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2 City Council, and literally, I robbed
3 from the best. They have been absolutely
4 fantastic. They have been absolutely
5 fantastic. They're tireless. They're
6 extraordinarily loyal, but they require
7 competency as a prerequisite for loyalty,
8 and they have really -- I mean, they have
9 a way of just communicating and making
10 things happen. They've also been the
11 public service end. I don't think
12 there's a Councilperson who has called me
13 in the past five years that we've not
14 attempted to be responsive to, but as you
15 know, it's easy for me to be responsive
16 when I can hand the ball off to Lee
17 Whitaker or Hugh Allen or ask Heather
18 Fatone or, for that matter, to ask the
19 chief.

20 So they have really managed the
21 intergovernmental aspect of our system
22 for the last -- really since Tim
23 Spreitzer's departure, and they, of
24 course, did a lot of the heavy lifting
25 when Tim was here, too. And they've done

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2 a superb job, and they are very respected
3 down there, just as -- up there, just as
4 they are with City Council.

5 So they're going to continue to
6 manage that process for us. And, of
7 course, I'm sorry. Bob O'Donnell also is
8 our permanent lobbyist in Harrisburg, and
9 I wasn't in any way not trying to
10 denigrate him by omitting him. He's just
11 been an institution down there. But the
12 people that I work with on a day-to-day
13 basis have been Hugh and have been Lee
14 and Heather. In fact, they're
15 inseparable. So they've really, really
16 done a spectacular job.

17 COUNCILWOMAN TASC0: Okay.

18 Councilwoman Brown.

19 COUNCILWOMAN BROWN: Thank you,
20 Madam Chair.

21 Good afternoon, Mr. Vallas.

22 MR. VALLAS: Good afternoon.

23 COUNCILWOMAN BROWN: In listing
24 your number of accomplishments, you do
25 give discussion on Page 2 of your

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2 testimony to the recruitment and
3 retention of teachers, and for sure when
4 you came in 2002, that was a major hurdle
5 that the School District faced.

6 Speak to the retention of
7 teachers to date.

8 MR. VALLAS: Well, our first
9 year retention rate has significantly
10 improved. It's gone to about 91 percent
11 from 73 percent in 2002. It's too early
12 to make a call on long-term retention. I
13 think those rates are slightly better,
14 but, again, we're still attriting out
15 over a four- or five-year period.
16 There's different views on whether or not
17 that's bad or good. There's going to be
18 some attrition. People are changing
19 professions now more than ever before.
20 But we've had a much better job filling
21 vacancies in all of our schools and we've
22 had a much better job at least initially
23 retaining those teachers. And generally
24 if we keep them for one or two years,
25 they're going to stay longer. I think

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2 there's a lot of reasons for that: the
3 standardized curriculum and instructional
4 models, the professional development, the
5 coaches that are assigned to the
6 teachers.

7 Now, we have cut back on the
8 citywide first-year teacher coaches, but
9 we are restructuring our school-based
10 coaching to compensate for that. But I
11 think clearly we're starting the year
12 with far fewer vacancies and we're
13 carrying far fewer vacancies than we ever
14 have in the past, and we have far more
15 applicants than we have slots.

16 I'll tell you, there is one
17 program that's been invaluable in helping
18 us recruit and I think helping us with
19 our early retention, and that's the
20 University Intern Program. That's where
21 we subsidize university students to come
22 and work in the District. And people
23 don't realize that this year we had over
24 a thousand university students working in
25 our school system as student teachers.

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2 We had about a hundred counselors. We
3 have close to 1,200, 1,300 university
4 students working in the District in a
5 variety of capacities. And what this
6 does is, it gives us almost like a triple
7 A team. Because teachers come in and
8 when they go through the subsidized
9 student-teacher program, it allows us to
10 attract three times the numbers that we
11 used to attract. We used to attract
12 about 330 a year. Now we're over a
13 thousand.

14 They also come in and they've
15 given the curriculum instructional
16 models, so they can become an asset to
17 the classroom almost immediately, because
18 they also go through training similar to
19 first-year teachers. So they're
20 immediate assets in the classroom.

21 But what also happens is, we
22 now have a larger number of potential
23 teacher candidates who have spent time in
24 our schools. So when they come and apply
25 for jobs, it's not like future shock,

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2 because the teachers that a lot of times
3 leave right away are teachers who have no
4 familiarity with our school environments.
5 But when you have a teacher that has done
6 a semester student teaching and maybe the
7 second semester has worked as a teacher
8 aide or maybe they've worked as a tutor
9 or maybe done some work in the
10 after-school program, when they apply for
11 the job, they know what they're getting
12 into. So I think those programs have
13 helped us.

14 I will tell you this, though,
15 the best way to recruit and retain
16 teachers is to pay them and to compensate
17 them and to reduce class sizes. So I
18 think while we've made gains, if we're
19 going to have long-term gains, we've got
20 to finance class size reduction. And
21 there is nothing in this budget or
22 nothing on the horizon that will allow us
23 to reduce class sizes to the degree that
24 we wish to reduce them without
25 significant increases in funding. I've

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2 told the Governor that and the Governor's
3 staff and I've told Michael Masch,
4 because Michael has asked me that class
5 size reduction question. I said if the
6 state can increase the accountability
7 grant by \$50 to \$60 million a year, our
8 share of that would enable us to, in
9 effect, add another 150 teachers to the
10 budget in each of the next three years.
11 So just a reasonable increase in the
12 accountability grant earmarked for things
13 like class size reduction will allow us
14 to begin to make progress. But short of
15 those things happening, we're going to
16 continue to struggle just to kind of
17 maintain the status quo.

18 COUNCILWOMAN BROWN: Speak to
19 the need for special interest area
20 teachers, math and science.

21 MR. VALLAS: Well, our biggest
22 shortfall this year, critical shortfall,
23 has been ESL teachers, and we're
24 always -- we always have more shortages
25 in math and science than we've had in the

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2 past, but we haven't had a lot of serious
3 shortages. There's still the problem of
4 certain schools having more shortages
5 than others, although with the
6 improvement in recruitment and with
7 programs like Teach for America, which
8 has been very widely embraced and
9 supported by the principals -- and our
10 Teach for America teachers have done very
11 well -- we've begun to address some of
12 the shortages and some of the staffing
13 shortages in some of our more distressed
14 schools.

15 But, clearly, high schools
16 remain a bigger challenge than elementary
17 schools, although the small high schools
18 have proven in many cases to attract more
19 teacher candidates than some of the large
20 behemoth high schools. And we continue
21 to have some shortages in math and
22 science. But Sean Krauter can speak to
23 this specifically, but I think our
24 problems are not severe in nature. Our
25 big problem is getting the more

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2 experienced teachers into the
3 lower-performing schools and the more
4 isolated schools, and that's going to
5 continue to remain a challenge for us,
6 and getting stability in the more
7 economically isolated schools where there
8 is a lot of mobility. Your more affluent
9 schools, which, of course, we don't have
10 a lot of, and your less racially isolated
11 schools do have a tendency to have a
12 little more stability in terms of teacher
13 staffing than perhaps the more racially
14 isolated and economically isolated
15 schools.

16 COUNCILWOMAN BROWN: Okay. On
17 Page 13 of your testimony, you talk to a
18 number of causes that have resulted from
19 this year's deficit. So walk through
20 them and let us know lessons learned,
21 since you've indicated that you
22 anticipate some level of surplus next
23 year.

24 MR. VALLAS: The lessons
25 learned, don't try to balance the budget

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2 based on anticipated property sales. So,
3 I mean, we came up short there. Even if
4 you've actually sold the property,
5 there's always Common Pleas Court to hold
6 up that -- the Durham building, the
7 classic example that we sold for 6.6
8 million and it was challenged in court,
9 and we still haven't sold that building.

10 COUNCILWOMAN BROWN: So what's
11 the status of -- oh, you still have not
12 sold it?

13 MR. VALLAS: We still have not
14 sold that building. We're still hoping.
15 And, again, the building continues to
16 remain idle, but there was divisions
17 within -- well, there were groups who
18 challenged that sale. But the District
19 has a lot of buildings. And, look, we've
20 closed a lot of buildings, but all but a
21 handle of the buildings have been
22 converted to schools, to small high
23 schools, new schools. Believe me, we
24 haven't done a lot of wholesale just
25 closing of the buildings and closing them

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2 down period. But the population has
3 declined in some of our older buildings,
4 and we can't go to Harrisburg and say, We
5 need more money, when we're not closing
6 buildings that are half full or a third
7 full, not when -- Pittsburgh is going to
8 close another 20 buildings. Pittsburgh,
9 I think, this year has like a projected
10 budget deficit of like 50 million plus,
11 and they're, of course, one-sixth our
12 size. And they're closing 20 buildings
13 and consolidating and things like that.

14 Our dilemma here is, we don't
15 want to close buildings and then make
16 schools bigger when we're trying to make
17 schools smaller. So in many of our
18 schools, the population hasn't reached
19 that threshold, like the Key School.
20 There was a push to close the Key School,
21 but the Key School, even though it has
22 half the kids that it used to have, but
23 it's a good school and it has 430 kids.

24 COUNCILWOMAN BROWN: Where is
25 that?

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2 MR. VALLAS: South region.

3 South region. But the Key School has 430
4 kids. That's kind of an optimal size.

5 So that's our dilemma, where in
6 other cities, like Pittsburgh that have
7 140 kids in a school or 160 kids in the
8 school, those buildings need to be closed
9 or consolidated. But that's a challenge
10 that we're -- but I digressed from your
11 specific question.

12 COUNCILWOMAN BROWN: We've
13 walked through three.

14 MR. VALLAS: Oh, yes. Let me
15 go through a few others. What lessons
16 have we learned? Well, look, we always
17 budgeted based on a historical salvage,
18 and that's unspent expenditures. It has
19 always been about \$25 to \$30 million, and
20 in '06 we salvaged \$6 million. Part of
21 the reason was, I think, the local
22 budgets were squeezed, so people went out
23 and I gave people flexibility to move
24 money around. That's what they did, they
25 spent their money. I can't criticize

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2 people for what they spent their money
3 on. We just didn't get our historic
4 salvage. So what we did was, we reduced
5 our salvage rate. Like this budget we're
6 assuming a much smaller salvage level
7 than we have done historically.

8 The same thing with term pay.
9 We paid \$30, \$31 million in term pay,
10 about 11 million, 10 million higher than
11 was budgeted. Well, we're budgeting term
12 pay at a much higher level.

13 So I think what we've done in
14 terms of learning our lessons is, we're
15 being much more conservative on those
16 unknowns, what's our salvage going to be,
17 what's our term pay going to be, what's
18 our severance payout going to be. So
19 we're budgeting conservatively. I mean,
20 I could easily budget at historic levels
21 and bring down kind of the initial budget
22 deficit for this year by \$20 or \$30
23 million, but we refuse to do that. So
24 we're basing our budgets on a much more
25 conservative assumption, having been

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2 burnt in '05-'06, and basically what
3 we're saying is, if our salvage is higher
4 and if our term pay is lower, great,
5 we'll have a surplus. We'll run a
6 surplus or a larger surplus. And so we
7 want to err on the side of -- just as the
8 City has done, the City has budgeted
9 conservatively and I think they've reaped
10 the benefits for that.

11 But there's an urgency to do
12 things when you're dealing with children.
13 I mean, there's an urgency. We put 117
14 teachers back in the budget in June.
15 Why? Because schools -- because at the
16 end of the budget process, schools were
17 still saying, Look, we need more staff.
18 So we surveyed the schools. We said, How
19 many more teachers do you need? And we
20 got like 180 requests back and we added
21 117. And we gambled that our salvage for
22 the year would cover that. Well, it
23 didn't. And maybe it was a mistake to
24 make, but all I know is, those 117
25 teachers probably sure made a big

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2 difference in the schools that they were
3 working in.

4 COUNCILWOMAN BROWN: Now, you
5 also mentioned that the charter school
6 payments were higher. Is the School
7 District obligated to continue to open up
8 charter schools?

9 MR. VALLAS: Yes. And we
10 don't -- the charter school formula
11 sometimes can work against us, because
12 the charter schools -- as our population
13 declines, the District's population, and
14 as the funding per pupil goes up, that
15 average per-pupil funding number is then
16 used to calculate the charter
17 reimbursement. You see what I mean? So
18 as a consequence, I mean, the charters
19 benefit. It actually provides kind of a
20 residual benefit. And I'm not
21 criticizing that. I think charters
22 deserve to be adequately funded, and a
23 lot of charters are doing a great job.
24 But the charter program, it has certainly
25 created some degree of financial stress.

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2 This year we're going spend
3 \$237 million in charters. And someone
4 from the back just shouted off on that.
5 But that doesn't count the 10, 11 million
6 that are being spent on these cyber
7 schools. The state has approved these
8 cyber schools and they just sign up kids
9 and then we got to pay regardless,
10 because we have no control over the
11 cybers. And, of course, the state is
12 attempting to get some control and to
13 bring some accountability to the cybers.
14 And I'm not making a value judgment, but
15 the bottom line is, we could be looking
16 at a charter bill of about, by the time
17 we're done this year, \$245 million and
18 next year \$270 million. And that's a
19 lot. And while we get reimbursed for a
20 portion of the charter expenditures and
21 while we -- obviously there is some -- as
22 you reduce the number of students in
23 traditional public schools, obviously you
24 have to hire less staff. Unless those
25 schools are closed, you don't get that

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2 dollar-for-dollar savings, because,
3 great, Keys has 430 kids instead of 530
4 kids. They may lose a teacher or two,
5 but you still have to operate that
6 building, maintain the support staff, you
7 still have to have principal, assistant
8 principal.

9 So, clearly, charters have
10 contributed. The biggest funding
11 increase has been for charters. That's
12 why it's important that the state work --
13 and Dwight Evans is helping us and Vince
14 Fumo has helped us -- work to get us
15 reimbursed for the 30 percent on the
16 charters, and that's what we're trying to
17 get, a parochial school type
18 reimbursement for our charter
19 transportation costs. And the School
20 Reform Commission -- and I can't speak to
21 that. I'll just generalize -- is looking
22 at a way of coming up with a charter
23 policy that, in effect, kind of not only
24 controls the growth, but we're trying
25 to -- I don't want to say cap the charter

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2 population, but we're trying to have a
3 more manageable charter population. I
4 mean, maybe if a school is failing, it
5 should be converted to a charter. Just
6 as if a charter is failing, it should be
7 converted back to a public school. So we
8 can have more revenue-neutral charters.

9 So, for example, if we need to
10 open schools to relieve overcrowding, you
11 open a charter because you have to open
12 the school and it's got to be open.
13 You've got to relieve overcrowding. Or
14 if you want alternative schools, the
15 Commission is considering proposals for
16 three alternative schools that are
17 charter schools. We need more kids in
18 alternative placement. There's some
19 charter experts out there that can
20 provide quality alternative placement.

21 So what we need to do is, we
22 need to be less free and open-ended in
23 the approval of charters and to come up
24 with a more rational -- because 20
25 percent increase a year in funding, I

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2 mean, \$270 million is a big chunk of our
3 budget. That and the cost of debt
4 service and the cost of employee
5 benefits, particularly healthcare and
6 retirement benefits, constitutes the bulk
7 of our costs. It's not spending on
8 governmental operations.

9 COUNCILWOMAN BROWN: Now, you
10 mention that you advocate for more
11 schools that are tied to discipline. You
12 just used another term. Yet, you stated
13 in your earlier testimony that there's
14 not full reimbursement from the state for
15 disciplinary type schools.

16 MR. VALLAS: Yeah. The state
17 has paid for the expansion of our
18 alternative schools, but they do not
19 reimburse us for the full cost of our
20 alternative schools. And so we get --
21 and really the former Speaker of the
22 House single-handedly was able to secure
23 us 22 million, and he's put the 22
24 million back in the budget this year,
25 too. Every year he puts the money back

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2 in, and he doesn't -- he won't support
3 the budget unless that alternative school
4 money is in there. So he continues to be
5 heroic on this despite the outcome of the
6 House election.

7 But we don't get fully
8 reimbursed. And we need alternative
9 schools not just for zero tolerance kids,
10 we need alternative schools for overage
11 underachieving kids.

12 One of the proposals of the
13 dropout prevention initiative, Project
14 Leap, which speaks to the very issues
15 that Councilman Goode appropriately
16 lectured me on the last time I was before
17 this body, was -- I mean, one of the
18 things that they propose is to create a
19 series of transitional programs for these
20 overage underachieving kids, because the
21 overage underachieving kids are the kids
22 that are getting into trouble and the
23 kids that are dropping out. And if we
24 can get overage underachieving kids in
25 these small transition high schools, like

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2 Youth Build -- some of them are
3 charters -- and others, like the
4 wonderful school Camelot runs up in the
5 Northeast, they won't drop out, they
6 won't get into trouble. And we'll get
7 sometimes a very challenged population
8 out of the general schools, which will
9 ease the impact on the general schools.

10 So the School Reform Commission
11 under Mr. Nevels' direction is looking at
12 opening transition -- approving charters
13 that take alternative school kids.
14 Everybody accuses charters of taking the
15 best kids. I think charters take any kid
16 who applies and gets through the lottery,
17 but we're looking at alternative school
18 charters, transition schools. Vernard
19 and I have talked about the need to open
20 these transition schools, and the charter
21 route is one way to do that. Plus if we
22 get reimbursed for that charter and we're
23 taking troubled kids out of our main
24 schools and putting them in charters and
25 then getting the charter reimbursement,

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2 then that becomes a win for us, that
3 becomes a win-win situation.

4 COUNCILWOMAN BROWN: On Page
5 20, you talk about taking reform to the
6 next level. In the items that you cite
7 there's no discussion or mention of
8 vocational training and where the
9 District is with that and where it may
10 need to go for young people who simply
11 aren't college material. Can you speak
12 to that?

13 MR. VALLAS: Drop down to 6,
14 and I can give you the more -- there's an
15 attachment that goes with this. The
16 attachment is based on the findings of
17 Project Leap and the dropout prevention
18 initiative. What we're pushing for is
19 dual enrollment in not only dual
20 enrollment programs and not only college
21 courses, dual enrollment in job-training
22 programs and vocational ed.

23 COUNCILWOMAN BROWN: Yes.

24 MR. VALLAS: I'll tell you,
25 Time Magazine's article, their special

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2 edition, a story called "Dropout Nation,"
3 focused on why inner city kids -- why
4 poor kids drop out, because they looked
5 at kids in the inner cities, suburbs,
6 rural areas, the Appalachian, and they
7 said for two reasons. Forget about
8 they're not prepared for high school,
9 because somewhere along the line they
10 weren't motivated to do well enough to
11 prepare for high school. So what zapped
12 them of their motivation? And they said
13 there's a perception out there among many
14 low-income children that college is not
15 an option and that it's not affordable
16 and that it's not financially affordable,
17 so they go through elementary school not
18 viewing high school as a way to go to
19 college and a job and things like that.
20 So they don't have an incentive. I mean,
21 project -- Chaka Fattah's initiative
22 to --

23 COUNCILWOMAN BROWN: GEAR UP?

24 MR. VALLAS: The GEAR UP
25 program. I had a mind freeze for a

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2 second. The GEAR UP program was designed
3 to address that very issue, to begin
4 working with the middle grade kids and
5 beginning to convince them that college
6 is an option.

7 So what we have said in Project
8 Leap is, if we could do two things, if we
9 could have early college and dual
10 enrollment in every one of our high
11 schools, so every one of our high schools
12 was connected to a college and
13 university -- and there's only, what, 80
14 colleges and universities in the
15 Philadelphia metropolitan area?

16 COUNCILWOMAN BROWN: 88.

17 MR. VALLAS: If we could do
18 that, if every high school could be
19 connected to a vocational technical
20 educational program, like the 250 kids in
21 the Sunoco -- I'm sorry; in the Sunoco
22 training academy at Bok, when they get
23 out of Bok, they can go right in to get a
24 job at Sunoco. And if all of our schools
25 can have work study so that every kid

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2 knows that once they get into their
3 junior and senior year there's a work
4 study program available to them --
5 remember the summer jobs program back in
6 yesteryear where like in Chicago 18, 19,
7 20 thousand kids would work the summer?
8 They were all put in work study, things
9 like this, the old CEDA program. If we
10 could do those things, we could do more
11 to turn the tide on dropouts than
12 anything out there.

13 But dual enrollment and early
14 college, while it's not going to take a
15 lot of money, because the high school
16 office is looking at restructuring our
17 curriculum so that many of the electives
18 and many of the courses that are taken in
19 the high schools can be substituted for
20 university courses or courses at the
21 Community College and things like that,
22 so we can have some course substitution.
23 And we're working with Dwight Evans and
24 we're working with the Governor's Office
25 to try to get funding for dual enrollment

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2 type programs. But if we could have a
3 system-wide work study program where
4 every kid had a job-training opportunity
5 or had a paid work study opportunity, if
6 you told the kids entering high school,
7 If you stay in high school and get to
8 your senior year, you'll be in a paid
9 work study program and you can actually
10 take courses at a university, community
11 college, vocational technical educational
12 program for dual credit, the kids aren't
13 going to drop out.

14 When I walk through a high
15 school, if I shout "job," I have 20, 30
16 kids surrounding me. The most asked
17 question by a student isn't "I'm getting
18 bullied" or "I'm afraid to go to school."
19 The most asked question is "Can you find
20 me a job somewhere."

21 So that's something well worth
22 taking a look at. And I've suggested
23 that as the casinos come in, maybe each
24 dedicate \$5 million to a work study
25 program so that we can put our high

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2 school kids to work. You know what it
3 is? It's the Fattah Mayor program -- the
4 scholarship program taken to another
5 level.

6 There's a high school in
7 Chicago that's called Cristo Rey. It was
8 started by the Jesuits. And leave it to
9 the Jesuits always to be the great
10 innovators that they are. And all the
11 kids who go to that high school are in
12 paid work study, all of them, and they
13 graduate 95 percent, 98 percent. It's 99
14 percent poverty, and the majority of
15 those kids go on to college, community
16 college and they go on to a job.

17 So I think you're on to
18 something here. Early college, dual
19 enrollment, work study I think can have a
20 transforming effect, can have an absolute
21 transforming effect, that you're not
22 going to have to wait five or six or
23 seven years to get results from. I
24 honestly believe that. But I also
25 honestly have to admit that we don't have

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2 the capacity to provide those services in
3 the schools. That's going to require
4 that someone else step up to the plate
5 and provide the funding for those
6 initiatives.

7 COUNCILWOMAN BROWN: Finally,
8 there was no discussion or mention on the
9 status of beacon schools, where they are.

10 MR. VALLAS: The beacon
11 schools?

12 COUNCILWOMAN BROWN: Yes.

13 MR. VALLAS: They're alive and
14 well. They are. They're alive,
15 thriving, and our schools remain open for
16 all the Safe and Sound programs.

17 COUNCILWOMAN BROWN: Does that
18 apply for summer as well?

19 MR. VALLAS: Well, the issue
20 always is what's going to happen in
21 August, because there's always a fight,
22 because we got to get our buildings
23 cleaned. And the shorter our duration to
24 go in and get the buildings up to speed,
25 the greater the cost to the District, not

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2 only the delay. So believe me when I say
3 it's us not trying to tweak the City.

4 COUNCILWOMAN BROWN: Sure.

5 MR. VALLAS: It's us trying to
6 allocate enough time to go in. Because
7 our buildings are very old and very worn
8 out, and when we have a two-week window
9 to go in and clean -- and I don't care
10 what you say. If you have a summer
11 program, you can clean one side of the
12 building and not the other side, but some
13 of the buildings you can't do that to,
14 because they're not that large and
15 they're smaller and it is difficult to
16 do. So that issue is clearly one of
17 cleanliness.

18 But we're going to slug it out,
19 and at the end of the day, the School
20 Reform Commission will tell us what to do
21 on that. Sandra Dungee Glenn and Marty
22 will weigh in on that before we're done,
23 trust me on that.

24 But beyond the debate over
25 whether or not we close our buildings in

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2 August for cleaning or we wait until the
3 second week in August, that's always kind
4 of a slug fest. Fortunately, I'm going
5 to defer to someone else to make that
6 decision.

7 COUNCILWOMAN BROWN:

8 Mr. Vallas, let me echo Councilman
9 Goode's comments. You have done an
10 admirable job on the toughest of
11 circumstances. So we thank you for the
12 difference you've made in your tenure
13 here.

14 MR. VALLAS: Thank you.

15 COUNCILWOMAN BROWN: Thank you,
16 Mr. Vallas.

17 Thank you, Madam Chair.

18 MR. VALLAS: I keep on calling
19 it Project Leap. It's Project U-Turn.
20 It's the youth collaborative. But you
21 know me. I call my son Paulie "Gus" and
22 I call Gus "Mark," and they just -- as
23 long as I'm speaking in their direction,
24 they respond regardless of what I call
25 them. I'm getting worse as I get older,

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2 too.

3 COUNCILWOMAN BROWN: Thank you,
4 Madam Chair.

5 COUNCILWOMAN TASCO: The Chair
6 recognizes Councilman Greenlee.

7 COUNCILMAN GREENLEE: Thank
8 you, Madam Chair.

9 I want to also echo the
10 comments of my colleagues on the job
11 you've done over these years, Mr. Vallas.

12 Just quickly, when you talk
13 about the state money that has not been
14 committed yet, what feelings do you have,
15 either you yourself or reports you've
16 gotten, of the likelihood of that funding
17 coming through? I mean, I know you can't
18 predict it totally, but --

19 MR. VALLAS: I'll tell you, the
20 basic grant, three percent grant, which
21 is already in the budget base, that's
22 going to happen no matter what. The
23 alternative schools money will be put in
24 the budget or we will downsize the
25 alternative schools. It's as simple as

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2 that. So get them screaming and
3 lobbying. You can't talk to us about law
4 and order, I can't get lectured about not
5 moving fast enough to transfer students
6 to alternative placement and then take
7 the funding away.

8 And obviously the former
9 Speaker has made it a priority, as he
10 always has, and he's always been
11 extraordinarily supportive of us, and he
12 still carries a little clout in the
13 House. And I know Dwight Evans is
14 supported and the Philadelphia Caucus is
15 supported and, of course, Senator Fumo in
16 the Senate and Senator Williams, they're
17 going to work on our behalf. So I think
18 we'll be okay.

19 The additional money, I'm not
20 sure. We're trying to get full
21 reimbursement on the charters. I say
22 it's a 50/50 proposition. Representative
23 Evans is going to pass a budget into the
24 Senate that has our stuff in it, but
25 then, of course, it will go into

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2 conference committee and then who knows.

3 If we don't get the additional
4 transportation reimbursements, we're
5 going to have to come back here and we're
6 going to have to do some transportation
7 cuts. We're going to have to start
8 cutting things that we're not mandated to
9 provide.

10 Let me point out that we spend
11 about \$96 million on transportation.
12 And, I mean, we bus everybody, parochial,
13 private school kids, public school kids.
14 We bus everybody, special education. Our
15 bussing mandates are killing us, and we
16 don't get fully reimbursed for those.

17 The Governor has put \$160
18 million in the budget for certain
19 categorical grants, like early childhood,
20 technology, classroom of the future,
21 accountability grants. Our fair share of
22 that should be more than \$15 million, but
23 we're only budgeting \$15 million. So
24 we're hedging. We're assuming that the
25 Governor is going to -- that if the

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2 Governor gets less than what he had
3 anticipated or if he has to compromise,
4 that we're not caught short-ended. So
5 we're not saying, Oh, there's 160
6 million, we should get 25 million of
7 that. So I think we're trying to budget
8 conservatively on that number.

9 And for the rest, we've really
10 asked Senator Fumo and others to give us
11 maximum flexibility. Anything coming out
12 of Harrisburg, we want maximum
13 flexibility. We don't want to be told
14 how to spend the money. We want the
15 flexibility to move that money around.

16 So if we're able to get a lot
17 of technology dollars -- well, we got a
18 pretty sizable technology program
19 ourselves. Maybe we're going to use some
20 of that money for class size reduction or
21 maybe we're going to use some of that
22 money for counselors or maybe we could
23 use some of that money to fill some of
24 our special education vacancies.

25 So I'm reasonably optimistic, I

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2 mean, that we're going to come close to
3 getting from the state what we've asked
4 for. And, of course, I feel more
5 optimistic because Michael Masch has been
6 so involved and so immersed, and he's
7 told me that what we're requesting is
8 reasonable, I mean, given our track
9 record, given our results, and I think
10 he'll testify to that effect next week.
11 So I'm hopeful. I'm hopeful that we'll
12 come close to getting the money.

13 COUNCILMAN GREENLEE: Okay.

14 Thank you.

15 Thank you, Madam Chair.

16 COUNCILWOMAN TASCO: Thank you.

17 Mr. Vallas, we're going to ask
18 you to allow us to let some other people
19 come and testify, but don't leave,
20 please. We have other people here who
21 want to testify. We may call you back.

22 MR. VALLAS: I'm going to step
23 out for about ten minutes. I have to
24 return a couple emergency calls. I'll be
25 there at the door. Thank you so much.

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2 COUNCILWOMAN TASC0: Thank you.

3 The Chair calls Ms. Barnett,
4 Jacqueline Barnett.

5 MS. BARNETT: Good afternoon.

6 COUNCILWOMAN TASC0: Good
7 afternoon.

8 MS. BARNETT: I just want to
9 thank you for this opportunity to testify
10 on behalf of the School District. And
11 before I begin, on behalf of the Mayor, I
12 want to acknowledge the five years of
13 service by --

14 COUNCILWOMAN TASC0: Who are
15 you?

16 MS. BARNETT: Jacqueline
17 Barnett, Secretary of Education. I beg
18 your pardon.

19 I just want to acknowledge Paul
20 Vallas and the SRC for five years of
21 dedicated service, and a lot of their
22 efforts certainly have given the District
23 quite a bit of hope. And I'd like to say
24 on behalf of the Mayor that in fact we
25 are on the right track, and through their

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2 dedicated and tireless leadership, the
3 School District has implemented reforms
4 that have improved the quality of our
5 schools. They provided greater
6 opportunities for our students and built
7 on the academic foundation for moving
8 towards what has always been our shared
9 goal: providing a first-class education
10 for all of Philadelphia's children.

11 While our discussion today is
12 focused on the District's finances, we
13 can't lose sight, nor should we minimize
14 the achievements that have been made.
15 Notwithstanding the progress that has
16 been made, we have not achieved as much
17 as we must if we are to provide our
18 children with the education they need for
19 their personal fulfillment or for them to
20 assume successful, meaningful employment
21 in our local economy.

22 The District has achieved
23 significant gains in K to 8, although our
24 high school level reforms certainly leave
25 room for improvement and are more likely

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2 to be achieved with reduced class size
3 and continued implementation of the small
4 schools initiative. Class size reduction
5 is central to reform and we strongly
6 discourage any gap-closing measures that
7 would compromise the District's ability
8 to move toward smaller class size.

9 From the middle years through
10 high school, our truancy rate remain a
11 cause for serious concern, as they
12 indicate that students need additional
13 support to complete high school and
14 pursue higher education and to mitigate
15 the troubling dropout rate. The City is
16 currently exploring ways to increase
17 contributions to the School District,
18 because we believe that these reforms
19 must continue. We participate in ongoing
20 discussions with the state and the
21 District regarding the additional funds
22 necessary to support the District, and we
23 hope that in concert with the additional
24 funding from the City, the Governor and
25 the General Assembly, we will provide

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2 further resources to close the gap.

3 We also hope that the Assembly
4 will provide further, as Paul has
5 mentioned, their commitment to charter
6 school reimbursement and for other
7 alternative ed commitments that they have
8 made in the past, and we hope that as a
9 new source of funding develops, that a
10 percentage of that funding provided by
11 the City and the state would reflect the
12 appropriate funding ratios.

13 When the state assumed control
14 over the District, it was understood that
15 state-wide reform of public school
16 funding would be necessary for the
17 District's long-term financial stability
18 and continual educational improvement.
19 Secretary of Education Debra Kahn
20 testified before this Council to that
21 point on March 19, 2002. State-wide
22 school funding reform has not occurred.
23 While we await that reform, the City must
24 do its part financially to support and
25 advance the educational achievements that

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2 have occurred in our schools.

3 For the last six months,

4 Governor Rendell's Budget Secretary,

5 Michael Masch, has led a collaborative

6 effort between the City, state, the

7 District to analyze the District's

8 finances and to report on them in a

9 manner that identifies the District's key

10 cost drivers and funding needs.

11 Secretary Masch's report will be released

12 at the end of this week, and I'm strongly

13 urging Council to recess this hearing at

14 the end of today's testimony and delay

15 the Committee vote on the tax

16 reauthorization bills so that the Masch

17 report will inform any final decisions or

18 consideration, thus both the City and

19 state will be guided by Secretary Masch's

20 fiscal analysis to determine the

21 magnitude of the funding gap, as well as

22 the additional funds required from each

23 governmental entity. The decision about

24 additional City support for the District

25 must be made with a clear, detailed

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2 understanding of the District's needs and
3 an understanding of the consequences of
4 providing or withholding support.

5 Upon release of the Masch
6 report, I will request a subsequent
7 hearing for Secretary Masch to testify
8 and present his analysis to this Council.
9 In addition, the Mayor's Education
10 Advisory Task Force report, which speaks
11 to the District's comprehensive needs,
12 will be available 30 days after the
13 release of Masch's report.

14 As the Mayor has said
15 repeatedly, he supports additional
16 revenue for the District. The specific
17 level of City support must follow careful
18 review of Masch's report. The Mayor also
19 will request that these funds be made
20 available to the District subject to
21 several conditions. First, the SRC must
22 revise its budget plan to address the
23 issue of lower class size and truancy.
24 The SRC must also abandon the current
25 proposal to eliminate teachers as

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2 enrollment declines. This proposal makes
3 class size reduction impossible, and
4 class size reduction is critical to
5 boosting academic achievement.

6 In lieu of the teacher
7 reductions, the SRC must also offer an
8 alternative set of reductions that do not
9 adversely affect the District's most
10 important reform efforts and
11 achievements. The SRC must provide the
12 Governor, the Mayor and this City Council
13 with detailed implementation plans for
14 spending reductions with specific
15 milestones and timetables so that the
16 funding authorities can have confidence
17 that the promised spending reductions
18 will occur.

19 Finally, when such a proposal
20 is finalized, the Administration asked
21 the District and the SRC to provide a
22 public forum for our most important
23 stakeholders, parents and students, to
24 learn the anticipated effects of the cuts
25 on specific schools. We all understand

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2 that even with additional revenue, some
3 cuts will be necessary. And I know from
4 speaking with many parents, teachers and
5 students that it has been difficult to
6 envision any cuts in light of what our
7 children currently lack, art studios
8 without art teachers, not enough paper to
9 make copies, split grade classrooms where
10 children do not have dedicated teachers
11 for their grades. But our goal is to
12 achieve transparency and clear
13 communication regarding proposed cuts and
14 to seek opportunities for you to
15 understand what options we have in such
16 difficult circumstances.

17 Over the last five years, the
18 quality of education has improved in our
19 city. If we are to continue to make
20 improvements in the education we provide
21 to our children, we must continue to act
22 collaboratively with the Governor, as
23 well as with the District, and we look
24 forward to working with Council and the
25 Governor over the next several weeks to

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2 assure that progress continues.

3 I'd like to add one last thing
4 that was not a part of my testimony that
5 was mentioned earlier. We have been
6 working with the Governor's Office as
7 well as with the Chairman and other SRC
8 members to look at the District's
9 finances, and this morning I received a
10 letter from Secretary Masch stating that
11 he wanted to bind those finances in a
12 report and report out on those at a
13 subsequent hearing. So that is sort of
14 the genesis of our request, to allow
15 Secretary Masch to share in detail his
16 understanding of the finances, and I will
17 submit a written copy of Secretary
18 Masch's letter for your review.

19 COUNCILWOMAN TASC0: Is
20 Secretary Masch auditing the District or
21 what is he doing in terms of determining
22 what the gap might be?

23 MS. WILKERSON: My name is
24 Joyce Wilkerson. I'm Chief of Staff to
25 the Mayor.

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2 What Secretary Masch, working
3 together with the Administration and the
4 School District, has done is try to
5 deconstruct the School District's
6 finances so we can really get a sense of
7 what's driving the current deficit that's
8 projected in excess of 100 million that
9 grows to about a billion. So what are
10 the specific items. Also, trying to get
11 a better understanding of where the
12 dollars have been spent. We know that
13 charter schools have been eating up a lot
14 of money, but Masch's analysis is also
15 taking a look at what's happening with
16 other segments within the school. For
17 example, what's happening with the
18 elementary schools, have their budgets
19 been growing, have the District-operated
20 schools been growing at the same rate
21 that charters and other portions of the
22 District's budget, how much has gone to
23 things like transportation, maintenance,
24 debt service, so that we really have an
25 understanding of why we are in this

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2 situation that we are, and as we begin to
3 talk about making cuts, what impact are
4 those cuts going to have on the
5 District's finances, what impact will
6 they have on the program initiatives that
7 everybody thinks are important.

8 Masch has also been working on
9 trying to construct a budget and a budget
10 model that will allow us to generate a
11 five-year plan. It's one thing to
12 understand what's going on in the current
13 year, but we need to understand how that
14 plays out over time.

15 I think that one of the things
16 that everybody agrees on is that most of
17 the money has bought good things for the
18 District. Most of the changes that have
19 happened are changes that we want to
20 embrace. They were things that largely
21 were put in place in the first year. But
22 what none of us had was an adequate
23 understanding of how those things were
24 going to play out over time. If we had
25 had an adequate five-year model, we would

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2 have seen this coming and could have
3 prepared for it years in advance. We
4 wouldn't be facing the current crisis
5 that we do.

6 So Masch, working with the
7 District people and the City people, have
8 been developing that kind of model that
9 will allow us to understand what happens
10 to the District's finances over time,
11 what the state's need is to supply
12 additional revenue and what the City's
13 need is to supply additional revenue.

14 COUNCILWOMAN TASCO: Well,
15 wouldn't it be most advantageous for the
16 School District to have the capacity to
17 do this analysis on an ongoing basis?

18 MS. WILKERSON: And I think
19 they are developing that. Some of what I
20 sense is -- I think this has happened in
21 a crisis atmosphere, but I think that the
22 experience working over the last several
23 months has allowed everybody to develop
24 an understanding of the District's
25 finances. The District will have the

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2 capacity to talk to the state in a
3 language it understands. I think if we
4 get the kind of reporting that is being
5 requested, we'll all have the ability to
6 follow the District's finances moving
7 forward. They'll be providing us with
8 reports in a format that we will all be
9 able to understand.

10 The District has very
11 complicated finances. They get a lot of
12 categorical grants. They track their
13 dollars in a way that was hard to
14 understand from the outside. Some of
15 what the Masch analysis does is put it
16 into spending categories and it looks at
17 it in a way that's more transparent for
18 parties from the outside.

19 But I found just -- I haven't
20 seen the report. The final report is not
21 finished. I think Secretary Masch worked
22 hard trying to get it completed by now.
23 It's not complete. Although they've done
24 a lot of the analysis, the report is not
25 complete. They expect -- their goal is

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2 to have it by the end of the week so that
3 they can begin sharing it around and
4 presenting it publicly next week. But I
5 found that it was very, very helpful in
6 understanding why the District is where
7 it is and what its need is moving
8 forward.

9 MS. BARNETT: And to further
10 that point, the Chairman offered a
11 resolution to create and establish the
12 Financial Accountability Unit within the
13 School District that would report out
14 quarterly and would be able to give us
15 indicators of if in fact there was
16 overspending or where we are with regard
17 to revenues and/or expenses. So they
18 have set up an internal unit to report
19 out to both the City and the state with
20 regard to the state of their finances.

21 COUNCILWOMAN TASC0: So because
22 they didn't have this model or this
23 process, they were caught off guard?

24 MS. WILKERSON: I think that --
25 I can't speak for whether they were

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2 caught off guard. I think that -- my
3 sense is that there wasn't the handle on
4 exactly what was going on because -- and
5 you always do have variances that you
6 don't anticipate, revenue doesn't come in
7 like you want. The City experiences the
8 same kind of thing. We're projecting --
9 we had been projecting really aggressive
10 ongoing growth in the real estate
11 transfer tax. It's not happening like we
12 thought.

13 So those kinds of swings really
14 do happen, but I don't think there was a
15 sufficient appreciation of the way the
16 deficit was going to grow, when it was
17 going to grow. The question you asked,
18 what did you know and when did you know
19 it, my sense is there was not enough
20 sense of that, and that's some of why
21 we're sitting here with a crisis.

22 COUNCILWOMAN TASC0: Do you
23 suppose that the analysis provided by
24 Mr. Masch will show a difference in the
25 gap from the School District's proposal?

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2 MS. WILKERSON: I think that
3 it -- I don't think it will be far off.
4 I think that -- I don't think it will be
5 far off. I think that one of the other
6 things that they do is take a look at the
7 gap-closing measures, and I know that the
8 Administration has concerns about one
9 measure in particular that would reduce
10 the teacher complement by 100 teachers.
11 We don't support that, that we would
12 rather see other -- as Jackie testified,
13 we would rather see other attempts to
14 balance the budget. And if that's not
15 possible, it would be that kind of thing
16 that would change the revenue requirement
17 for the District and force the need for
18 more, not less, revenue than is
19 projected.

20 COUNCILWOMAN TASCO: Do you
21 have an idea where the Administration
22 would call for the revenue that the City
23 would provide?

24 MS. WILKERSON: It's our
25 position it would need to be new revenue,

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2 that we cannot transfer revenue within
3 the Five-Year Plan. New revenue meaning
4 new tax revenue is what we would propose
5 and would be prepared to support for the
6 School District.

7 As Councilman Goode has said
8 repeatedly, education is probably our
9 largest -- our most important need.
10 We're prepared to recommend additional
11 revenue, additional new revenue.

12 Yesterday when --

13 COUNCILMAN GOODE: Point of
14 information.

15 COUNCILWOMAN TASC0: Yes.

16 COUNCILMAN GOODE: Did you say
17 parking tax?

18 MS. WILKERSON: I said new
19 revenue. I didn't identify a specific
20 source. There are a number of sources,
21 millage, other --

22 COUNCILMAN GOODE: So you
23 didn't mean to say parking tax?

24 MS. WILKERSON: No. I'm sorry.
25 What I meant to say is additional new

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2 revenue.

3 COUNCILMAN GOODE: Thank you.

4 MS. WILKERSON: I think new tax
5 revenue. I think there are different
6 sources you could look to. When you look
7 at what happened, the action Council took
8 yesterday, when I look at the budget that
9 was proposed and the impact it would have
10 on the Five-Year Plan, if the FY08 budget
11 were rolled through the Five-Year Plan,
12 we end up with a negative \$55 million
13 fund balance by FY12. That's not a
14 Five-Year Plan that can absorb another
15 \$27 million additional expense and keep
16 all the other items that were proposed
17 yesterday. I think that we need new
18 revenue. I think it's not currently
19 available.

20 If we were -- I think that if
21 we simply take the money out of the
22 District, I think we're going to end
23 up -- out of the City, we're going to end
24 up with challenges with PICA, which
25 will -- my guess is we'll all end up

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2 being back here with a rejected Five-Year
3 Plan and having to develop a Five-Year
4 Plan that requires Council concurrence.

5 COUNCILWOMAN TASC0: So when
6 you speak of new revenue, you mean
7 raising real estate taxes?

8 MS. WILKERSON: I think that
9 would be one alternative.

10 COUNCILWOMAN TASC0: How do you
11 balance that with the whole notion of
12 this fair --

13 MS. WILKERSON: Full valuation?

14 COUNCILWOMAN TASC0: Full
15 valuation.

16 MS. WILKERSON: I think that we
17 could increase millage without doing
18 either the full valuation or the
19 reassessment. The City needs to do both
20 those other pieces, but the increased
21 millage would not be dependent on having
22 first done either full valuation or
23 citywide reassessment.

24 COUNCILWOMAN TASC0: But if you
25 have a real estate increase and then you

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2 come behind it with the full valuation,
3 that's going to have -- and without any
4 in-depth discussion about that, it has a
5 serious impact on the citizens.

6 MS. WILKERSON: I'm sorry. Say
7 that again.

8 COUNCILWOMAN TASCO: Well, it
9 would have a serious impact on the people
10 who live in Philadelphia. I mean, if you
11 want to raise the real estate tax for the
12 schools and then you move to full
13 valuation as being supported by certain
14 segments of this community, and then in
15 that situation, maybe not everyone, but
16 there would be some communities that
17 would have a large increase in their
18 taxes on top of the increase you give for
19 the School District.

20 MS. WILKERSON: The City faces
21 a challenge with real estate reassessment
22 anyway. I think that it's not
23 constructive to marry all these issues.
24 It becomes an intractable problem that we
25 can never deal with.

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2 What we have is a public school
3 system that needs additional revenue and
4 we don't have the capacity within the
5 Five-Year Financial Plan. As we've said
6 repeatedly, we've extracted \$1.3 billion
7 out of the City's resources through tax
8 reduction. We can't now ladle on top of
9 that another 27 -- or \$17 million a year
10 in support of the School District and
11 also address all the other concerns, some
12 of which PICA raised in its letter just
13 last week. We need additional revenue.
14 The Administration is prepared to support
15 the District.

16 COUNCILWOMAN TASCO: Councilman
17 Goode.

18 COUNCILMAN GOODE: Even if PICA
19 doesn't specifically say the City needs
20 to address a fiscal crisis in the School
21 District?

22 MS. WILKERSON: Yes.

23 COUNCILMAN GOODE: And if the
24 Five-Year Financial Plan does not do
25 that, it should?

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2 MS. WILKERSON: The City needs
3 to do it, and what we're saying is, we
4 don't need to do it within the four
5 corners of the Five-Year Financial Plan.
6 We need to put more revenue on the table
7 and that --

8 COUNCILMAN GOODE: The PICA
9 letter said that your Five-Year Plan does
10 not address the School District in a way
11 that it should.

12 MS. WILKERSON: We don't within
13 the corners of the Five-Year Plan. We
14 would propose putting new revenue, not
15 simply transferring revenue, but putting
16 new revenue on the table in support of
17 the public schools.

18 COUNCILMAN GOODE: So PICA has
19 essentially said that not looking at the
20 School's fiscal crisis is irresponsible
21 on the part of the Administration; is
22 that correct?

23 MS. WILKERSON: PICA says we
24 need to deal with that. And what I'm
25 saying is, we do need to deal with that.

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2 COUNCILMAN GOODE: I have a
3 whole host of questions regarding how you
4 have not dealt with it and how you're
5 still playing games now, but my point of
6 information was strictly related to the
7 fact that how you characterize the PICA
8 letter. The PICA letter said that you
9 were irresponsible by not dealing with
10 the School District crisis.

11 MS. WILKERSON: I'm not, you
12 know --

13 COUNCILMAN GOODE: That's what
14 it said. It said you can't do a
15 Five-Year Plan without taking into
16 consideration the School District crisis
17 and the SEPTA crisis. That's what it
18 said.

19 MS. WILKERSON: Well, there are
20 a couple of different responses. One, we
21 are working with the Commonwealth on both
22 the School District situation and the
23 SEPTA situation.

24 COUNCILMAN GOODE: But you
25 haven't done anything. You haven't put

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2 anything into the Five-Year Plan yet.

3 You referred to the PICA letter, so I'm
4 just clarifying for the record, the PICA
5 letter said that you need to do something
6 about the School District fiscal crisis.

7 MS. WILKERSON: We do need to
8 do something about the School District,
9 and what the Administration would propose
10 is that we raise new revenue.

11 COUNCILMAN GOODE: How much?

12 MS. WILKERSON: That --

13 COUNCILMAN GOODE: How much?

14 MS. WILKERSON: Until we have a
15 final --

16 COUNCILMAN GOODE: How much?

17 MS. WILKERSON: Until we have a
18 final review of the Masch report, I think
19 it would do us all well to sit down and
20 review the Masch report. We're not
21 prepared to put a dollar figure on it.
22 As I said earlier --

23 COUNCILMAN GOODE: So the Mayor
24 is putting no money on the table right
25 now?

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2 MS. WILKERSON: The Mayor has
3 proposed to, if we can get nine votes for
4 it, put new revenue on the table in
5 support of the School District.

6 COUNCILMAN GOODE: You're
7 saying the Mayor is prepared to raise
8 taxes. But Council is not, so I can tell
9 you that already. Council is not looking
10 to raise taxes. We're not considering
11 raising taxes today. We're considering a
12 millage shift.

13 So without raising taxes, is
14 the Mayor willing to take any of the
15 money out of his Five-Year Plan and put
16 into the School District's Five-Year
17 Plan, yes or no?

18 MS. WILKERSON: The
19 Administration would shift millage
20 before it would -- I believe would shift
21 millage before it would see the District
22 go without any money. In saying that,
23 there will be dramatic changes to the
24 Five-Year Plan. All of those changes
25 that were supported yesterday end up

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 being --

3 COUNCILMAN GOODE: We voted it
4 out with no recommendation. We didn't
5 support it.

6 MS. WILKERSON: Well, the
7 City's budget and Five-Year Plan cannot
8 absorb \$100 million of additional --

9 COUNCILMAN GOODE: My question
10 was a yes or no question. Is the Mayor
11 willing to take money out of his
12 Five-Year Plan, the City's Five-Year
13 Plan, and put into the School District's
14 Five-Year Plan? It's a yes or no
15 question.

16 MS. WILKERSON: If it came down
17 to that, my sense is that he would, that
18 it's imprudent -- it's his sense that the
19 more prudent path is to put more revenue,
20 new revenue, on the table in support of
21 public education.

22 COUNCILMAN GOODE: He wants to
23 raise taxes; we don't?

24 MS. WILKERSON: Over the last
25 five --

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2 COUNCILMAN GOODE: He wants to
3 raise taxes; we don't?

4 MS. WILKERSON: That's correct.

5 COUNCILMAN GOODE: Thank you.

6 MS. WILKERSON: Over the
7 last --

8 COUNCILWOMAN TASC0: But he's
9 leaving.

10 MS. WILKERSON: If I may
11 respond, over the last five years, the
12 City has taken the path of simply
13 reducing taxes. We can't continue along
14 that road. We don't have the revenue to
15 support core City services. We can't
16 make changes in the Fire Department, the
17 Police Department, the Recreation
18 Department, the Health Department, the
19 Fleet Management. All across the City
20 are departments that we can no longer
21 touch. We can't sustain that. The City
22 simply cannot sustain that.

23 COUNCILMAN GOODE: Since you
24 decided to continue to talk about it, I
25 asked a simple question. Since you

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2 decided to continue to talk about it, the
3 issue is the City has not sufficiently
4 grown over the last eight years, not due
5 to Council's actions or inactions per se,
6 but the City has not grown at the level
7 it should have, and it has not failed to
8 grow because of tax reform. The truth of
9 the matter is, it has continued to grow
10 probably because of tax reform.

11 MS. WILKERSON: Tax reform said
12 a lot of things. Tax reform said reduce
13 tax rates. It called for reductions. It
14 also called for --

15 COUNCILMAN GOODE: All I'm
16 suggesting to you is that we don't
17 necessarily buy your strategy anymore.

18 MS. WILKERSON: I'm sorry. I
19 didn't hear you.

20 COUNCILMAN GOODE: We don't
21 necessarily buy your strategy for growth.

22 MS. WILKERSON: Okay.

23 COUNCILMAN GOODE: This is
24 about the future.

25 COUNCILWOMAN TASCO: The Chair

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 recognizes Councilman Greenlee.

3 COUNCILMAN GREENLEE: Thank
4 you, Madam Chair.

5 Ms. Wilkerson, just so I'm
6 clear here, because we were distracted
7 there for a while, you said about new
8 revenue on the table and various options.
9 All that new revenue, you're talking
10 about in some form some tax increase?

11 MS. WILKERSON: That's correct.

12 COUNCILMAN GREENLEE: No other
13 way to do that but to --

14 MS. WILKERSON: That's correct.

15 COUNCILMAN GREENLEE: Other
16 than Councilman Goode's bill, which is
17 shifting the millage.

18 MS. WILKERSON: Which then has
19 a severe impact on the City's current
20 Five-Year Financial Plan.

21 COUNCILMAN GOODE: Point of
22 information.

23 My legislation amounts to about
24 one half of one percent of the Five-Year
25 Plan; is that correct?

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2 MS. WILKERSON: I don't know
3 what the percentage is. We have over a
4 \$3.5 billion Five-Year Plan, so your
5 legislation on the face of it --

6 COUNCILMAN GOODE: I'm sorry.
7 We have a what?

8 MS. WILKERSON: We have over a
9 \$3.5 billion annual budget. So the
10 Five-Year Plan is --

11 COUNCILMAN GOODE: We have a
12 \$3.925 million budget this year, which is
13 expected to increase. We have about a
14 \$20 billion Five-Year Plan. One percent
15 of \$20 billion would be \$100 million.
16 This bill amounts to less than \$100
17 million. So we're talking about less
18 than one half of one percent of the
19 Five-Year Plan; is that correct?

20 MS. WILKERSON: Yes.

21 COUNCILMAN GOODE: Thank you.

22 COUNCILMAN GREENLEE: And of
23 these taxes or the new taxes, at least
24 the Administration's viewpoint -- and I
25 don't necessarily agree -- but that

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2 Councilman Goode's bill would have too
3 severe an impact, but do you have
4 suggestions on these taxes for the
5 schools? I mean, is there something
6 you're advocating as we sit here now?

7 MS. WILKERSON: No. We're not
8 advocating anything specific at this
9 point.

10 COUNCILMAN GREENLEE: But you
11 do agree that there needs to be more
12 money to the schools?

13 MS. WILKERSON: There needs to
14 be more money to the schools. We've
15 invested, going back to the beginning of
16 the Administration, an additional support
17 for public schools in this City. At the
18 time we made the initial investment, we
19 knew that there needed -- there were
20 going to be even more revenues needed,
21 and my guess is that what the District is
22 bringing to us today is modest in
23 comparison to what the need is if we're
24 going to have the kind of public school
25 system that we want. Seventeen million

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2 is not enough. The 27 million will get
3 us through the short term, but if we're
4 going to be serious about reforming
5 education in this City, it's going to
6 take substantially more revenue.

7 COUNCILMAN GREENLEE: I guess
8 my question -- and I don't mean this
9 confrontational, but it's May 23rd and I
10 haven't heard the term "new taxes" until
11 today.

12 MS. WILKERSON: We have been
13 working with the Commonwealth and the SRC
14 and the School District to try to
15 determine exactly what the need is. We
16 have just a year ago sat here with you
17 and heard that there are not problems or
18 that it's a minimal problem.

19 It's not a small problem. It's
20 a huge problem. The Administration
21 determined not to come forward until we
22 had a real understanding of what the
23 District's need was, why the need
24 existed, and we think we are near the
25 point of having that, that there's been a

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2 lot of time spent analyzing what's going
3 on with the District. The Secretary of
4 Budget for the Commonwealth working with
5 the City and the District have a report.
6 I would urge you to take the time to look
7 at what the report says, look at the
8 recommendations being made before making
9 any final decision about the size of the
10 funding that the District needs and
11 before we make final decisions about the
12 type of support that is available to the
13 District.

14 COUNCILMAN GREENLEE: Thank
15 you.

16 COUNCILWOMAN TASCO: Are there
17 any other questions?

18 Councilman Goode.

19 COUNCILMAN GOODE: Actually, I
20 had a host of questions I haven't gotten
21 to yet.

22 Secretary Barnett, thank you
23 for your testimony. On September 28,
24 2006, Mayor Street created the
25 Philadelphia Education Advisory Task

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2 Force. I was at the press conference.

3 Do you recall at that point the Mayor

4 turning around acknowledging me at the

5 press conference and saying, We're going

6 to need more local tax dollars, and

7 asking would I commit to that?

8 MS. BARNETT: I do not recall

9 him saying that.

10 COUNCILMAN GOODE: At the point

11 of that press conference, was it your

12 anticipation that there would be new

13 local revenue needed to support the

14 school system?

15 MS. BARNETT: We always

16 anticipated that there would be

17 additional funding necessary for the

18 School District. What that amount would

19 be was not determined at that point. The

20 Task Force was charged to look at what

21 additional reforms would be necessary and

22 the price tag for those reforms.

23 COUNCILMAN GOODE: And that was

24 September 28th the Task Force was formed?

25 MS. BARNETT: Correct.

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2 COUNCILMAN GOODE: At what
3 point was the Task Force supposed to
4 issue a report?

5 MS. BARNETT: The goal was to
6 have it issued three months out from the
7 initial date, and it was in many ways
8 hobbled by the fact that we were trying
9 to get an understanding, as the Chief of
10 Staff has said, understanding of the
11 finances.

12 COUNCILMAN GOODE: So the Task
13 Force was formed September 28, 2006?

14 MS. BARNETT: Correct.

15 COUNCILMAN GOODE: The report
16 was supposed to be due before the end of
17 2006; is that correct?

18 MS. BARNETT: That was the
19 goal, yes.

20 COUNCILMAN GOODE: That was
21 like five months ago.

22 MS. BARNETT: Correct. And so
23 when we began to look at the finances, as
24 has been stated before, we were not clear
25 as to the magnitude of the debt that we

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2 would be incurring. So in order to have
3 a report that fully took in the
4 understanding of the finances, we thought
5 it prudent to ask Secretary Masch to come
6 and help us understand the finances. At
7 that point, we did.

8 COUNCILMAN GOODE: You're
9 jumping ahead, Secretary. When the Mayor
10 held a press conference creating the
11 Education Advisory Task Force, he said a
12 report would be done by the end of the
13 year.

14 MS. BARNETT: Correct.

15 COUNCILMAN GOODE: It didn't
16 happen.

17 MS. BARNETT: Correct.

18 COUNCILMAN GOODE: Then on
19 December 30, 2006, the Mayor delivered
20 his New Year's radio address. He said
21 the Task Force report would be available
22 within a month or so after that.

23 MS. BARNETT: Correct.

24 COUNCILMAN GOODE: He set a new
25 timeline in January or February. He did

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2 not meet that timeline either; is that
3 correct?

4 MS. BARNETT: That's correct,
5 sir.

6 COUNCILMAN GOODE: Okay. There
7 were further comments made in the Mayor's
8 budget address on February 22, 2007. He
9 said that Council should wait until the
10 Education Advisory Task Force issue its
11 draft report, which was supposed to come
12 at some point in March at that time; is
13 that correct?

14 MS. BARNETT: That's correct,
15 sir.

16 COUNCILMAN GOODE: The Mayor
17 since that time continues to tell us to
18 wait for this report. When is the report
19 coming?

20 MS. BARNETT: Sir, let me
21 backtrack a bit with your timeline. On
22 December the 20th, 2006, we sent a letter
23 to the School District asking them for
24 additional understanding of their
25 finances, and this letter was actually

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2 penned by Secretary Masch stating that
3 five years had gone by since the
4 Commonwealth and the City had entered
5 this bold historic agreement --

6 COUNCILMAN GOODE: Secretary
7 Barnett --

8 MS. BARNETT: -- and that they
9 would be requesting --

10 COUNCILMAN GOODE: Secretary
11 Barnett, I was not privy to that
12 correspondence.

13 MS. BARNETT: I see. So I
14 just --

15 COUNCILMAN GOODE: I'm dealing
16 with public statement. There was a
17 public statement on September 28, 2006
18 that said the report would be done by the
19 end of the year. It was not done.

20 MS. BARNETT: Correct.

21 COUNCILMAN GOODE: There was a
22 public statement and radio address by the
23 Mayor on December 30, 2006 that said the
24 report would be done in January or
25 February. The report was not done. In

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 the Mayor's budget address to City
3 Council on February 22, 2007, the Mayor
4 said that it would be done within the
5 month, by the end of March. It was not
6 done. When is it going to be done?

7 MS. BARNETT: Our goal was to
8 understand the District's finances.

9 COUNCILMAN GOODE: Okay. Thank
10 you.

11 MS. BARNETT: And upon
12 report...

13 COUNCILWOMAN TASC0: When you
14 needed to understand the District's
15 finances in September, how were you going
16 to reach that goal, and did you see the
17 need to call Michael Masch at an earlier
18 point?

19 MS. BARNETT: At the time, we
20 did not anticipate that we were going to
21 ask the Secretary to specifically come
22 and look at the District's finances. The
23 Governor's Office always had agreed to
24 participate with us, but as we became
25 aware of the deficit that continued to

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 grow, we thought it prudent, particularly

3 since the state is our partner, to have

4 them to come and take a closer look.

5 Clearly, as the fact that Secretary Masch

6 was just getting ready to issue a report

7 on the District's finances, we didn't

8 want to have a report that would not

9 reflect with any sense of accuracy or the

10 state weighing in in a way that provided

11 information that had been requested.

12 COUNCILWOMAN TASC0: So what

13 has the Task Force been doing since

14 September?

15 MS. BARNETT: We have been

16 working alongside with Secretary Masch to

17 look at the finances.

18 COUNCILWOMAN TASC0: Well, he

19 just came on recently. What happened

20 from September to December?

21 MS. BARNETT: No. In December,

22 the Secretary asked for the additional

23 information of the finances, because when

24 I spoke with him, he said -- I said, We

25 don't have the additional information

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 that is necessary.

3 He said, I'd like to continue
4 to work with you and to partner with you
5 to get the District to provide that
6 information. And since that point, he
7 has, and we have been meeting, as
8 Mr. Vallas and the Chairman have talked
9 about, along with other members, to look
10 at the District's finances.

11 COUNCILWOMAN TASC0: What was
12 your plan in September to review the
13 finances of the School District to meet
14 the goal of December 31, 2006?

15 MS. BARNETT: Yes. That was
16 our plan, yes, ma'am, and --

17 COUNCILWOMAN TASC0: What was
18 your plan? How were you planning to look
19 at the School District's budget and
20 determine what your report would be by
21 December the 31st? What hampered you
22 from doing your report?

23 MS. BARNETT: Understanding.
24 The way in which the District's finances
25 were organized and projected were not

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2 clear to us, and so upon receiving quite
3 a bit of the information, we still were
4 not clear and as, again, sort of talked
5 with Secretary Masch about it, and he
6 agreed and has since created templates
7 that are completely different than the
8 ones in which he has reviewed.

9 COUNCILWOMAN TASC0: How much
10 has the Task Force spent?

11 MS. BARNETT: To date, there is
12 close to maybe \$350,000.

13 COUNCILWOMAN TASC0: So you
14 spent \$350,000 to develop a report that
15 depends on Michael Masch?

16 MS. BARNETT: One portion of it
17 does. There are five sections in it, and
18 we thought it critical to understand if
19 there were reforms that were necessary,
20 to know how much they're going to cost,
21 and we did not want to give an inaccurate
22 number.

23 COUNCILWOMAN TASC0: So what
24 did you spend the \$350,000 on?

25 MS. BARNETT: We paid a

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 consultant that held public town
3 hearings. We did focus groups. We
4 actually did the research and sort of
5 looked at the history and the state of
6 the School District and the progress that
7 has been made to make projections and
8 recommendations moving forward.

9 COUNCILWOMAN TASCO: So when
10 you had the town meetings and forums,
11 what were the goals? What were your
12 goals to have those forums and what did
13 you glean from those forums that would
14 help you understand the School District's
15 finances?

16 MS. BARNETT: Right. Those
17 things are embedded in the report in
18 which we will share, but certainly the
19 Mayor has always been prone and privy to
20 public process. And we learned quite a
21 bit with regard to class size. There are
22 other things around professional
23 development that are also a part of the
24 report.

25 COUNCILWOMAN TASCO: Thank you.

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 Any other questions from
3 members of Council?

4 (No response.)

5 COUNCILWOMAN TASC0: Thank you
6 very much.

7 Mr. Jerry Jordan.

8 Good afternoon. You know how
9 this runs.

10 MR. JORDAN: Good afternoon.

11 COUNCILWOMAN TASC0: These
12 hearings run. You want to state your
13 name for the record, please, and begin
14 your testimony.

15 MR. JORDAN: Yes. Good
16 afternoon. I am Jerry Jordan,
17 Vice-President of the Philadelphia
18 Federation of Teachers, which represents
19 17,000 teachers and school support staff.
20 Thank you for this opportunity to discuss
21 the School District budget.

22 Philadelphia's public school
23 students can boast of many achievements
24 over the past five years, and the PFT is
25 proud of the many contributions our

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 members have made.

3 COUNCILWOMAN TASC0: Excuse me,

4 Mr. Jordan.

5 Mr. Nevels, you're not leaving,

6 are you?

7 MR. NEVELS: I'm just going to

8 the little men's room.

9 COUNCILWOMAN TASC0: Okay.

10 Thank you. Sorry.

11 Go ahead.

12 MR. JORDAN: But after five

13 years of reforms in Philadelphia, a

14 majority of our students perform at or

15 below basic levels.

16 Despite what has been described

17 as the most ambitious school reform

18 program in the nation, 59 percent of

19 Philadelphia's children leave the third

20 grade reading at or below basic levels

21 and only a third of Philadelphia's 11th

22 grade students are proficient in reading,

23 a figure that is virtually unchanged

24 since 2001.

25 In a technology-driven global

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 economy, the rate of academic progress is
3 too slow to guarantee that our children
4 will be prepared to enter the workforce
5 and lead productive, successful lives.

6 We need a Marshall Plan for
7 education that combines political will
8 with strategic investment of public funds
9 directly into the classrooms and
10 education programs that are proven to
11 accelerate academic achievement and
12 provide opportunities for disadvantaged
13 children.

14 We have become complacent about
15 education policies and funding by
16 accepting a status quo in which the
17 students who need the most from public
18 schools receive fewer resources and
19 opportunities.

20 It's easy to raise academic
21 standards, says Stanford University
22 Professor Linda Darling-Hammond in The
23 Nation, but it's far more important to
24 ensure that the standards and conditions
25 under which students are educated are

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 also raised.

3 As Gloria Ladson-Billings,
4 former President of the American
5 Educational Research Association, has
6 noted, "the problem we face is less an
7 achievement gap than an educational debt
8 that has accumulated over centuries of
9 denied access to education and
10 employment, reinforced by deepening
11 poverty and resource inequalities in
12 schools. Until American society
13 confronts the accumulated educational
14 debt owed to these students and takes
15 responsibility for the inferior resources
16 they receive, children of color and of
17 poverty will continue to be left behind."

18 With the imminent change in the
19 School District's leadership, we have an
20 opportunity and responsibility to turn
21 this equation around by investing wisely
22 in classrooms throughout the City. We
23 cannot move forward, however, without
24 accurate budget information.

25 Over the past three years, we

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 have been fed a steady diet of half
3 truths when it comes to District
4 finances. Educators, parents and the
5 larger community have a right to
6 transparency and fiscal accountability
7 from the District, which has wasted
8 millions of dollars on private contracts
9 and, at times, a bloated bureaucracy.

10 The District's lack of candor
11 on budget matters over the past three
12 years is irresponsible. Budget
13 mismanagement resulted in a 30 percent
14 reduction in extracurricular spending in
15 Fiscal 2006, a \$73 million deficit this
16 year and a projected \$186 million deficit
17 in Fiscal 2008.

18 The deficit has grown despite
19 the District receiving millions of
20 additional city and state revenue since
21 2001. In fact, if one totals the
22 additional increases given in each of the
23 last five years, new revenues totaled
24 over \$1 billion.

25 The deficit remained even after

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 the elimination of 175 School District
3 jobs last December and the demotion of
4 scores of District employees who were
5 forced to accept pay cuts of 20 percent.
6 Ninety percent of those laid off and
7 demoted employees are Philadelphia
8 residents - teachers, secretaries, clerks
9 and other bread-winners who support
10 learning in our schools and families in
11 your districts.

12 Still hemorrhaging money in
13 January, the District eliminated 26 new
14 teacher coaches, leaving hundreds of
15 first-year teachers without mentors to
16 help them develop their skills and become
17 effective, confident teachers.

18 The District has proposed a
19 \$2.18 billion budget for the 2007-8
20 school year, which includes another \$100
21 million in budget cuts, including
22 teachers. Without additional city and
23 state funds, the District will have to
24 cut another \$85 million from the budget
25 to balance it.

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 It's clear that this budget
3 will not move education reform forward.
4 Money is not going directly into the
5 classrooms in order to lower class sizes;
6 support struggling students with quality
7 extended day, summer school and tutoring
8 programs; improve professional
9 development for staff; increase the
10 number of children in our early childhood
11 education programs; repair or replace
12 dilapidated schools; provide safe and
13 orderly learning environments; restore
14 art and music education; or reopen dozens
15 of closed school libraries.

16 Instead of investing in
17 classrooms, the School District is
18 squandering resources on outside
19 contractors.

20 According to a study by
21 Research for Action, under the SRC's
22 leadership, the District spent 500
23 million, or one-quarter of its operating
24 budget, on contracted services in Fiscal
25 2006, up from 380 million in 2003. The

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 number of contracts in excess of \$25,000
3 doubled from 2002 to 2003 alone.

4 We believe the School
5 District's budget proposal deserves close
6 scrutiny by Council. We urge
7 Councilmembers to demand that the
8 District reduce the number of costly
9 outside contracts and spend more money on
10 direct services to students.

11 Although we believe the budget
12 requires more scrutiny, that doesn't mean
13 the District does not need additional
14 money. Despite increased funding from
15 both the city and the state during the
16 past five years, Philadelphia schools
17 remain vastly underfunded compared to
18 surrounding districts, particularly when
19 one considers the large percentage of
20 students who require extra services to
21 overcome economic, social and educational
22 disadvantages.

23 The PFT urges Councilmembers to
24 support Councilman Wilson Goode, Jr.'s
25 bill to dedicate additional tax millage

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 to public schools. Councilman Goode's
3 legislation would provide an additional
4 \$19 million a year. We do not, however,
5 support giving the District a blank
6 check. Rather, we urge City Council to
7 require the money be provided for
8 research-based programs, proven to help
9 children succeed.

10 PFT members have seen firsthand
11 this year how budget cuts hurt students.
12 Over the past two years, class sizes have
13 increased dramatically despite
14 overwhelming evidence that reducing class
15 size improves student achievement, raises
16 graduation rates and college attendance
17 and decreases student discipline
18 problems.

19 This fall, PFT members reported
20 more than 500 oversized classes. Some
21 classes, at Carnell Elementary, for
22 example, contained as many as 42
23 children. As of mid May, the District
24 had 205 classrooms in which the number of
25 students exceeded contractual limits,

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 which at 30 to 33 children per classroom
3 are among the highest in the
4 Commonwealth.

5 Seventy-one teachers were
6 assigned to teach split classes in which
7 they teach children in two different
8 grades simultaneously. With the No Child
9 Left Behind requirement to raise student
10 achievement, assigning elementary school
11 students to combined grade classes
12 deprives children of the individual
13 attendance and academic support they need
14 to be successful.

15 The District's 2007-8 budget
16 will do nothing to alleviate
17 overcrowding. In fact, the current
18 budget calls for maintaining classes at
19 the contractual maximums, hiring fewer
20 teachers this summer and eliminating a
21 number of instructional positions
22 permanently. This guarantees that
23 schools will open in the fall with
24 hundreds of overcrowded classrooms.

25 The District announced in its

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 budget highlight that this strategy will
3 save \$9 million, an example of saving
4 money on the backs of our children.

5 Even before tragic attacks on
6 PFT members this year occurred, our
7 members were telling us that they did not
8 feel safe in their schools. In an online
9 survey of nearly 600 Philadelphia
10 teachers this year, 55 percent said they
11 do not feel safe, 45 percent said they
12 have been victims of crimes in schools
13 and 27 percent reported being discouraged
14 from reporting or documenting
15 disciplinary cases by their principal.

16 Over the past several years,
17 the District has cut non-teaching
18 assistants, school employees hired and
19 trained to control students in corridors,
20 stairwells and other places where
21 misconduct is most likely to occur. A
22 decade ago, there were nearly a thousand
23 NTAs to keep schools safe. In Fiscal
24 2005, there were 409 NTAs. This year,
25 there were 226 NTAs. A review of this

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 year's school budgets reflect that a
3 further decrease of 50 NTAs will occur.
4 As a result, approximately 25 high
5 schools will have no NTAs next year.

6 When math teacher Frank Burd's
7 neck was broken by students at Germantown
8 High School, there were no NTAs on staff.
9 When music teacher Ed Klien's jaw was
10 broken by a student in November, no NTAs
11 were assigned to monitor that floor at
12 West Philadelphia High School.

13 We believe the increase in
14 assaults on teachers and staff is a
15 direct result of the reduction of NTAs.
16 Therefore, we urge City Council to
17 recommend that the District restore
18 funding for NTAs. The responsibility for
19 the safety of students and staff requires
20 it.

21 It is equally critical that
22 every school have enough counselors,
23 nurses, psychologists and social workers
24 to connect students and their families
25 with services they need.

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 Further, school principals and
3 regional administrators must provide
4 consistent support to teachers working
5 with disruptive or violent students.
6 There must be an effective, communicated
7 disciplinary policy at every school that
8 supports teachers, staff and students and
9 provides a range of interventions for
10 violent or chronically disruptive
11 students.

12 Philadelphia's Comprehensive
13 Early Learning Center Program has for 50
14 years has provided high-quality programs
15 for pre-school children and after-school
16 care for elementary children.

17 Studies show that well-designed
18 educational programs are wise
19 investments. They help children improve
20 their thinking, social and learning
21 skills, which improves academic
22 performance and behavior.

23 Disadvantaged children benefit
24 most, but in Philadelphia, not enough
25 three- and four-year-olds are enrolled in

1 5/23/07 - WHOLE - BILL 070015, ETC.
2 high-quality pre-schools. If the School
3 District's goal is to educate children,
4 it must expand and reach out to
5 Philadelphia's families so that every
6 at-risk child is enrolled in early
7 childhood education programs.

8 Finally, I would like to
9 address the sad state of learning and
10 working conditions in our schools. Last
11 fall, a window at Creighton Elementary
12 School slammed shut on a teacher's hand
13 without warning and severed three of her
14 fingers. At Middle Years Alternative
15 School last month, students were
16 evacuated after a classroom ceiling
17 rained down on a teacher, injuring her.

18 The PFT had warned the District
19 about defective window balances a year
20 before the Creighton teacher was injured.
21 To date, the response has been to screw
22 40,000 classroom windows shut. So when
23 temperatures outdoors reach 80 degrees
24 next month, think about the thousands of
25 children, teachers and staff who are

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 being asked to do their very best work in
3 rooms where temperatures will climb as
4 high as 95 degrees.

5 Other health and safety issues
6 abound in Philadelphia's aging schools.
7 Poor ventilation, mold, leaking ceilings,
8 crumbling staircases and floors, extreme
9 temperatures, rodent droppings and vermin
10 are among the unhealthy and unsafe
11 conditions that plague some of our
12 schools.

13 We tell students that we value
14 them. Yet, we send them to buildings
15 that can injure them and make them sick.

16 Philadelphia needs a long-term
17 plan for repairing and replacing schools.
18 Instead, the District's proposed budget
19 calls for a limited second phase capital
20 improvement.

21 In conclusion, the PFT hopes
22 City Council will invest in the success
23 of our children. We urge you to allocate
24 money to reduce class sizes in
25 kindergarten through third grade. We all

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 agree that class sizes are too large.

3 What we need is the political will and

4 the money to do something about it.

5 Insist that early childhood programs

6 enroll 100 percent of at-risk three- and

7 four-year-old children so that every

8 child is prepared for kindergarten.

9 And demand window replacement

10 and other safety and health-related work

11 is done before new construction projects

12 are started. We ask you to work with the

13 District to create long-range maintenance

14 and construction programs that will

15 provide adequate, safe and healthy public

16 schools for our children. Children

17 should not have to learn and teachers

18 should not have to work in unsafe,

19 unhealthy environments.

20 Encourage the District to

21 restore new teacher coaches, who help

22 inexperienced teachers become successful

23 educators. We cannot improve teacher

24 quality and retention without providing

25 one-on-one mentoring and assistance to

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 bright, talented newcomers.

3 Insist that schools have
4 sufficient numbers of counselors,
5 psychologists, nurses and social workers
6 and advocate for research-based programs
7 to reduce violence in our schools and our
8 community.

9 Finally, there is an imbalance
10 between what we expect of school staffs
11 and students and what is offered them by
12 way of support. Rather than handing the
13 School District a blank check and hoping
14 it will make its way into our classrooms,
15 we urge the District to earmark new
16 revenues for the programs mentioned
17 above. If we are serious about helping
18 students succeed, we must increase
19 spending in the classrooms, where it
20 counts. We don't mind being held
21 accountable, but we must be provided with
22 the tools we need to be successful.

23 Thank you for your attention.

24 (Applause.)

25 COUNCILWOMAN BLACKWELL: Thank

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 you, Mr. Jordan.

3 I would like to say that I
4 haven't heard you talk about a Marshall
5 Plan before or that I haven't heard you
6 talk about a plan for disruptive
7 students. You've done it many times in
8 Council and certainly many times before
9 the Education Committee. It is
10 unfortunate that we're still there.

11 I know of a child right now in
12 West Philadelphia, a seven-year-old, who
13 stabbed another youth with a pencil, who
14 threw a chair at a teacher, who has all
15 kind of mental health issues, along with
16 a brother, and who is out there wreaking
17 havoc on a school. She's almost blind
18 and she broke her glasses. She just
19 threw her glasses away. All kinds of
20 things.

21 So the whole issue of
22 disruptive kids, you know how I feel
23 about ADHD and have for some 20 years,
24 that we don't deal with it as an issue.
25 All the issues you mention are very, very

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2 important. I only regret where you talk
3 about demanding that the School District
4 support Wilson Goode's bill but demand
5 that the School District give us -- that
6 the money be provided for research-based
7 programs. Unfortunately, the law allows
8 us to pass the budget, but we can't tell
9 the School District how to spend it. We
10 would love to.

11 MR. JORDAN: But you have a
12 tremendous amount of influence. I ask
13 you to urge your influence in determining
14 exactly how the resources are spent on
15 the kids.

16 COUNCILWOMAN BLACKWELL: Well,
17 let me say thank you. We agree with your
18 statements, as always, and thank you for
19 the excellent job you always do for the
20 children and everyone in our City. Thank
21 you.

22 MR. JORDAN: Thank you,
23 Councilwoman.

24 COUNCIL PRESIDENT VERNA: Our
25 next witness is Shelly Yanoff.

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 MS. YANOFF: Good afternoon. I
3 want to start by congratulating you all,
4 successful last Tuesday.

5 I'm Shelly Yanoff, Executive
6 Director of PCCY, and this is Sheila
7 Simmons, who is the Education
8 Coordinator. She'll give our testimony
9 and then both of us are available for
10 questions.

11 COUNCIL PRESIDENT VERNA: Thank
12 you.

13 MS. SIMMONS: Thank you.

14 The impact of schools not
15 having enough money is felt in a number
16 of settings: overcrowded classrooms that
17 face even larger class sizes in the fall;
18 teachers forced to manage two grades
19 simultaneously; schools with libraries
20 and no librarians; counselors who have no
21 time to counsel; and a population of
22 children who suffer disproportionately
23 from asthma and lead poisoning sharing
24 their school's nurse with another school
25 whose students' health needs are equally

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 as great.

3 Our school children feel the
4 impact of their lost funding today. Our
5 city will feel it tomorrow, with
6 increased dropout rates, more
7 unmanageable court dockets, further
8 entrenched neighborhood poverty and a
9 larger unskilled workforce. At this
10 critical juncture in Philadelphia's
11 future, when we can capitalize on
12 long-awaited school progress or stumble
13 back into the hopelessness of the past,
14 we as a city simply cannot afford to let
15 the chips fall as they may.

16 In recent years, a new infusion
17 of state and local funding coincided with
18 academic progress that on a number of
19 fronts outpaced the state. Children whom
20 critics insinuated simply could not learn
21 in some cases gained national attention
22 for their double-digit improvements in
23 reading and math. Now lack of financial
24 discipline and a long-accepted structural
25 problem once again threatens the

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 potential of each child whose future is
3 entrusted to us. Progress that was so
4 hard to come by will, in all probability,
5 reverse direction in next year's test
6 scores.

7 Schools across the District,
8 long respected elementary schools that
9 have served devoted, hard-working middle
10 income families and long overlooked high
11 schools that struggle to educate their
12 poverty-stricken communities, are cutting
13 deep into bare-bones budgets.

14 So we come before you today
15 underlining the importance of textbooks
16 and paper, art classes and music
17 teachers. We ask that each school have a
18 single nurse, counselor and librarian,
19 necessities in neighboring communities,
20 but optional in Philadelphia.

21 At some point, our priorities
22 have to match up with our realities.
23 Ever since a Germantown High School math
24 teacher suffered a broken neck in an
25 assault delivered by an underserviced

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 student traumatized over the
3 circumstances of his life, the headlines
4 of our major newspapers have, on an
5 almost daily basis, reported on school
6 violence. Yet, we also know that when we
7 continue to rob schools across the City
8 of needed staff, the possibility of
9 achieving a good school climate becomes
10 more and more remote.

11 Funding public education is a
12 state role. It's an argument we've heard
13 before. "It's their responsibility." As
14 advocates, we understand that funding
15 responsibilities and public revenue
16 burdens are a delicate balance. But when
17 compared with other school districts in
18 the State of Pennsylvania, Philadelphia's
19 contributions come up short, a fact that
20 earns us little compassion in Harrisburg,
21 particularly from officials who represent
22 communities with similarly underfunded
23 school systems.

24 If we compare, in equalized
25 mills, the revenue local governments

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 provide their schools, we'll see that
3 Philadelphia's contribution is equivalent
4 to 20.8 equalized mills. The state
5 median is 21.6 equalized mills. That
6 translates into our local contribution
7 falling \$29.5 million below the state
8 median. The Goode transfer bill would
9 contribute \$18.4 million more a year that
10 would make up some of that difference.
11 We urge you to support it.

12 I would also like to note that
13 if there is another proposal on the table
14 that would also net similarly \$20
15 million, we would probably support that
16 as well, but I think it deserves a
17 question of where is it.

18 We note that mayoral nominee
19 Michael Nutter as well has endorsed the
20 Goode bill and stressed the City's need
21 to put up what could be part of a
22 state-match funding proposal.

23 We expect all our important
24 members of local leadership to work with
25 the state toward providing more funds to

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 all of its school children. But our kids
3 need your action today to help stave off
4 another round of unacceptable cuts. We
5 cannot thrive as a city with schools that
6 begin to succeed and then fall back with
7 large class size, unstaffed libraries,
8 little music or art, inadequate support
9 across the board. Leveraging our own
10 increased contribution through the
11 proposed millage transfer will strengthen
12 our chances to save our schools and our
13 city. That's a much better option than
14 merely letting the chips fall as they
15 may, because they will fall on our kids
16 and our future.

17 Thank you.

18 (Applause.)

19 COUNCILWOMAN BLACKWELL: Thank
20 you very much. You know we have agreed
21 for some time on the whole issue of split
22 classes. We all know that's a disaster,
23 especially if your kid is in the lower
24 grade. Then the kid loses a whole grade.
25 Very, very important issue. Thank you.

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2 COUNCIL PRESIDENT VERNA:

3 Ms. Yanoff, are you finished?

4 MS. YANOFF: Yeah, I'm
5 finished. I'll just answer any
6 questions.

7 COUNCIL PRESIDENT VERNA: Oh,
8 okay.

9 Are there any questions from
10 members of the Committee?

11 (No response.)

12 MS. YANOFF: Actually, if
13 you've given me the opportunity, I would
14 say that the School District also could
15 secure additional help in addition to the
16 millage transfer by having its trash
17 picked up by the City, by supporting --
18 by not having to pick up police during
19 non-school hours with school police
20 expenses.

21 There are a lot of different
22 ways that the City could support the
23 schools in addition to the \$18 or \$19
24 million that we're talking about. So we
25 urge you to consider those.

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 Thank you.

3 COUNCIL PRESIDENT VERNA: Brian
4 Armstead is our next witness. Is he
5 here?

6 Good afternoon, sir. Please
7 identify yourself for the record and
8 proceed with your testimony.

9 MR. ARMSTEAD: Thank you. Good
10 afternoon. My name is Brian Armstead. I
11 am the Director of Civic Engagement for
12 the Philadelphia Education Fund. I am
13 here today to encourage you to support
14 Councilman Goode's proposed Public
15 Education Reinvestment Bill and to create
16 additional funding streams for the School
17 District of Philadelphia.

18 For the last 21 years, the
19 Philadelphia Education Fund has provided
20 direct service to Philadelphia students
21 as one major strand of our work.

22 Through our College Access
23 Program, we serve students throughout the
24 City in almost all of the Council
25 districts. Most are youth in

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 neighborhood high schools that often have
3 the highest dropout rates and lowest
4 college attendance rates. The College
5 Access Program motivates, supports and
6 guides students so that they graduate and
7 are prepared to enter and to succeed in
8 college. Our programs complement
9 services that the District provides.

10 Through our Scholars Program,
11 the Ed Fund has distributed millions of
12 dollars towards Philadelphia students'
13 college tuition. Most of the recipients
14 have been the first in their families to
15 attend college. This year alone we will
16 distribute about \$1 million. We know
17 firsthand how necessary it is to support
18 middle grades and high school youth. We
19 also know that because of budget cuts,
20 the District has been forced to close
21 down significant segments of their
22 college and career services to youth.

23 It is because of our long
24 history of direct service to youth that I
25 ask you to increase the City's

1 5/23/07 - WHOLE - BILL 070015, ETC.
2 contribution to our schools now. The
3 problem is too dire for City Council to
4 play a game of chicken with the state. I
5 urge Council to avoid saying, I'll give
6 more after they give more. Philadelphia
7 youth need Council to be the bigger
8 legislative body and increase funding to
9 the schools first.

10 In another strand of our work,
11 the Ed Fund provides professional
12 development for teachers. We see both
13 the tremendous dedication of many of our
14 teachers, as well as the tremendous need
15 for high-quality professional development
16 and teacher coaching. But it costs money
17 to provide good, consistent training.
18 Faced with budget cuts, the District has
19 had to reduce the number of teacher
20 coaches, lessening the teachers' impact
21 on the children as well as their own job
22 satisfaction. More money is needed from
23 both the city and the state to ensure
24 this city has the highest quality
25 teaching force. We need you to take the

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 first step.

3 A third strand of our work is
4 research. Over the years, our
5 researchers have examined factors that
6 affect school improvement. We know small
7 class size is vital if we want to make
8 sustained serious improvements. For
9 several years, the District had resolved
10 to lower class sizes and we had been
11 seeing results. Then the District's
12 inevitable structural deficits caught up
13 to all of us. For the last two years,
14 we've seen class sizes ballooning in the
15 wrong direction.

16 Schools have complained of a
17 return to the bad old days of large
18 classes, split grades and late leveling,
19 and the District is looking to cut up to
20 250 more teachers in '07-'08. This
21 promises to further increase the size of
22 classes and exacerbate an already
23 troubling situation. Most kids can't
24 learn in crowded classrooms. Most
25 teachers can't give students the

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 individual attention they need and
3 deserve in crowded classrooms. It costs
4 money to give teachers and students the
5 class size they need and deserve. We
6 need Council to make the first move and
7 increase funding for the schools.

8 A fourth strand of our work,
9 civic engagement, joins us with a
10 multitude of advocates working to improve
11 public policy around public schools. We
12 know the state has been unwilling to
13 seriously address the underlying funding
14 inequities in this Commonwealth. We know
15 that many state legislators refuse to
16 support us because they say that we in
17 Philadelphia do not even support
18 ourselves at an appropriate level. We
19 need Philadelphia to take the first step
20 in order to leverage more money from the
21 state. The Public Education Reinvestment
22 Bill can be that act of good faith and,
23 not inconsequentially, would provide a
24 much-needed infusion of revenue. These
25 are funds that our students need right

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 now.

3 We at the Ed Fund are also
4 residents, neighbors, employees and
5 concerned members of the Philadelphia
6 community. We know that the City could
7 be and should be doing more to support
8 public education. From this vantage
9 point, we also urge City Council to
10 allocate more funds beginning, as I said,
11 with Councilperson Goode's bill.

12 Thank you.

13 COUNCIL PRESIDENT Verna: Thank
14 you.

15 (Applause.)

16 COUNCIL PRESIDENT Verna: It
17 does appear that these bills have
18 overwhelming support and it is my
19 understanding that a couple of
20 Councilmembers do have other commitments.
21 So what I'd like to do is recess the
22 public hearing, go into our public
23 meeting and then we will resume the
24 public hearing again.

25 So at this time, we will recess

1 5/23/07 - WHOLE - BILL 070015, ETC.
2 our public hearing and go into our public
3 meeting, and the Chair recognizes
4 Councilman Goode regarding Bill No.
5 070015.

6 COUNCILMAN GOODE: Thank you,
7 Madam President. I move that Bill 070015
8 be reported out of Committee with a
9 favorable recommendation, that the rules
10 of Council be suspended so as to permit
11 first reading at our next Council
12 session.

13 (Duly seconded.)

14 COUNCIL PRESIDENT VERNA: It
15 has been moved and seconded that Bill No.
16 070015 be reported out of Committee with
17 a favorable recommendation; further, that
18 the rules of Council be suspended so as
19 to permit first reading at our next
20 session of Council.

21 All in favor will please say
22 aye.

23 (Aye.)

24 COUNCIL PRESIDENT VERNA: Those
25 opposed?

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 (No response.)

3 COUNCIL PRESIDENT VERNA: The
4 ayes have it and the motion carries.

5 The Chair recognizes
6 Councilwoman Blackwell --

7 (Applause.)

8 COUNCIL PRESIDENT VERNA: The
9 Chair recognizes Councilwoman Blackwell
10 regarding Bill No. 070118.

11 COUNCILWOMAN BLACKWELL: Thank
12 you, Madam President. I move that Bill
13 No. 070118 be reported out of Committee
14 with a favorable recommendation and,
15 further, that the rules of Council be
16 suspended in order to permit first
17 reading at our next session of Council.

18 (Duly seconded.)

19 COUNCIL PRESIDENT VERNA: It
20 has been moved and seconded that Bill No.
21 070118 be reported out of Committee with
22 a favorable recommendation; further, that
23 the rules of Council be suspended so as
24 to permit first reading at our next
25 session of Council.

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 All in favor will please say
3 aye.

4 (Aye.)

5 COUNCIL PRESIDENT VERNA: Those
6 opposed?

7 (No response.)

8 COUNCIL PRESIDENT VERNA: The
9 ayes have it and the motion carries.

10 Again, the Chair recognizes
11 Councilwoman Blackwell regarding Bill No.
12 070119.

13 COUNCILWOMAN BLACKWELL: I move
14 that Bill No. 070119 be reported out of
15 Committee with a favorable recommendation
16 and, furthermore, that the rules be
17 suspended in order to permit first
18 reading at our next session of Council.

19 (Duly seconded.)

20 COUNCIL PRESIDENT VERNA: It
21 has been moved and seconded that Bill No.
22 070119 be reported out of Committee with
23 a favorable recommendation; further, that
24 the rules of Council be suspended so as
25 to permit first reading at our next

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2 session of Council.

3 All in favor will please

4 indicate by saying aye.

5 (Aye.)

6 COUNCIL PRESIDENT VERNA: Those

7 opposed?

8 (No response.)

9 COUNCIL PRESIDENT VERNA: The

10 ayes have it and the motion carries.

11 That concludes our public --

12 (Applause.)

13 COUNCIL PRESIDENT VERNA: --

14 meeting. We will now return to our

15 public hearing, and our next witness is

16 Michael Churchill. Is Michael Churchill

17 present?

18 (No response.)

19 COUNCIL PRESIDENT VERNA: Do we

20 have Parents United for Public Education?

21 Good afternoon. Please

22 identify yourself for the record and

23 proceed with your testimony.

24 MS. RICHARDSON: Good

25 afternoon. Thank you for allowing us to

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2 present today. My name is Aisha
3 Richardson. I'm President of the Samuel
4 Powel Home and School Association. I'm a
5 member of Parents United for Public
6 Education and I'm a member of the Mayor's
7 Education Task Force Subcommittee on
8 School Climate.

9 I wanted to commend Council for
10 supporting the School's Reinvestment Act.
11 That's a wonderful first step in securing
12 permanent funding for Philadelphia's
13 public schools. I just want to talk a
14 little bit about Powel School.

15 Last year during the School
16 District's initial budget crisis, Powel
17 School lost a great teacher, a librarian,
18 a new aide and an SSA, and so began
19 organizing and we brought our kids out to
20 City Council to testify. We brought
21 parents to the School Reform Commission
22 meetings and we partnered with other
23 parents, and as a result of our
24 organizing activities, over 100 teachers
25 that have been cut from schools were

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2 returned, and four days of public
3 hearings of this were held.

4 This year Powel is going to
5 lose two more teachers. And so one of
6 our teachers this year is on a medical
7 leave, our music teacher, and because of
8 his absence, that means no music classes,
9 no prep for teachers, no annual spring
10 concert. So we have a small school with
11 only 14 teachers. If one person is
12 absent, all 250 children are affected.

13 Next year our school will lose
14 another two teachers and another SSA.
15 And so we're asking how much more does
16 Powel need to tighten its belt before our
17 school is strangled to death.

18 Council has a unique
19 opportunity to increase more funding for
20 education, and this was a very excellent
21 first step, and so I want to make sure
22 that there is some emphasis put on
23 reducing class sizes, supporting academic
24 excellence and not supporting mediocre
25 education management organizations.

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2 I just wanted to thank you
3 again for passing this bill and I want to
4 turn it over to my colleagues.

5 MR. LEVANT: Good afternoon,
6 Madam President and Chairwoman. My name
7 is Harry Levant. I am the current
8 President of the Home and School
9 Association at Shawmont and one of the
10 parent leaders of Parents United for
11 Public Education.

12 There are two dynamic women to
13 my right and my left, and 18 months ago
14 the three of us were Parents United for
15 Public Education. Because of the
16 severity, the crisis that our schools
17 face, we have grown to include schools
18 all across the City. We're nearing, say,
19 close to 100 parents who are involved and
20 we're growing every week. I wish we
21 weren't growing the way we are, because
22 the reason we're growing is because how
23 severe the crisis in our schools really
24 is.

25 I need to acknowledge that our

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2 Mayor, Mayor Street, met on Monday with a
3 group of 14 parents from schools across
4 the City and we brought our concerns to
5 his attention. I thank Council for the
6 first step that was just undertaken in
7 moving the Goode bill forward. However,
8 I listened to Mr. Vallas' testimony and
9 testimony from other witnesses this
10 morning and I have come to the conclusion
11 that there is a dangerous disconnect
12 between what is happening at the SRC and
13 what our elected officials seem to
14 understand or don't understand.

15 I have one horse in this race.
16 The horse has three heads. Those heads
17 are my children, the 600 children whose
18 families I represent as a Home and School
19 President and my concern for children all
20 across the City. If I wasn't concerned,
21 I wouldn't be sitting here. I wouldn't
22 be dedicating the time that I and others
23 dedicate to coming forward and testifying
24 and attempting to bring to your attention
25 and the attention of others the severity

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2 of the problem.

3 To highlight this, I must tell
4 you what has happened at Shawmont in just
5 the last three months. We were promised
6 by Mr. Vallas and the SRC that there
7 would be no additional cuts in
8 discretionary spending. This promise was
9 made on April the 11th. On April the
10 12th, we had \$102,000 cut from our
11 budget. If this money is not restored by
12 the time the budget is approved on May
13 the 29th, we stand to lose our fifth
14 classroom teacher. That's five classroom
15 teachers in two years, with an enrollment
16 decline of 12 children. That has
17 mushroomed the size of our classes.

18 We stand to lose all of our
19 kindergarten support, which means in
20 September, in September, we will open
21 with two kindergarten classrooms, each
22 with the contractual maximum of 30
23 five-year-old children and one adult in
24 that room. Our kindergarten SSAs are no
25 more, gone. Thirty five-year-olds, one

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2 teacher in the room. And we're going to
3 lose our entire mentally gifted program.
4 My children has north of 75 children in
5 the mentally gifted program. This is a
6 dynamic and mandatory program for our
7 highest achieving students, and it's
8 being cut.

9 So this morning when you heard
10 that we're not touching the schools, it's
11 not accurate. Something needs to be done
12 to make sure that the money that is there
13 now and hopefully the additional money
14 that's on its way to approval will get to
15 the schools, because the cuts that we
16 have absorbed over the last two years are
17 dangerous, and the ones that are about to
18 happen are nothing short of Draconian.

19 We need some help. Our
20 teachers need some help. There are
21 dedicated parents out there. We're
22 tired, but we're going to continue to
23 push forward because we believe in our
24 schools. We have our children in the
25 Philadelphia schools because we want them

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2 there and we care about the children
3 across the City. Please get more
4 actively involved, both with finances and
5 with knowledge, so that we don't have the
6 type of cuts that Shawmont is absorbing.
7 And please look into my particular issue
8 at our school so that these funds can be
9 restored by May the 29th so that when my
10 school opens in September, we'll be able
11 to function at an appropriate level.

12 Thank you for your time.

13 COUNCIL PRESIDENT VERNA:

14 You're welcome.

15 MS. GYM: Hello. My name is
16 Helen Gym. I'm a parent at Powel
17 Elementary School. On behalf of parents
18 that worked very hard to lobby for
19 Councilman Goode's bill, we very much
20 thank and are grateful to the support of
21 Council. We will definitely hold you
22 accountable for your vote, especially if
23 there is any chance of a mayoral veto on
24 this, but we believe that this Council is
25 standing firmly beside Councilman Goode's

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2 bill and we are very deeply appreciative.

3 But I want to be clear about
4 one thing, that nothing in this District
5 comes easy. Councilman Goode's bill is a
6 start, but we are here to talk about the
7 years ahead and the years that have
8 passed under our watch. We have cut
9 2,000 teachers from our School District,
10 classroom teachers from our School
11 District since 2004, at a level of 500
12 teachers a year. We have more split
13 grades than we ever have had. We have
14 parents who talk at Disston Elementary
15 about 38 to 40 kids in a classroom, 31
16 fifth-graders in a half size trailer.

17 At the end of the day in Powel
18 School's budget, we will have \$5,000 for
19 the 250 children at our school, less than
20 \$20 a year to cover for their books,
21 their art supplies, field trips, any
22 extracurriculars and, God forbid, a
23 graduation ceremony to remind them that
24 they are loved in this world.

25 We are losing a special ed

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2 teacher, and after the Philadelphia
3 Inquirer's amazing two-day story spread
4 about the decline of services to special
5 ed, we had to wonder how does this make
6 academic sense.

7 We want to talk about the
8 School District's budget plan that is
9 coming up. Next year there are 250
10 teacher cuts planned in the School
11 District's budget. There's \$100 million
12 in cuts next year alone. There are 22
13 school closings that they are banking on.
14 Are they in your district? Do you know?
15 Would that make your constituents upset?
16 They have not told us this. And the
17 almost total elimination of de-seg
18 bussing.

19 There is a Five-Year Plan for
20 the District. It consists of one page,
21 PDF, online. We do not believe that is
22 enough detail to talk about \$100 million
23 in cuts to our schools.

24 The SRC's budget plan will
25 raise class size because it includes

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2 teacher cuts that have nothing to do with
3 enrollment. Although you may not be able
4 to earmark the dollars from Councilman
5 Goode's bill, you certainly have the
6 power to raise the public voice and
7 demand a public process on the upcoming
8 budget cuts.

9 A Philadelphia Public School
10 Notebook study shows that the ratios of
11 student to teachers has actually
12 increased since 2002. The budget plan
13 that we have does not adequately support
14 a quality teaching and learning
15 environment. There's been no opportunity
16 for review of the Five-Year Plan of the
17 School District's budget. It barely
18 provides any detail. There's been little
19 public conversation and very little
20 public questioning of the fiscal and
21 academic theses or theories on which it
22 rests.

23 The budget plan eliminates
24 proven initiatives, like reduced class
25 size, but yet assumes that there is

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2 certain questionable financing for the
3 next five years for EMOs, private
4 contracts, consulting contracts and even
5 the SRC's burgeoning staff.

6 We have to ask these questions
7 now. As parents, we have come here time
8 and time again only to ask for a public
9 process, only a chance to ask why are the
10 things happening as they are to our
11 students at this time.

12 We believe that a lot of the
13 surprise of anything that happens with
14 the School District's budget is largely
15 because of the lack of public process
16 that has taken place and the lack of
17 parents being at the table in the
18 decision-making process.

19 Last fall, Chairman Nevels
20 promised parents that we would be
21 involved in the development of the
22 District's budget as it was being
23 developed. The SRC reneged on that
24 promise. And for those reasons, we are
25 asking you to join us in rejecting the

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2 SRC's budget plan, not only for next year
3 but for the Five-Year Plan on which it
4 rests, only for the three reasons of
5 this: Just to ask that no budget cuts be
6 implemented until an emergency process
7 has been called for and involve
8 substantial and substantive parent and
9 community-based review, as was promised
10 to us; that the SRC hold public hearings
11 for detailed questioning by the public of
12 the Five-Year Plan and its financial and
13 academic implications for the long-term
14 future of our children; and that there be
15 an opportunity for parents and community
16 representatives to meet with the District
17 budget staff to come up with an
18 alternative set of cuts, not for the
19 typical list of our teachers, of our
20 nurses, of our librarians, of our
21 counselors, of our academic programs, but
22 instead to review once again private
23 contracts, staffing, EMO funding that
24 continues to be on the table despite four
25 separate independent studies that have

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2 confirmed that they perform no better and
3 cost our District \$90 million over the
4 last five years, and as well consulting
5 contracts of retired administrative
6 personnel.

7 We ask you to give your money
8 to our schools, but we ask you not to pat
9 yourselves on the back as you give the
10 money, but to take responsibility for the
11 money that you give, to take initiative
12 and demand some questions, a public
13 process, and answers that will definitely
14 impact us as parents, you, your
15 constituents and the children in your
16 district for many years to come.

17 Thank you.

18 (Applause.)

19 COUNCIL PRESIDENT VERNA: Thank
20 you.

21 MR. LEVANT: Madam President, I
22 brought something I'd like to hand up
23 today, if I may. I brought an article
24 that Chairman Nevels published in Forbes
25 Magazine in March of 2005 when we still

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2 had reform. In this article, Chairman
3 Nevels writes about hiring teachers,
4 teacher coaches and the mandate for
5 reduced class size, and he, Chairman
6 Nevels, attributes in Forbes Magazine the
7 improvement in our Philadelphia schools
8 to these three initiatives. This is just
9 over two years ago. We have lost all of
10 these initiatives.

11 I'd like Council to read this
12 closely and ask the SRC whether the very
13 things that Chairman Nevels wrote about
14 two years ago are still being enacted in
15 our city, and if they are not, we need a
16 return to them and we need a return to
17 them now.

18 I respectfully submit that
19 article and ask that members of Council
20 pay close attention to the writings of
21 Chairman Nevels and hold the SRC
22 accountable to what its leader said we
23 need, because they have taken from us.

24 COUNCIL PRESIDENT VERNA: Thank
25 you very much.

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2 (Applause.)

3 COUNCIL PRESIDENT Verna: Thank
4 you very much.

5 MR. LEVANT: You're welcome.

6 COUNCIL PRESIDENT Verna: Anne
7 LaBrum.

8 (No response.)

9 COUNCIL PRESIDENT Verna: Is
10 Anne LaBrum here?

11 (No response.)

12 COUNCIL PRESIDENT Verna:
13 George Ricchezza.

14 MR. RICCHEZZA: Good afternoon,
15 Madam Chair, Councilmembers.

16 COUNCIL PRESIDENT Verna: Good
17 afternoon. Please identify yourself for
18 the record and proceed with your
19 testimony.

20 MR. RICCHEZZA: My name is
21 George Ricchezza. I'm the President of
22 Local 1201. Good afternoon again, Madam
23 Chair and Councilmembers.

24 I represent 3,000 non-teaching
25 School District employees. I have been

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2 an officer of Local 1201 for nine years,
3 but I have been a School District
4 employee for 34 years, and as a result, I
5 can say I am very familiar with how the
6 non-academic part of our District works.

7 The vast majority of our Local
8 1201 members are black and female. They
9 earn about \$28,000 a year. They are an
10 older group of employees who will find it
11 exceedingly difficult to find new
12 employment if their jobs are eliminated.
13 They are your constituents. Nearly 100
14 percent of our members live in
15 Philadelphia. They pay Philadelphia
16 taxes. They vote in Philadelphia.

17 I sit before you to ask for
18 your support and for your understanding
19 of what is currently taking place in the
20 operations of the School District of
21 Philadelphia. I would like to address
22 two issues: school cleanliness and
23 school safety.

24 First, cleaning. My members
25 clean the schools. When they leave at 10

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2 or 11 o'clock at night, the schools are
3 clean. The challenges they face daily
4 are daunting: graffiti, vandalism or
5 kids just not paying attention to the
6 rules that are not enforced.

7 But they get the job done even
8 if it requires them to stay late or work
9 extra hours to complete the work of
10 absent co-workers. They are proud of the
11 job they do.

12 Let's be clear. We make no
13 claim that our schools are spotless, but
14 within the system designed by the School
15 District, the system that the School
16 District demanded and negotiated over an
17 18-month period in 2003 and 4, our
18 members have more than met the challenge.

19 The major problems that exist
20 in the cleaning process are not the
21 employees, but the system itself.

22 In the last contract, the
23 District demanded that each cleaner be
24 assigned square footage requirements that
25 were too high for the number of staff

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2 assigned to do the job. We gave the
3 District evidence that its square footage
4 cleaning requirements were well above the
5 industry average. We told the District
6 that forcing the square footage cleaning
7 requirements would lead to burnout and
8 absenteeism.

9 On the subject of absenteeism,
10 we made numerous offers to work with the
11 School District to reduce absenteeism.
12 They ignored our offers. Then to add
13 insult to injury, the School District
14 privatized the cleaning of 14 high
15 schools, eliminating over 200 jobs in our
16 bargaining unit, over 200 jobs of your
17 constituents.

18 In the last two years, the
19 School District has spent over \$14
20 million on this outside contract,
21 including \$600,000 in management fees for
22 this year alone. I should note that the
23 management fees have now been eliminated
24 given the current budget crisis. But
25 this is a typical example of the

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2 District's reckless and run-away spending
3 patterns in the last few years.

4 The District employs over 25
5 FACs, field area coordinators, who are
6 responsible for supervising the cleaning
7 and maintenance of all school facilities.
8 The District did not lay off one FACs
9 when it privatized the schools. The
10 District did hire outside managers to
11 supervise cleaners. They paid hundreds
12 of thousands of dollars in additional
13 fees or, should I say, profits for
14 additional layers of management that were
15 not needed.

16 Next let's talk about these
17 schools. Are they cleaner? They may be,
18 but the fundamental question is why.

19 The answer is simple: staffing
20 levels and adequate supplies. In the
21 contract last negotiated between the
22 District and our union, we agreed that
23 buildings would be staffed with one
24 cleaner for every 32,000 square feet of
25 space, plus one additional individual.

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2 So, for example, if a building had
3 100,000 square feet, there would be four
4 cleaners assigned to the building. Has
5 the staffing level been met? Absolutely
6 not. On the contrary, if an individual
7 retires or resigns or is terminated, the
8 District has simply not filled over 350
9 cleaning positions alone. As a result,
10 most buildings are permanently
11 understaffed.

12 Moreover, in 2004, we
13 negotiated the creation of a relief
14 cleaning crew so that if, in particular,
15 one building several cleaners are out due
16 to injury or illness, bodies could be
17 assigned on a temporary basis and the
18 building would be properly staffed. As
19 of today, the relief pool are permanently
20 assigned to buildings.

21 In contrast with the private
22 contractor, the District demanded that a
23 specific number of hours be worked in
24 each privatized school. The contractor
25 must provide that number or be in breach

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2 of the contract. If a contractor's
3 employee is out ill, the contract simply
4 provides another body. As a result, in
5 the privatized buildings, the cleaning
6 staff is always a full complement. In
7 our schools, it is not.

8 In short, we are not competing
9 on an apples-to-apples basis.

10 Next let's turn to supplies.
11 In the privatized schools, the contractor
12 must provide the supplies with which to
13 clean the buildings. Not so in our
14 schools. The District is supposed to
15 provide the supplies, but I guess to have
16 money, the District either underorders or
17 doesn't order at all. Just yesterday I
18 received a call from a general cleaner at
19 one of our schools who was advised to go
20 to a different location to pick up paper
21 towels so they would have them in their
22 bathrooms. There's over 600 students and
23 an inordinate number of employees in that
24 building that had to go without supplies
25 for the day.

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2 This is just the tip of the
3 iceberg in the area of cleaning.

4 Next let's look to safety. Our
5 union also represents the building
6 engineers and maintenance mechanics in
7 the Philadelphia School District. Our
8 engineers, who are licensed employees,
9 are responsible for the day-to-day
10 operation of the schools. Our
11 maintenance teams include electricians,
12 plumbers, painters, carpenters and, in
13 total, 16 individual crafts.

14 But at the end of the day, to
15 pay for outside school managers and
16 underperforming charter schools, this
17 administration and the School Reform
18 Commission have cut the workforces in
19 both these categories to the bone. And
20 let me cite just one of the egregious
21 examples of the District's cavalier
22 attitudes towards safety.

23 In May of 2006, over one year
24 ago, the issue of the dangerous window
25 conditions was brought to the attention

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2 of the then facilities manager of the
3 District. He was specifically asked
4 about the situation with new windows at
5 many schools in which the weight of the
6 windows and their state of disrepair
7 posed a very serious safety hazard. The
8 issue of broken balancers was also
9 brought to his attention.

10 His response, he said that he
11 was unaware of the problem and that it
12 was one that he inherited. He said that
13 the cost of fixing or replacing all the
14 windows was prohibitive. He said that
15 the District would conduct a survey of
16 the windows in the District and the
17 District would try to ensure at least two
18 operable windows per room in every area
19 without air conditioning.

20 I should also add that the
21 dangerous windows in question weigh
22 between 25 and 70 pounds and are quite
23 heavy. It has been reported to us that
24 within a very short time of installation,
25 from several months to a year, the

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2 balancers, the spring and weight systems
3 designed as counter weights in
4 double-hung windows that allow them to be
5 safely and smoothly raised and lowered,
6 started to fail, resulting in a serious
7 safety hazard from failing windows.

8 We have been led to understand
9 that because of the type of windows
10 purchased, the way it was handled by the
11 District in the bidding, contracting and
12 installation process and the lack of
13 attention of routine maintenance over the
14 year, warranties were voided and windows
15 presented real dangers.

16 And the result? As I am sure
17 you are aware, in February 2007, a
18 tragedy occurred involving one of these
19 windows. A member of the PFT, protecting
20 a child, lost three fingers on one hand
21 as one of the windows in question came
22 crashing down on her. Do we have to
23 endure yet another accident to an
24 employee or, worse, a child before this
25 issue is addressed in a comprehensive

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2 way?

3 Right now the District has a
4 contract for \$500,000 with a window
5 maintenance firm to try to achieve the
6 goal of having a minimum of three
7 properly operated windows per classroom
8 and would install a metal screen along
9 the bottom of each of these properly
10 functioning replacement windows so that
11 this type of accident will not reoccur.
12 The question is, why do we need an
13 outside contractor?

14 If the School District uses the
15 carpenters on staff right now and
16 supplied them some additional hours each
17 day, we believe that we could save the
18 School District \$200,000 and have this
19 job done by the opening of school.

20 This is just one example of the
21 mismanagement in the area of the
22 facilities that impacts not only on the
23 bottom line of the School District facing
24 a terrible budget crisis, but on the
25 safety of everyone involved.

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2 These are not just the union's
3 conclusions. These are also the
4 conclusions of City Controller Alan
5 Butkovitz, who under the City Charter
6 performed the same auditing functions for
7 the School District. We have provided
8 each member of Council with a copy of
9 that report.

10 But I must quote from the
11 summary. "As our limited inspections
12 show, conditions at Philadelphia schools,
13 from elementary to high schools, are less
14 than desirable for students and teachers
15 and, in some cases, pose a direct danger
16 to the safety and well-being of students,
17 teachers and other school personnel.

18 "Conditions found ranged from
19 something as simple as a missing doorknob
20 to as complex as structural problems like
21 falling support beams. Broken or
22 inoperable toilets, vermin and insect
23 infestations were noticed, yet the School
24 District continues to decrease spending
25 in the maintenance, engineering and

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2 cleaning budget lines.

3 "In school years 2001-2, the
4 School District had 2,755 funded
5 positions at a cost of \$109.3 million in
6 the Basic Cleaning Services budget line.
7 On this total, there 526 building
8 engineers, 424 maintenance and 1,805
9 cleaning service positions. Also
10 included in the school year 2001-2, the
11 budget was approximately 4.5 million for
12 Contracted Maintenance Services. In
13 school year 2006-7 budget, the School
14 District has reduced the number of
15 requested positions in Basic Cleaning
16 Services to 1,995, at a cost of 100.5
17 million, a reduction of 760 positions or
18 27.6 percent of the workforce, a decrease
19 of approximately \$9 million in Local
20 1201.

21 "These reductions were across
22 all three categories. In school year
23 2006-7, requested positions for building
24 engineers was 428, a decrease of 98
25 positions or 18.6 percent; maintenance,

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2 355 positions, a reduction of 69
3 positions or a 15.6 percent; and cleaning
4 positions, 1,212, a reduction of 593 or a
5 32.8 percent loss of manpower. Also
6 included in the school year 2006-7 is a
7 request for an estimated \$2.5 million for
8 contracted maintenance services, a \$2
9 million decrease or a 44 percent
10 reduction from school year 2001 and 2.

11 "While the School District can
12 boast that these decreasing numbers have
13 saved millions of dollars over this
14 five-year period, the lack of preventive
15 and ongoing maintenance is not without
16 cost. The resultant cost cannot be
17 measured in dollars. Rather, the
18 conditions discovered by the Controller's
19 Office personnel clearly show that we are
20 putting the welfare of our children and
21 teachers at risk.

22 "It is imperative that the
23 School District provide the cleanest and
24 safest learning environment for its
25 students."

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2 The Controller's report is
3 devastating and clearly shows the true
4 cost of bad management and failed
5 policies. It is not the road that the
6 District needs to take in the future.

7 Nor is privatization the
8 answer. It is expensive and it just does
9 not work. We need to stop enriching
10 private contractors and see to it that
11 money is used to provide the employees
12 the supplies that are needed to provide
13 safe and clean schools.

14 In sum, the students and
15 employees of the School District are
16 getting shortchanged by the failed
17 policies of a CEO whose main achievement
18 was to bring in high-paid consultants
19 from out of town, to feather his own
20 monetary nest, and to leave the District
21 and the children with the highest budget
22 deficit in history.

23 The members of the School
24 Reform Commission have a monstrous task
25 before them. They must continue to

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2 improve our children's educational
3 opportunities, while at the same time
4 balancing a budget that is woefully off
5 kilter.

6 The SRC's efforts at
7 privatization, both in the academic area
8 and the facilities area, must be
9 reexamined and reexamined right now.

10 We at 1201 urge this Council to
11 appropriate every dime possible to fully
12 fund our public schools. But we urge you
13 to do so with strings attached. Yes,
14 strings. We urge you to demand from the
15 SRC that the EMOs, which by all reports
16 are doing worse than our regular schools,
17 be removed and that no contracts for
18 outside managers be renewed. And we urge
19 you to demand that the SRC end the
20 privatization of cleaning and maintenance
21 and restore those jobs to the people who
22 live and work in this area and who are so
23 intimately familiar with each and every
24 school facility. Finally, we urge you to
25 demand that the SRC fully staff the

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2 cleaning, engineering and maintenance
3 staffs of the School District. By so
4 doing, the SRC can save money needed to
5 close the budget gap and at the same time
6 ensure the cleanliness and safety be
7 restored to the School District.

8 Thank you very much.

9 (Applause.)

10 COUNCILWOMAN BLACKWELL: Thank
11 you very much for the excellent
12 testimony.

13 Are there any questions?

14 (No response.)

15 COUNCILWOMAN BLACKWELL: Thank
16 you very much. Thank you.

17 Helen Matthews. I believe you
18 submitted written testimony. Duane
19 Ingram, are you here?

20 (No response.)

21 COUNCILWOMAN BLACKWELL: Duane
22 Ingram?

23 (No response.)

24 MS. MATTHEWS: I'm here. I'm
25 Helen.

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2 COUNCILWOMAN BLACKWELL: Thank
3 you.

4 Is Arenda Bethel here?

5 MS. BETHEL: Yes.

6 COUNCILWOMAN BLACKWELL: You're
7 next.

8 Thank you. Please identify
9 yourself for the record and begin your
10 testimony.

11 MS. MATTHEWS: My name is Helen
12 Matthews. Thank you for accepting my
13 testimony.

14 I want to thank Councilman
15 Goode --

16 COUNCILWOMAN BLACKWELL: What
17 is your name again?

18 MS. MATTHEWS: Helen Matthews.

19 COUNCILWOMAN BLACKWELL: Thank
20 you.

21 MS. MATTHEWS: Thank you,
22 Councilman Goode, for sponsoring this
23 very important bill for our children.

24 I urge you to support the
25 Public Education Reinvestment Act. The

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2 City of Philadelphia has a moral
3 obligation to care for its children,
4 including a financial obligation to
5 educate them. Many Philadelphia school
6 children live in poverty and social
7 chaos, and their schools offer them their
8 only opportunity to succeed and to
9 survive. Providing an adequate education
10 through high school for our children is
11 the best crime-fighting tool that we
12 have, as well as our best economic
13 investment for the future. Funding
14 education is the smartest financial move
15 our City can make.

16 The looming budget deficit
17 projected for 2007-2008 will have dire
18 consequences for my neighborhood school,
19 Meredith Elementary, where I have a
20 first-grader. Meredith Elementary is an
21 economically and racially balanced
22 neighborhood school in Queen Village,
23 with academic performance equal to
24 wealthy suburban schools and a very rich
25 art and music environment. The school

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2 has strong community and parental
3 support, and many of us credit smaller
4 class sizes for the school's success.

5 Our school has faced budget
6 cuts before, but this upcoming budget cut
7 will be crippling. The 100 plus teachers
8 to be cut includes our newest teacher,
9 Ms. Slaughter, an outstanding teacher by
10 any standard. The loss of this teacher
11 will result in split grades and maximum
12 class sizes at our school. The quality
13 of the school will be greatly diminished
14 and families, who previously bought homes
15 to be within the school's catchment, will
16 consider leaving the City. Families do
17 not move to the suburbs because of taxes;
18 they move because of schools.

19 Passing this bill will help us
20 keep our teachers. It will help us
21 maintain our quality schools and work to
22 improve our lagging schools so that all
23 children can succeed and be productive in
24 the City. Passing this bill also
25 demonstrates to the legislators in

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2 Harrisburg that Philadelphia does care
3 about the welfare of its children and is
4 willing to shoulder more of the financial
5 responsibility to educate them.

6 Thank you.

7 (Applause.)

8 COUNCILWOMAN BLACKWELL: Thank
9 you very much. Thank you very much.

10 Duane Ingram is next.

11 (No response.)

12 COUNCILWOMAN BLACKWELL: You're
13 Arenda Bethrel.

14 MS. BETHEL: Bethel.

15 COUNCILWOMAN BLACKWELL:

16 Bethel, not Bethrel.

17 MS. BETHEL: B-E-T-H-E-L.

18 COUNCILWOMAN BLACKWELL: Yes.

19 This has Bethel. Welcome. Thank you.
20 Please identify yourself for the record
21 and begin your testimony.

22 MS. BETHEL: Good afternoon.

23 My name is Arenda Bethel. I am a member
24 of the Home and School at Ada Lewis
25 Middle School, also a group called the

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2 Concerned Parents of the Ada Lewis Middle
3 School.

4 I am here to discuss not only
5 the proposed closure of my school but the
6 fact that something needs to be done at
7 this time to get not only the financial
8 piece of our City on track but also the
9 educational piece of our City on track,
10 because our children are the ones that's
11 suffering at this time because of that.

12 My name is Arenda Bethel. I'm
13 a member of the Home and School and the
14 Concerned Parents of Ada Lewis Middle
15 School. It was cited for proposed
16 closure as of March 6, 2007. The
17 decision will be made on June 20, 2007 by
18 the School Reform Commission. I'm here
19 with an uneasy feeling about how and why
20 our budget is in such disarray. It is
21 clear that things were not handled the
22 way they should have been. The problem
23 that worries me now is who is going to
24 suffer because of these mistakes. The
25 answer to that are clearly our children.

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2 These children are our future
3 and, again, has had something taken away
4 from them that should not have been.
5 First, the incentive that used to perk
6 other children once to go to school, like
7 music, shop, or typing, were taken away
8 like a thief in the night. These things
9 are only available in specialized
10 schools, with excellent grades needed to
11 attend some of these schools. I don't
12 understand why the people in charge of
13 making the mistakes are not punished
14 instead of our children.

15 Each and every time there's a
16 problem, our children suffer. Let's
17 start making the people responsible for
18 making the mistakes have to be punished
19 instead of constantly having our children
20 suffer. Why not just start over with an
21 almost new Commission? Let's leave
22 Mrs. Glenn in and add the necessary
23 people to complement her in changing this
24 system into a positive mode for our
25 children. Fill the other four seats

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2 appropriately and let a person from our
3 community knowledgeable enough to be
4 there if, for no other reason, but to
5 observe what is going on.

6 It seems that just like you
7 heard, if you don't watch them, they will
8 get away from you. It seems that this is
9 a good enough time as any to get in there
10 with someone who will be understanding,
11 that the Mayor and the Governor needs to
12 be on top of what is going on with the
13 budget at all times as they are.

14 Do not keep the communities in
15 the dark about it either. Though we are
16 there each meeting, we can't speak about
17 what the Commission has already decided
18 on. We need community involvement to
19 help know what is going on in there also.

20 I am asking you for a change
21 for the better now while we can. This
22 includes getting a CEO in there with a
23 degree in education. The financial
24 degree hasn't helped our children at all.
25 Let's get someone in there to help not

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2 only with finances, but with real
3 education.

4 I thank you for listening to me
5 and hope you take my recommendations to
6 heart to help our future, which is our
7 children.

8 Thank you very much.

9 (Applause.)

10 COUNCILWOMAN BLACKWELL: Thank
11 you very much.

12 Susan Blanc?

13 Is Niel McDowell here?

14 MR. McDOWELL: Yes.

15 COUNCILWOMAN BLACKWELL: You
16 will be --

17 MS. BLANC: Suzanne Blanc is
18 here.

19 COUNCILWOMAN BLACKWELL: I hear
20 you. I hear. Next will be Mr. McDowell.

21 Is Alison McDowell here?

22 MR. McDOWELL: I'm afraid she's
23 not.

24 COUNCILWOMAN BLACKWELL: All
25 right. And Patricia Toy.

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2 If anyone else is here who
3 would like to testify, see Mr. Christmas,
4 because that concludes our list.

5 Welcome. Thank you very much.

6 MS. BLANC: Good afternoon. My
7 name is Suzanne Blanc and I'm a Senior
8 Research Associate at Research for
9 Action, a local non-profit organization
10 which has been contributing to the debate
11 and knowledge about school reform in
12 Philadelphia over the past five years.
13 Thank you for the opportunity to address
14 members of City Council today and thank
15 you for your support, for the increased
16 role of City Council in supporting the
17 schools financially.

18 The School District of
19 Philadelphia has made important progress
20 since 2002 when the current reform began.
21 It can be seen in several ways, but most
22 importantly in improved student outcomes,
23 especially at the K to 8 level. We at
24 Research for Action believe that the
25 substantial increases in per-pupil

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2 spending between 2002 and 2005 have
3 helped to make this improvement possible.
4 In planning for Fiscal Year 2008, the
5 District is now faced with the dual
6 challenges of continuing to improve
7 student outcomes at the same time it's
8 reducing costs.

9 You have heard many other
10 eloquent advocates, parents and
11 non-profit organizations involved with
12 the schools talk about the need for
13 increased funding and the serious
14 implications of the cuts, of proposed
15 cuts. I'm just going to talk for a
16 little while about some of the research
17 efforts that we've been doing that
18 substantiate the view of activists and
19 parents.

20 First of all, on the level of
21 curriculum and instructional decisions,
22 we've been doing research both
23 quantitative and qualitative, which shows
24 that teachers in the schools appreciate
25 the resources that have been put into

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2 them through the core curriculum and
3 through the instructional management
4 system that's now in place. They also
5 make it clear, though, that those
6 materials, while they're important, are
7 not a replacement for content knowledge
8 and professional development among the
9 teachers. This costs additional money
10 that -- additional money in order to
11 provide professional development and
12 training to teachers through their peer
13 experts.

14 Math coaches and literacy
15 coaches are essential parts of what has
16 made the District's increased scores on
17 the level of K to 8. Without such
18 support, student performance is in danger
19 of stalling or even rolling back.

20 What we've seen in our visits
21 to schools is that teacher experts are
22 essential to good use of the existing
23 curriculum. The District has invested
24 substantial funds in really good
25 materials, but teachers can't teach just

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2 on the basis of materials. They also
3 need to understand the math and literacy
4 that's embedded in those materials. And
5 what we have seen is that it's teachers
6 who are trained to use these who work
7 with their peers in order to improve the
8 performance.

9 We've heard really eloquent
10 remarks about what happens to kids when
11 there's overcrowding in classrooms. What
12 else happens is that teachers do not have
13 time to improve their own skills. They
14 need to be able to work with each other,
15 and the people who have knowledge don't
16 have the time to share their expertise
17 with their peers when there's the
18 bare-bones staffing which is now being
19 proposed. So the reduction in teacher
20 positions has a direct impact on students
21 and it will also have a less direct
22 impact on the ability of teachers to
23 teach what they need to teach.

24 We've also been studying small
25 high schools. Many people know that

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2 there are 26 new small schools that have
3 been created in Philadelphia since 2002.
4 There are a lot of exciting things that
5 are happening in these schools, but
6 without additional funding, the schools
7 cannot have the personnel or the time to
8 meet their potential, which is to create
9 individualized, personalized
10 relationships between students and
11 teachers and to create themes which make
12 these small schools attractive to
13 students. In order to be successful,
14 these small high schools need planning
15 time and they need enough staffing and
16 they need principals that are hired in
17 advance so that planning and
18 implementation in a realistic way is
19 possible for this initiative, which,
20 again, has already used substantial funds
21 to be successful in the long run.

22 Another area where we have
23 produced numerous reports is in teacher
24 quality. These are quantifiable
25 improvements that show serious progress

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2 since 2002. The number of highly
3 qualified teachers who are hired has
4 increased substantially, and retention
5 among new teachers has also increased
6 seriously. However, attracting
7 experienced teachers and highly qualified
8 teachers to the schools that need them
9 the most is still a serious challenge,
10 and long-term retention is a serious
11 challenge.

12 Improvement in human resources
13 is essential to moving forward in the
14 District. Some specific recommendations,
15 which some of these have been mentioned
16 by others, is return to the funding for
17 teacher coaches. This is funding which
18 will -- it's an investment that will pay
19 off very quickly with less teacher
20 turnover in the future. Hire and train
21 more minority teachers, who are shown to
22 have greater success with minority
23 students, and create strong incentives to
24 attract more teachers to hard-to-staff
25 schools.

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2 I want to say one or two
3 sentences about the EMOs, which other
4 people have mentioned and which Research
5 for Action has done numerous reports on.
6 The RAND/RFA study noted that the EMO
7 schools progress at the same rate as
8 District schools even though they had
9 greater investments. We also noted that
10 choice and competition are not present in
11 the current model of the EMOs. We have
12 stated that EMO contracts should be
13 renewed on a school-by-school basis where
14 there is evidence of adequate
15 improvement, and we also have stated that
16 the criteria for these decisions need to
17 be made transparent and need to be
18 informed by research and there have to be
19 ongoing criteria for holding providers
20 accountable.

21 In conclusion, the education of
22 our City's youth is about the City's
23 future. The interventions that I've
24 mentioned have shown to be successful in
25 improving both teaching and learning.

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2 The District has made significant gains
3 and deserves congratulations. However,
4 the next steps are critical to keeping
5 the momentum going, and it's very clear
6 that appropriate interventions, as other
7 people have said, are tied to dollars and
8 are tied to improved achievement.

9 Thank you very much.

10 (Applause.)

11 COUNCILWOMAN BLACKWELL: Thank
12 you very much.

13 Are there any questions?

14 (No response.)

15 COUNCILWOMAN BLACKWELL: Thank
16 you.

17 Niel McDowell. Thank you very
18 much. Welcome. Thank you for your
19 patience.

20 MR. McDOWELL: Thank you for
21 the opportunity to speak with you today.

22 I am the parent of a
23 kindergartner at the William Meredith
24 Elementary School at 5th and Fitzwater in
25 Philadelphia. Meredith is a public

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2 school and a great school. Its halls and
3 classrooms are warm and inviting, its
4 teachers loving and skilled, and the
5 children respond to this atmosphere of
6 support by achieving. Meredith is an
7 example of a public school that works,
8 and my wife and I are thankful to be a
9 part of the community there.

10 Like every other school in the
11 District, however, Meredith faces an
12 uncertain future. Because of a reduced
13 budget, the school stands to lose
14 Ms. Danielle Slaughter, about whom you've
15 already heard, a very talented new first
16 grade teacher. Already in her first
17 year, Ms. Slaughter has earned the
18 respect and admiration of the students
19 and parents who know her. If she were
20 able to stay at Meredith, she could make
21 a huge contribution to an already great
22 school. But we are told she must leave
23 because the school must cut a teaching
24 position. As if this weren't bad enough,
25 we have also been told that one classroom

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2 will need to be combined, second- and
3 third-graders together in one room.

4 How is it possible to teach
5 simultaneously two different curricula to
6 a room of mixed second- and
7 third-graders? How many other talented
8 educators will Philadelphia public
9 schools lose because of money problems?

10 I ask you all to support
11 Councilman Goode's bill, the Public
12 Education Reinvestment Act. I am well
13 aware that the new funds this bill would
14 direct to the School District do not even
15 come close to solving the school's
16 financial problems, but they represent a
17 gesture of good faith, of willingness on
18 the part of the City to help find a
19 solution.

20 There has been a lot of talk
21 recently about the public's desire for
22 change. Philadelphia public school
23 parents are tired of this game, tired of
24 the endless cycles of cuts and crises.
25 We're tired of the politics of it all.

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2 We ask for a solution, and we ask you,
3 our elected representatives, to take the
4 first step. Show legislators in
5 Harrisburg the way to filling the
6 financial hole so that we don't lose our
7 talented best, teachers like
8 Ms. Slaughter at Meredith. We just want
9 the schools to function the way they're
10 supposed to. It really isn't asking too
11 much.

12 Thank you.

13 (Applause.)

14 COUNCILWOMAN BLACKWELL: Thank
15 you very much. And we assume you spoke
16 also for Alison McDowell.

17 MR. McDOWELL: Yes.

18 COUNCILWOMAN BLACKWELL: Thank
19 you very much.

20 Any questions?

21 (No response.)

22 COUNCILWOMAN BLACKWELL:

23 Patricia Toy, parent, Greenfield School.

24 MS. TOY: Good afternoon.

25 COUNCILWOMAN BLACKWELL: Good

1 5/23/07 - WHOLE - BILL 070015, ETC.
2 afternoon. Thank you for your patience.

3 MS. TOY: Good afternoon,
4 Committee Chair Blackwell and members of
5 City Council. My name is Patricia Toy.
6 I am the parent of a seventh grade
7 student at Albert M. Greenfield School
8 and President of our Home and School
9 Association.

10 I was here in December to give
11 testimony about Greenfield School and how
12 the School District budget deficit this
13 past fall affected our school.

14 Basically, one of our fourth grade
15 teachers was cut, which forced us to go
16 from three fourth grade classes to two
17 overcrowded classes, with no special help
18 for our underachieving students. I am
19 here today to tell you about our school
20 and the problems we will face in our next
21 school year budget with further cuts from
22 the School District.

23 These budget cuts will have a
24 very negative impact on our school and
25 our students. We will lose three

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2 teachers from our staff. This will be
3 four for this school year and next.

4 These are three of our younger teachers,
5 who have least seniority, but they are
6 among the best at our school. They are
7 bright, innovative, enthusiastic teachers
8 and they are well loved by everyone at
9 our school.

10 To compensate for losing these
11 teachers, our principal will shift three
12 of four more senior teachers from their
13 special teaching assignments and reassign
14 them as regular classroom teachers. One
15 of these is a reading specialist who has
16 been working with students at our school
17 who are reading way below grade level.
18 Another of the teachers is a math
19 specialist who works with two populations
20 at our school, students whose math skills
21 are way below grade level and
22 high-achieving students to give them more
23 challenging work in math to better
24 prepare them for admission to some of the
25 top magnet high schools.

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2 Next year we will not be able
3 to offer any of these special programs to
4 our students. This will be a tremendous
5 loss for them. Not to mention we have no
6 music teacher or librarian at our school.
7 It has been many years since we've had
8 one.

9 For the past five years, our
10 public school children have been used as
11 powerless pawns in an unfair game of
12 finger pointing by the powers that be,
13 with no one taking responsibility for
14 their part in the fiasco of our public
15 school system. I think it is a gross
16 injustice that the public school children
17 in Philadelphia are shoved aside as
18 unimportant and treated as second-class
19 citizens who don't deserve the best
20 education that other more privileged
21 children in Philadelphia are fortunate to
22 get. Are not all children entitled to a
23 good education? Should we not be
24 responsible and accountable for all
25 Philadelphia students to see that they

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2 get what they deserve, an adequately
3 funded top-rate education from a school
4 district, city and state that value each
5 of them?

6 When will City Council, the
7 Mayor and state legislators get on the
8 same page with the parents, teachers,
9 students and advocates that have been
10 pleading for more adequate funding for
11 our public schools?

12 We cannot afford to lose any
13 more teachers from our classroom. We
14 cannot afford to continue this downward
15 spiraling effect of overcrowded
16 classrooms.

17 Although it is not a cure all,
18 we ask that you support the Public
19 Education Reinvestment Act. This bill,
20 though a minimal first step toward
21 improving long-term funding for our
22 schools, will provide some additional
23 financial assistance to the School
24 District, but also it will send a message
25 that our City, the Mayor and City Council

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2 does want to do the right thing by our
3 public school children, that they do
4 value them and they value their future
5 and want to make this important
6 investment in their future.

7 I have with me some additional
8 petitions that were signed by students at
9 our school and some of the parents and
10 teachers. And we want to thank
11 Councilman Goode for introducing this
12 bill. You have the support of Greenfield
13 School, and we hope that you will have
14 the support of every fellow Councilmen
15 and Mayor Street.

16 Thank you.

17 (Applause.)

18 COUNCILWOMAN BLACKWELL: Thank
19 you very much.

20 Any questions?

21 (No response.)

22 COUNCIL PRESIDENT VERNA:

23 Venard Johnson, Healthy Family, Healthy
24 Life. After Mr. Johnson is Marsha Brown,
25 President, Home and School Association,

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2 West Philadelphia High School and a
3 member of the Walnut Hill Community
4 Association.

5 Thank you for your patience,
6 Mr. Johnson.

7 MR. JOHNSON: Hello,
8 Councilwoman. It's okay. Good
9 afternoon, Councilwoman.

10 COUNCILWOMAN BLACKWELL: Good
11 afternoon.

12 MR. JOHNSON: It seems like
13 1986.

14 COUNCILWOMAN BLACKWELL: Yes,
15 it does. Same thing.

16 MR. JOHNSON: It seems like
17 1996.

18 COUNCILWOMAN BLACKWELL: Yes.

19 MR. JOHNSON: We've been doing
20 this a long time.

21 COUNCILWOMAN BLACKWELL: Long
22 time.

23 MR. JOHNSON: So long that some
24 Councilmembers have changed, even the
25 Sergeant-at-Arms have changed, but the

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2 conditions of the School District remain
3 the same. It's ridiculous.

4 I remember the conditions at
5 the Franklin Learning Center when Rotan
6 Lee, our friend, was President of the
7 School Board. And we struggled and we
8 struggled, and the Board struggled, and
9 they authorized a new Franklin Learning
10 Center, only for the property, as I
11 understand it, to be sold.

12 The people from Ada Lewis were
13 supposed to have town meetings conducted
14 by the School Reform Commission. I have
15 a transcript of testimony here that we're
16 going to present to our lawyers on Friday
17 where the School Reform Commission held a
18 hearing, but they weren't present. Held
19 a hearing about the closure of a school.
20 Here's the transcript. Those in
21 attendance were School District
22 employees. Not one School Reform
23 Commission member at a School District
24 hearing about the closure of a school.

25 Here's the other transcript a

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2 week later. They were there, but the
3 public hearing was held at 440 North
4 Broad Street, a long way from Ada Lewis.
5 By the way, it was held at 1 o'clock in
6 the afternoon.

7 What I'm trying to talk about,
8 Councilwoman, is process.

9 A month or so ago your
10 committee held a hearing on the impact of
11 new construction in transforming
12 communities, and I was happy to sit here
13 and say -- because I felt real good. I
14 had talked to Mr. Vallas and I had talked
15 to Lee Whitaker, and there was going to
16 be a meeting of all these community
17 people, to include myself and other folks
18 who agitate the system like me. There
19 was going to be a meeting where we were
20 going to discuss the budget. I came here
21 and I said so. I have yet to sit in on a
22 meeting. It hasn't happened.

23 You were at City Council a few
24 weeks ago and it was said, I guess,
25 during the time that you were there that

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2 the Home and School Council was going to
3 conduct citywide hearings around the
4 budget. It hasn't happened.

5 Today I sit here and listen to
6 Councilman Goode have an exchange with
7 people from the second floor to find out
8 that maybe they're thinking about raising
9 taxes, without a conversation with the
10 community. It has to stop somewhere
11 along the line. The line has to be
12 drawn.

13 And so I just want to talk
14 about process. There almost is no
15 process, with no offense to Mr. Brady.
16 He's not an insider. He's been here six
17 weeks. He's been here six weeks. That's
18 not an insider. I thought I heard the
19 Chairman say we wanted to hire an
20 insider. Well, how far inside did they
21 look? The rumor on the street is that
22 Mr. Brady came here with the intentions
23 of getting that position, that it was all
24 a political move anyway. The rumor on
25 the street. I don't know, but I'm saying

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2 to you that there was no public
3 discussion.

4 An interim CEO could be around
5 for two years, three years. Look at the
6 interim President of Cheyney University.
7 He's been there two years, just said last
8 week he was going to leave. Two years.
9 So that could be a very long time. So I
10 don't consider Mr. Brady an insider.

11 When I looked at Mr. Brady's
12 credentials in the paper, Superintendent
13 of Facilities. I mean, I respect that.
14 He's got a big job on his hand. He
15 helped us at Ada Lewis. When we wanted
16 to take a walk through Ada Lewis, Mr.
17 Brady was certainly helpful. But I
18 didn't see anything that talked about his
19 ability to lead this institution
20 academically.

21 Several weeks ago, there were
22 some older professors that had a
23 relationship with Cheyney University,
24 went to the SRC and said to the SRC that
25 they wanted to be involved with the

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2 selection of the new Superintendent, not
3 a CEO, because they thought that they
4 needed to have someone grounded in
5 education, grounded in academics, because
6 Cheyney, an institution that
7 traditionally takes the disadvantaged,
8 the academically disadvantaged, was
9 complaining about the quality of students
10 that Philadelphia was sending them. My
11 daughter is a Cheyney graduate,
12 complaining about students in her class
13 not prepared, not taking notes.
14 Philadelphia students.

15 We need a change, and we need a
16 change real quick.

17 I just want to hit a couple
18 other points and I'm done, because it
19 sounds like 1986 again.

20 The Office of Specialized
21 Services for the District, if there's
22 going to be some money, they need to get
23 some of it. We've been talking about
24 nurses for a long time, Councilwoman.
25 Fifteen hundred students to one nurse is

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2 too much. I think the District has made
3 some improvements, maybe have gotten it
4 down to 900 or 800 or so. Our kids have
5 some critical needs. We need a nurse in
6 every building all day long, and whatever
7 we need to be doing to do that, together
8 we need to do that.

9 I was at a meeting today, an
10 interagency meeting today at a school in
11 your district. Not only are the students
12 not getting the services through the
13 District that they deserve around
14 behavior, but it came out today that the
15 managed care -- that the behavior health
16 companies who are supposed to be
17 providing them with services are
18 shortstaffed.

19 I think maybe several months
20 ago at a meeting with Mr. Vallas he
21 talked about the number of referrals that
22 his office has made to DHS, maybe 30,000.
23 I don't know. It was a lot. That they
24 were just sitting on, nothing was
25 happening. And so the beat goes on.

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2 Here's what's really
3 interesting: In '86 and '96, it was the
4 racially isolated schools that were in
5 here crying. Today it's Greenfield.
6 Today it's Powel. So the inequity is
7 spreading across the board. It's
8 absolutely spreading across the board.
9 We haven't had books for years. We
10 haven't had music for years and art for
11 years and now they're crying they don't
12 have it. It's got to stop somewhere.

13 Summer school, how does a
14 student at McMichael get to Lock? And
15 they're on public assistance, barely
16 making ends meet, and have to pay for
17 tokens? There's a problem somewhere
18 there.

19 COUNCILWOMAN BLACKWELL: And
20 now SEPTA wants to reduce transfer
21 passes.

22 MR. JOHNSON: Because they want
23 everybody to buy a TransPass.

24 COUNCILWOMAN BLACKWELL: They
25 want you to pay twice for one

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2 destination.

3 MR. JOHNSON: The conditions of
4 these buildings are poor. We let
5 Mr. Vallas alone for five years about the
6 conditions of the buildings,
7 Councilwoman, but the conditions of these
8 buildings are poor. I'd invite you to
9 visit Gillespie School. You were at West
10 Philadelphia High School last night. The
11 curtains, the drapes, they won't even
12 take the drapes down and make the place
13 look presentable. I thought I had heard
14 from the last time that we were there the
15 drapes were down and they had done
16 something. I was there last night. It's
17 a dump. It has nothing to do with the
18 quality of people in the building. I'm
19 not saying that, but I'm saying it's a
20 dump.

21 The rumor on the street is that
22 there are fires in the building, that the
23 students are setting fires in the
24 building, but there's no evacuation of
25 the building. What's going on?

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2 Almost done, Councilwoman.

3 Councilwoman Verna, how are
4 you?

5 COUNCIL PRESIDENT VERNA: Fine.
6 Thank you.

7 MR. JOHNSON: I don't think
8 Audenreid is opening this year. I
9 thought I heard the Superintendent say
10 Audenreid was going to open this school
11 year. Last time I passed there, the
12 steel frame was just going up.

13 COUNCIL PRESIDENT VERNA: We
14 saw the same thing.

15 MR. JOHNSON: So what's that
16 about? And I'm a supporter of Paul
17 Vallas. I have been a supporter. I'm
18 not going to say I hadn't been.

19 COUNCILWOMAN BLACKWELL: Me,
20 too.

21 MR. JOHNSON: I'm going to
22 stand here and say the last time -- one
23 of the times I was -- the union was
24 hanging out the rafters and me and my
25 family was here and we almost had to get

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2 our shit out the door, because we were
3 for reform.

4 COUNCILWOMAN BLACKWELL: Well,
5 I take that into locations in our area.
6 Every star is going to come at me.

7 MR. JOHNSON: Some of the
8 reform has worked. I'm not going to say
9 it hasn't, but for the families that we
10 work mostly with, they're still
11 struggling.

12 I'll close with this: A couple
13 of -- maybe last year we went to
14 Harrisburg. We went in our pockets and
15 we took students from South Philadelphia,
16 West Philadelphia to Harrisburg. And the
17 point I'm trying to make here is that
18 there's got to be consistency in the
19 truth. We thought we were going to
20 Harrisburg to encourage the state to free
21 up \$25 million that would come back to
22 the District and be used in an equitable
23 way. What we found out is, we went to
24 Harrisburg and the \$25 million that we
25 thought we were freeing up was the \$25

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2 million that the EMOs were going to get.

3 So when people come to the
4 community and ask for help -- and we're
5 the kind of people who will respond --
6 then be truthful with us. Tell us what
7 you're actually asking us to do and we'll
8 do it.

9 Classroom size reduction,
10 truancy prevention programs, music and
11 art are critical. I'm done with this.

12 My youngest daughter -- and you
13 know her, the Council President knows my
14 family -- is an artist by just her being.
15 We sent her to all kind of public
16 schools, charter schools, traditional
17 public schools. She never had in her
18 whole school experience music or art.

19 When we started looking for --
20 we thought we were going to send her to
21 Cheyney. She said, I don't want to do
22 math. I don't want to do English. I'm
23 an artist. I want to study art. So we
24 had to start looking all around for her.
25 In looking, we went over -- looking in

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2 the paper, we went over to Drexel one
3 night, the School of Design and something
4 else. We saw --

5 COUNCILWOMAN BLACKWELL:

6 Texture and Design probably.

7 MR. JOHNSON: Thank you. It
8 was an auditorium full of people, five,
9 six hundred people. I'll just say it the
10 only way I know how to say it: We could
11 look around and find the black folks.
12 You could see them. Those kids are there
13 on scholarships because they went to
14 colleges somewhere -- I mean high schools
15 somewhere in the country where they had
16 art and design, and our kids who have a
17 natural ability to do this aren't getting
18 that here, so they can't qualify for
19 those scholarships, because they don't
20 have the portfolios, they don't have the
21 experience, they don't have the
22 background.

23 So I'm going to just leave you
24 guys with that, is that I don't know how
25 the District puts together a committee,

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2 an ethics committee or -- I said this at
3 the last meeting, an ethics committee or
4 finance committee, and don't have the
5 people on the committee representing the
6 institutions that they come to for the
7 money. If they come to you for money,
8 shouldn't you be on the committee? If
9 they go to the state for money, shouldn't
10 you be a part of the committee?

11 All these years I just realized
12 it wasn't in the law that allowed you --
13 doesn't allow you to track the dollars.
14 Maybe we need to be changing the law.
15 Y'all are lawmakers. There's lawmakers
16 in Harrisburg. Maybe the laws need to be
17 changed so that we can track the dollars.
18 It was a disgrace, in my view, to have
19 the Councilman talking about \$325,000 for
20 a consultant and town meetings that very
21 few people knew about.

22 (Applause.)

23 COUNCILWOMAN BLACKWELL: Marsha
24 Brown. Thank you for all your efforts
25 last evening at West Philly High and

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2 being a great leader of the Home and
3 School Association and being there all
4 the time. Nothing like people who give
5 of their time, energy and talent. Thank
6 you very much.

7 MS. BROWN: Thank you, and
8 thank you for giving me time today to
9 come forth and represent the student
10 population of West that has some voice,
11 but not enough voice.

12 Today I come to you with some
13 dire news, some news of desperation, news
14 of need. We need to be heard. Students
15 need to be heard and need to be
16 accommodated in our community.

17 With the projection for the new
18 West Philadelphia High School, there has
19 come about a lot of different
20 initiatives, different projects,
21 recommendations. A lot of these
22 recommendations come from people who do
23 not live in our neighborhoods. They do
24 not know our children. They do not have
25 children that attend elementary public

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2 schools or high schools in the area, in
3 the community, but they feel as though it
4 is their right to make decision-making --
5 to have decision-making authority over
6 our children.

7 The first part of my topic,
8 I'll just basically start with what has
9 happened with West in the last three
10 months. As of -- I come before you today
11 to question the wisdom of how we use the
12 money in our current budget and to
13 suggest that we do better with the money
14 we have.

15 Despite the way West
16 Philadelphia High School has been
17 portrayed in the media, West was
18 experiencing academic success. These
19 charts represent academic progress as
20 reflected by PSSA test results from 2004
21 to 2006. The math scores rose from 89.1
22 percent below basic. That means our
23 students before 2003 for a period of over
24 five maybe to ten years were performing
25 89.1 percent below basic. Those scores

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2 rose and improved to 79.9 percent below
3 basic, an improvement of 9.2 percent.
4 This ranks West as number two in test
5 score improvement when compared to other
6 comprehensive high schools across the
7 District.

8 The reading scores rose from 79
9 percent below basic to 59 percent below
10 basic, an improvement of 20 percent.
11 This ranks West as number two in test
12 score improvement when compared to other
13 comprehensive high schools.

14 Student attendance rose from 64
15 percent, which ranked West last in the
16 City when compared to other high schools.
17 Student attendance increased to 76.3
18 percent, an increase of 12.3 percent.
19 This ranks West number one when compared
20 to other high schools.

21 Student attendance has gone
22 down since the removal of Mr. James.
23 Most of these increases in academic
24 performance and student attendance were
25 incurred during his tenure as

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2 administrator at West Philadelphia High
3 School.

4 This data was shared with the
5 leadership team that was created to focus
6 on using data to improve academic
7 achievement. Of course, as a parent
8 representative and because the students
9 of any school in the Philadelphia School
10 District are the property and under the
11 jurisdiction and care, providership of
12 their parents, I was on that committee,
13 and I thank him for including me in this
14 process.

15 After these improvements, the
16 budget at West was cut because of the
17 School District budget deficit. As a
18 result, funding for top of the clock, a
19 CBO, was cut from the budget of the
20 District to the budget of the school. On
21 top of having that budget cut, 300 new
22 students were networked to West from
23 Turner, which Turner School would
24 normally feed into Bartram. This was an
25 amazement to most parents and community

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2 members, along with, I'm pretty sure,
3 most of the staff, because that increased
4 our student population without extra
5 funding, without extra security, without
6 those resources to attend to those
7 students.

8 This is what I mean by spending
9 money wisely. Why would you remove the
10 principal of one of your top-improving
11 schools when it has shown improvement
12 academically and attendance-wise, low
13 incidence of student misbehavior and
14 disciplinary problems? Why would you
15 remove the principal of one of your
16 top-improving schools and have to replace
17 him with three principals? How much
18 extra money did this decision cost? Just
19 to pacify and to maybe avoid bad
20 publicity and to justify the needs of a
21 few teachers that -- a group of teachers
22 that had disagreements with the
23 principals.

24 Now, I don't know if you have
25 these charts. I did give them to someone

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2 to pass out. I gave them to Mike, I
3 think, to pass out. And these charts
4 will -- I have one I can give you and you
5 can share it, but I gave them to Mike.

6 COUNCILMAN GREENLEE: We got
7 them.

8 MS. BROWN: And on these charts
9 these charts represent the improvement.
10 So not only are we still in bewilderment,
11 we have never known and students don't
12 know, parents don't know, community don't
13 know, we are not aware of what the
14 reasoning is behind the sudden removal of
15 Mr. James, which caused chaos at West
16 Philadelphia High School. We had
17 incidents of serious fires because of
18 this removal of Mr. James. I did address
19 this issue to the SRC Commission. I will
20 read that letter.

21 "The safety of the students of
22 West Philadelphia High School has been
23 greatly compromised by not evacuating
24 students during fires at the school,
25 placing the students in a situation of

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2 reckless endangerment. Without a safe
3 climate in the school, there is no
4 positive learning environment.

5 "After the removal of the
6 former principal, these fires increased
7 and there was a sudden increase in
8 teacher absences. This led to very
9 little or no academic instruction at all
10 for students, which continues today.

11 "These circumstances create a
12 loss of continued academic improvement
13 that had been accomplished in the last
14 three years until the sudden change of
15 principal occurred in March. Why is the
16 safety and academic progress of the
17 students at West Philadelphia High School
18 less important than avoiding bad
19 publicity and differences between
20 administration and teachers?

21 "Parents should be involved in
22 any and all decisions concerning our
23 children's safety."

24 Now, I was invited to a meeting
25 with several members of the School

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2 District: Mr. Golden; the School
3 District Fire Marshal; Mr. Albert
4 Bichner; Mr. Harry Gaffney, regional law
5 office; Ms. Rashivitz. I think Mr. Trent
6 was there. There were several School
7 District officials who explained to me
8 that they had had a meeting with the City
9 Fire Commissioner, who determined that it
10 was fine for them to place a delayed
11 response fire alarm in our school.

12 Delayed response means that we
13 would have no knowledge of a fire unless
14 they deemed that this fire was serious
15 enough to let the alarm go. There was a
16 30-second delay on this fire alarm. So
17 if there was a fire in the school, we
18 would never know it once they would push
19 that delay button so that they could
20 determine whether they could put it out
21 or not. So in the meantime, all
22 students, staff and personnel are walking
23 around assuming there's no threat. Our
24 problem with that -- and I've discussed
25 it with parents since this meeting with

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2 those District staff members -- they are
3 still not adequate. We want our children
4 evacuated. We don't want chances taken
5 with our children's lives.

6 These are our children. We
7 should have been at the table when the
8 Fire Commissioner said that it was okay
9 to have a delayed reaction for our
10 children to be evacuated. Fire is very
11 deadly. You can start a fire maybe with
12 an incendiary device.

13 Who says that any School
14 District personnel, unless you're a
15 toxicologist, is qualified to determine
16 that they are not toxic fumes being
17 emitted because of this fire, whether
18 it's put out or not? I understand that
19 they described nuisance fires to me, but
20 that still does not mean that my child
21 needs to stay in that building until your
22 determination is, well, it's not a large
23 enough fire for us to evacuate.

24 There are several other things
25 that I'd like to speak to today. These

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2 are just some of the things that the
3 community has felt, and parents. We have
4 not gotten a proper reaction. We have
5 got conversation. We have got reasons
6 why. We have not gotten -- we have not
7 come to an understanding of getting what
8 we need for our children's safety, their
9 academic progress and to promote West as
10 a community school.

11 Back to the new West
12 Philadelphia High School that has been
13 projected. Since that has been
14 projected, there have been many
15 recommendations about boundaries. The
16 latest boundary change occurred in 2006
17 in September where children that live on
18 Chestnut Street a block away from the
19 school are forbidden and cannot attend
20 West Philadelphia High School.

21 There is an additional proposal
22 to further restrict the boundaries to
23 52nd Street, thereby excluding hundreds
24 and hundreds of students from attending
25 West Philadelphia High School.

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2 We are parents and taxpayers
3 and voters in that community. These are
4 our students. That is their community
5 school. They have the civil right to go
6 to their community school. We are seeing
7 deliberate means of disavowing and
8 disengaging our children from their right
9 to education in their community school.

10 What we want for the School
11 District to understand and for all our
12 political advocates to understand is that
13 we do not want these changes. We are not
14 willing to accept them. There is no
15 reason why boundaries should be changed
16 because we're projecting a new school in
17 the area. There is no reason why our
18 students should not be able to attend in
19 the catchment area as it was.

20 These are the main issues that
21 concern us. We also have a question
22 about the academics being projected and
23 the student activities and the just
24 normal day of business of administration
25 at West.

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2 Our students lately have been
3 told that they cannot participate in a
4 student activity that has gone on for at
5 least a decade. It's a tradition that's
6 called The West Jam. These students are
7 told that they are not able to have this
8 function at the school. By who, we're
9 still trying to determine that, because
10 we don't know if the principal actually
11 has that authority just to make a
12 decision offhand or if she has to call
13 down to the Office of Secretary of
14 Education. We're not sure of what that
15 practice is.

16 But what has happened is, it
17 seems as though West Philadelphia High
18 School is in some type of lockdown,
19 subject to the decision-making process of
20 an Executive Committee that was developed
21 on behalf of the new West Philadelphia
22 High School that has somehow been shifted
23 into the current West Philadelphia High
24 School, where community members are
25 making decision-making policy concerning

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2 budget, principal, hiring of staff and
3 activities at West Philadelphia High
4 School.

5 Our community, our parents, we
6 have spoken out against this. We have
7 not gotten any response. We have got
8 just a continuation of the perpetuation
9 of this committee and their function, and
10 they're actually making decisions at West
11 beyond our control.

12 We do participate on this
13 committee as Walnut Hill Community
14 Association, as we should, but our vote,
15 our word and bringing that word from the
16 community and from the parents seems to
17 have no avail. We have said several
18 times -- I've been in this process since
19 2003, since the concept of the new West
20 was originated. This boundary question
21 has been on the table for at least the
22 last two of those years, and we adamantly
23 and continually say we do not want these
24 changes, but yet we hear that the School
25 District has the right to change the

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2 boundaries intermittently at will to
3 accommodate whatever population that I
4 guess they choose, which to us means that
5 our children are deliberately being
6 discriminated against, bottom line.

7 There is no soft-spoken way to put that.
8 If we're going to have a new school, then
9 the school should be adjusted and
10 manifested to attend and to accommodate
11 all of the students in that community.

12 So where are the students going
13 to go? If the boundaries stick at 52nd
14 Street, where will these students go from
15 52nd Street from Market all the way to
16 Baltimore Avenue to 60th? What school
17 will they attend? They all can't go to
18 Sayre on 58th and Walnut, a smaller
19 community school project. They have a
20 cap. We already have students from Sayre
21 who can't get in their neighborhood
22 school, who live across the street,
23 around the corner. They can't all cross
24 boundaries and go to Bartram. So where
25 are these students to go? So we have

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2 disposable students, people that we can
3 just write off on a piece of paper? I
4 don't think so.

5 We are very concerned about the
6 welfare and benefit of our children.
7 They deserve the right to education. Our
8 voices deserve to be heard. We come to
9 this Council on behalf of them and ask
10 for some sincere effort and action on our
11 behalf as our political leadership to
12 make some adjustments and recommendations
13 to help us with this situation.

14 Thank you.

15 COUNCILWOMAN BLACKWELL: Thank
16 you, Ms. Brown. I mentioned some of
17 these issues earlier and spoke with you
18 last night. I'm requesting -- and,
19 Mr. Bichner, whom I've known a long time,
20 I would propose that some of us meet to
21 discuss the -- you mentioned four issues:
22 fires and that policy; the boundaries
23 that for some reason changed this year
24 when we're not sure where we're going
25 next year; the academic program; and

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2 student activities, for example, the West
3 Jam that has been a tradition at the
4 school, and associated with that the
5 issue of a lockdown, whether or not there
6 is a lockdown and this whole issue of
7 boundaries from 52nd to 60th and Market
8 to Baltimore.

9 So I'm requesting a meeting.
10 Some of us can meet in my office or in
11 the Caucus Room, so that we can have a
12 real discussion so we won't be -- I was
13 very frustrated. I felt after the end --
14 after the meeting last night -- and I
15 know also Mr. Armstead, I know -- several
16 people came up to me last night and
17 invited me and said, Oh, we're glad
18 you're here and I'll invite you to a new
19 meeting, as if I haven't been to other
20 meetings.

21 I would certainly call the
22 principal, Ozzie Wright, whenever I heard
23 there was a fire on the news. I mean, I
24 do live in the neighborhood. So people
25 who were new were inviting me to meetings

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2 and that was their first meeting.

3 But it's just the level of
4 confusion is just overwhelming. It's
5 very, very, very frustrating.

6 MS. BROWN: There's too much
7 concealment. Everyone does not know
8 what's going on at West. Yes, there are
9 fires still going on with the -- to put
10 three principals in place to replace the
11 one principal, between the three of them
12 they had no control over the school. The
13 school was totally out of control.
14 Students lost all interest in learning.
15 They thought their voice was not being
16 heard. They really wanted to know why
17 Mr. James was removed. As I said before,
18 students thought he had developed a very
19 good rapport with these students, and as
20 a black role model, it was very relevant
21 for him to be there with them and to be
22 effecting changes in policies that
23 benefit them, and they thought that
24 that's what they lost, their support, and
25 obviously so, because now their

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2 activities are being shut down.

3 And we want to know who is in
4 authority? Who is giving all these
5 orders? When did West become -- what is
6 this Executive Committee? Don't we have
7 to vote as taxpayers to turn over a
8 Philadelphia public school to a community
9 organization, a group of community
10 organizations? I mean, we can just have
11 a few meetings and decide this is what
12 we're going to do with the budget, with
13 staff, with principal? We're just going
14 to give a community's group whose
15 viewpoints may not be and most of the
16 times they are in contradiction to the
17 best interest of the students?

18 Parents have to be included on
19 all these decisions, must be included.
20 There must be no reluctance to bring them
21 together. They don't all always come
22 out, but they have representatives, such
23 as myself, and other representatives.

24 This change in policy, School
25 District policy, concerning the budget

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2 and the hiring of the principal with this
3 Executive Committee we're not quite
4 comfortable with at all, because we want
5 to know when was that policy developed
6 and why has it become a rule at West when
7 it is not at any other Philadelphia
8 public school, just like there is no
9 delayed response to fires. There is no
10 system installed to execute that process
11 at any other Philadelphia public school.

12 So West Philadelphia High has
13 come under a lot of drastic changes
14 lately, and it's time -- and the
15 community is standing up -- to speak on
16 them and to ask for change.

17 COUNCILWOMAN BLACKWELL:

18 Absolutely. We certainly -- as I said, I
19 would call Ozzie Wright, whom I've known
20 a very long time, and many of the members
21 of this Council know him, because they
22 talk about him coming back from the Iraq
23 War and being sent to the Iraq War, and
24 then you learn he's gone, too. I was
25 told he was leaving and we have two other

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2 principals.

3 So there's just so many
4 questions, and as the President said
5 earlier, it's a matter of communication,
6 sharing and communication. So we really,
7 really need to do that.

8 I'm always available. I love
9 my schools, and certainly this is a
10 school that many of us attended. This is
11 the school of Lucien Blackwell and many
12 other members of our family, and we
13 definitely just need to feel more
14 comfortable about whatever this plan is,
15 even where the plan stops, but we just --
16 it's very frustrating to feel that you're
17 available for meetings and you get no --
18 and everybody is frustrated. As you
19 know, Ms. Brown, people were passing me
20 notes, "I'll meet with you, not here."
21 Everybody wants to meet. Everybody has a
22 different story. And we can't move
23 forward together when everybody has a
24 different story. It shouldn't be that
25 way.

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2 So I'll be in touch with you,
3 Mr. Bichner, you and whomever else you
4 would like, Mr. Brady or Lee, or I don't
5 know who. I won't make those decisions.
6 That's for you all to make, but certainly
7 we really, really -- Mr. Thornton, we
8 really need some help on this issue and
9 we really want more communication.

10 Thank you very much, and I'll
11 be in touch.

12 MS. BROWN: Thank you for your
13 time.

14 COUNCILWOMAN BLACKWELL: Thank
15 you for coming down.

16 Jasper Jones.

17 After Ms. Blum, is there anyone
18 else?

19 (No response.)

20 COUNCILWOMAN BLACKWELL: Thank
21 you.

22 So we will hear from Mr. Jones
23 and Carol Blum and that will be it for
24 our testimony today.

25 Thank you very much.

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2 MR. JONES: Good afternoon,
3 Council. I'm Jasper Jones. I'm
4 representing 52nd Street and 60th Street
5 Business Association. I was at that
6 meeting as the business facilitator for
7 West Philadelphia High School, and as a
8 part of that process, an issue was raised
9 that caused me to bring these two props,
10 and, that is, the apprenticeship program.
11 The businesspeople felt that the school
12 was being managed based on ideas rather
13 than facts. And a fact that we need to
14 have a great concern over is the
15 curriculum and that the school is, in
16 effect, a de facto school, the prison
17 system, as illustrated by this article in
18 West Side Weekly where a graduate of West
19 Philadelphia High School, unfortunately
20 he did not make it to prison. He died
21 from his wounds in a drug gun-related
22 battle.

23 And what the businesspeople are
24 interested in is working with the School
25 District to establish a school-to-work

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2 program where they train young people to
3 work in their business according to
4 Department of Labor standards. I
5 specialize in that. And I, in fact, have
6 a letter from the School District about
7 our program plan from 1996, which would
8 have implemented as a national exemplar
9 model an apprenticeship program based on
10 individualized instruction to students
11 using computer technology.

12 That program is what we would
13 hope to implement at West Philadelphia
14 High School again so that we can have the
15 school transform to work effectively with
16 the small business community and other
17 members of the business community,
18 because during the session that we held,
19 it was identified that there are jobs
20 available in Philadelphia County that are
21 not being filled because there are not
22 people trained from the county to work in
23 them.

24 So we would want the School
25 District to establish a program that's

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2 based on facts and not ideas of this
3 small school concept and all of that.
4 That's fine, but it doesn't have any
5 relationship to the reality of jobs that
6 are available. And the fact that the
7 small business community supplies most of
8 the jobs that are currently available and
9 they need the technical and training
10 assistance, help, hands-on from the
11 School District to be effective in
12 providing school-to-work transition for
13 our young people rather than
14 school-to-prison transition, which is
15 what is largely going on now.

16 COUNCILWOMAN BLACKWELL: Thank
17 you very much, Mr. Jones. If you make
18 that information available to us, we'll
19 share it with the School District --

20 MR. JONES: Thank you.

21 COUNCILWOMAN BLACKWELL: --
22 with regard to your business.

23 MR. JONES: I'll send
24 Mr. Christmas an e-mail.

25 COUNCILWOMAN BLACKWELL: That

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 will be great. Thank you very much.

3 Any questions for Mr. Jones?

4 (No response.)

5 COUNCILWOMAN BLACKWELL: Carol

6 Blum, parent at Meredith School. You

7 folks at Meredith, you all are blessed.

8 You all got a good school there.

9 MS. BLUM: And flexible work
10 schedules.

11 COUNCILWOMAN BLACKWELL: Thank
12 you.

13 MS. BLUM: Thank you for
14 allowing me to address all of you this
15 afternoon. I appreciate it.

16 Before I forget, may I submit
17 some petitions and also some testimony
18 from other families at Meredith
19 Elementary School?

20 COUNCILWOMAN BLACKWELL: Yes.

21 MS. BLUM: Thank you very much.

22 I remember when President Bush
23 was preparing to send troops to Iraq for
24 the first time. Michael Moore, the
25 filmmaker and professional political

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2 agitator, asked members of Congress who
3 were voting to send troops to Iraq
4 whether or not their children would be
5 traveling overseas to Iraq. No one
6 answered him affirmatively.

7 Today, I ask a similar question
8 to City Councilmembers. Will any of your
9 children be affected by pending budget
10 cuts in the Philadelphia School District?
11 And I thank all of you who are here
12 today.

13 Whether your answer is yea or
14 nay to this question, I ask yourself to
15 place yourself in the position of a
16 parent who has no choices but to educate
17 their children in the Philadelphia School
18 District. Do we want to send our
19 children to a school where children are
20 engaged in the process of learning, where
21 they have a reasonable student-teacher
22 ratio and adequate material resources?
23 Do we want to set them up for success?
24 Of course we all do, which is why we're
25 here today.

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2 I'm the parent of a child at
3 Meredith Elementary School, a
4 first-grader, and that school is in Queen
5 Village. Thanks to the leadership of the
6 principal and dedicated teachers who are
7 chosen through site selection, Meredith
8 Elementary has been a success story.

9 I am asking today to request
10 that Council vote to support the Public
11 Education Reinvestment Act to maintain
12 status quo funding and staffing at
13 Meredith Elementary. I also ask that
14 Councilmembers work with the School
15 Reform Commission to advocate for
16 financial stability for Meredith
17 Elementary and all of the schools in the
18 District.

19 Thank you for your support of
20 our children and also of your
21 constituents.

22 COUNCIL PRESIDENT VERNA: Thank
23 you very much.

24 COUNCILWOMAN BLACKWELL: Thank
25 you very much and thank you for the

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 information and lovely photo.

3 MS. BLUM: Thank you.

4 COUNCILWOMAN BLACKWELL: Thank
5 you.

6 Any questions?

7 (No response.)

8 COUNCILWOMAN BLACKWELL: Thank
9 you very much.

10 Is there anyone else who would
11 like to testify?

12 (No response.)

13 COUNCILWOMAN BLACKWELL: Thank
14 you very much, and thank you all for your
15 patience.

16 MR. MCPHERSON: We have a list
17 of individuals who left testimony and I
18 just would like to read their names very
19 briefly. Shannon and Kelly Stirman,
20 Michael and Deena Flanagan, Valerie
21 Yoder, Tia Reinvald, Angela Camarote,
22 Tract Preebrow, Frank and Carol Russo,
23 Carol Blum, Elisa Forgey and Scott
24 George, Dawn Davenport, Gerri DiCriscio,
25 Carmen Hayman, Jeff Fadellin, Dawn

1 5/23/07 - WHOLE - BILL 070015, ETC.

2 Klemash, Wendy and Ted Wolf, Darnell

3 Thomas, James and Nary Rennie and the

4 Chief Financial Officer from the School

5 District, Folasade Lewis.

6 COUNCIL PRESIDENT VERNA: We

7 have now concluded the public hearing and

8 public meeting on Bill Nos. 070015,

9 070118 and 070119.

10 Thank you all very much.

11 (Committee of the Whole

12 adjourned at 3:50 p.m.)

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