

00001

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

CONTINUED PUBLIC HEARING

4

COMMITTEE OF THE WHOLE

5

- - -

6

Room 696, City Hall
Philadelphia, Pennsylvania
Monday, March 24, 2003
9:55 a.m.

7

8

- - -

9

Bill Number 03009, an Ordinance amending Chapter
19-1800 of The Philadelphia Code, entitled "School
Tax Authorization," by amending section 19-1804,
entitled "Authorization of Net Income Tax," to
further authorize the Board of Education of the
School District of Philadelphia to impose a tax on
net income from real property and tangible and
intangible personal property of residents of the
School District of Philadelphia; all under certain
terms and conditions.

Bill Number 030012, an Ordinance amending Chapter
19-1800 of The Philadelphia Code, entitled "School
Tax Authorization," by amending Section 19-1806 to
further authorize the Board of Education of the
School District of Philadelphia to impose a tax on
the use or occupancy of real estate within the
School District of Philadelphia.

Bill Number 030013, an Ordinance amending Section
19-1801 of The Philadelphia Code, entitled
"Authorization of Tax," to further authorize the
Board of Education of the School District of
Philadelphia to impose a tax on real estate within
the City of Philadelphia; and to restate the rates
of taxation in tabular form; all under certain
terms and conditions.

23

24

- - -

25

00002

1

2 PRESENT:

3

COUNCILWOMAN DONNA REED-MILLER, Chair

4 COUNCIL PRESIDENT ANNA C. VERNA

COUNCILWOMAN JANNIE BLACKWELL

5 COUNCILWOMAN BLONDELL REYNOLDS BROWN

COUNCILMAN DARRELL L. CLARKE

6 COUNCILMAN DAVID COHEN

COUNCILMAN FRANK. J. DI CICCIO

7 COUNCILMAN W. WILSON GOODE, JR.

COUNCILMAN JAMES KENNEY

8 COUNCILMAN RICHARD T. MARIANO

COUNCILMAN MICHAEL A. NUTTER

9 COUNCILMAN ANGEL L. ORTIZ

COUNCILMAN FRANK RIZZO

10 COUNCILWOMAN MARIAN B. TASCO

11

12

13

14

15 - - -

16

17

V A R A L L O Incorporated

18 Litigation Support Services

1835 Market Street, Suite 600

19 Philadelphia, Pennsylvania 19103

215.561.2220 215.567.2670

20

21

22

23

24

25

00003

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

COUNCIL PRESIDENT VERNA: Good

morning, everyone. Good morning, everyone. May I have your attention, please. This is a public hearing of the Committee of the Whole. I would ask Mr. McPherson to read the Bill Numbers and the titles of the Bills.

MR. MCPHERSON: Bill Number 03009, an Ordinance amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," by amending section 19-1804, entitled "Authorization of Net Income Tax," to further authorize the Board of Education of the School District of Philadelphia to impose a tax on net income from real property and tangible and intangible personal property of residents of the School District of Philadelphia; all under certain terms and conditions.

Bill Number 030012, an Ordinance amending Chapter 19-1800 of The Philadelphia Code, entitled "School Tax Authorization," by amending Section 19-1806 to further authorize the Board of Education of the School District of Philadelphia to impose a tax on the use or occupancy of real estate within the School District of Philadelphia.

00004

1 03/24/03 - Committee of the Whole
2 Bill Number 030013, an Ordinance
3 amending Section 19-1801 of The Philadelphia Code,
4 entitled "Authorization of Tax," to further
5 authorize the Board of Education of the School
6 District of Philadelphia to impose a tax on real
7 estate within the City of Philadelphia; and to
8 restate the rates of taxation in tabular form; all
9 under certain terms and conditions.
10 COUNCIL PRESIDENT VERA: Thank you.
11 Good morning and welcome. Mr. Nevels, please
12 identify yourself for the record and proceed with
13 your testimony.
14 MR. NEVELS: Thank you, Council
15 President.
16 My name is James Nevels. I'm the
17 Chairman of the School Reform Commission. And it
18 is good to be here.
19 Good morning, Madam President,
20 Councilwoman Miller, and Members of City Council.
21 Thank you for the opportunity to review with you
22 the state of the School District of Philadelphia.
23 When I came to you a year ago, the
24 School District faced tremendous challenges:
25 Academically, financially, operationally, in

00005

1 03/24/03 - Committee of the Whole
2 safety, in leadership, and in our facilities.

3 Most students were not reading at
4 grade level, and 40 percent of students were
5 dropping out before graduation.

6 Financially, the District faced \$1
7 billion in debt. My colleagues on the School
8 Reform Commission, Sandra Glenn who joins me this
9 morning, Jim Gallagher, and Dan Whalen could not
10 believe that we could not identify the
11 reconciliation of budgeted to actual expenditures,
12 and we faced an enormous structural deficit.

13 I would also mention, of course, our
14 colleague Mike Mash, who is no longer with us.
15 And I think we know where he is. And hopefully he
16 will remember and help the School District. His
17 appointment is currently vacant.

18 Let me say this to you, as I've said
19 to a couple of you this morning: What a
20 difference a year makes. What a difference a year
21 makes.

22 Over the past year we have made
23 tremendous strides in reforming public education
24 for Philadelphia's children, being called by some
25 the largest educational reform movement in the

00006

1 03/24/03 - Committee of the Whole
2 United States.

3 One thing for certain was, things
4 are not the same, and should not be for our
5 children. We are making progress.

6 First and foremost, in July 2002 we
7 hired Paul Vallas to be the School District's
8 Chief Executive Officer. Under his leadership the
9 School District is implementing aggressive
10 policies and improvements to overcome years of
11 status quo.

12 You will hear in greater detail from
13 my colleague, Paul Vallas, and Michael Harris, the
14 District's Chief Financial Officer.

15 But from an overall perspective, I
16 can tell you that one year later, the School
17 District is: Number one, academically focused, as
18 significant strides have been made in reforming
19 our educational system.

20 Educational management
21 Organizations. And you'll remember a year ago
22 that those three letters, E.M.O.s, are managing 45
23 of our lowest-performing schools, and we are
24 working closely with them to ensure that those
25 students are learning.

00007

1 03/24/03 - Committee of the Whole
2 The District's curriculum is uniform
3 and aggressive, as we work to ensure that all of
4 our students are reading at grade level and
5 achieving in mathematics and sciences.

6 The School District is recovering
7 financially, through significant cost savings
8 measures, that have been implemented over the past
9 year.

10 Thanks to this City Council, and
11 again, I say to you individually and collectively,
12 thank you. Thank you very much on behalf of the
13 children of Philadelphia.

14 The General Assembly -- I should say
15 and the General Assembly -- and we thank them as
16 well -- the School District has received the
17 funding it needed to keep it solvent and ensure
18 that all of our students have the proper
19 educational materials so that they could learn.

20 But we are not out of the woods yet.
21 As you will hear, significant cost-cutting
22 measures have been implemented, some of which have
23 been very difficult.

24 The District cut \$25 million via
25 work-force reductions and other efficiencies, as

00008

1 03/24/03 - Committee of the Whole
2 we promised you and the Commonwealth last spring.
3 We sought your trust. We believe that we have
4 earned your trust by our behavior.

5 The District went on to identify an
6 additional \$44 million of other efficiencies
7 within the system, and we have also rectified
8 that.

9 The School District is operationally
10 efficient, issuing an RFP and moving forward on
11 consolidating our administrative facilities.

12 Having staff in four locations,
13 including a \$1 million lease on one is not
14 financially or operationally efficient. We intend
15 to identify a single location very shortly to
16 house all our staff and to build a managerially
17 cohesive culture at the Philadelphia School
18 District.

19 Today the School District is focused
20 on improving climate and safety for our students
21 and our teachers. Learning cannot occur in an
22 environment in which students and teachers are not
23 secure.

24 In September, the School District
25 unveiled its Code of Conduct which establishes a

00009

1 03/24/03 - Committee of the Whole
2 blueprint for student behavior. The School
3 District's Zero Tolerance Policy is a bold first
4 step to removing disruptive students from the
5 classroom.

6 Some say it's too harsh. But we
7 mean business. As the Chairman of the School
8 Reform Commission, I believe that if being
9 obsessed with the safety of our children and our
10 educators is a vice, then I am for one willing to
11 be guilty of that crime.

12 Parents must be involved in their
13 children's academic experience. And if removing
14 those disruptive students engages their parents,
15 we will have succeeded.

16 Among other initiatives we have
17 taken, include easing students from incarceration
18 back into the classroom. As a year ago, no longer
19 will those students be placed back into a
20 classroom without the proper academic, emotional
21 and social preparation. Doing so has only
22 resulted in repeated incarcerations and failure.

23 The School District is committed to
24 improving our School facilities to provide each
25 and every student a pleasing environment in which

00010

1 03/24/03 - Committee of the Whole
2 to learn.

3 Last May the SRC journeyed to 70
4 schools slated for reform. In some buildings the
5 paint was crumbling, the lighting was insufficient
6 for children to learn, and proper running water
7 did not exist. This is patently unacceptable.
8 And these were in the better facilities. Some
9 buildings were so old that they presented safety
10 hazards.

11 As you will hear, the District has
12 committed to a \$1.5 billion Capital Plan to build
13 new schools and rehabilitate others, eliminating
14 school overcrowding and creating school campuses
15 that students will be proud to attend.

16 The School District is
17 community-based through the new office of School
18 and Community Relations, that seeks partnerships
19 between schools and communities to engage parents,
20 students and neighbors to take active roles in our
21 students' educations.

22 Our school system is diverse,
23 working for all of Philadelphia's children,
24 regardless of gender, ethnicity or income.
25 And finally, but certainly not

00011

1 03/24/03 - Committee of the Whole
2 least, the School District is now leadership
3 driven.

4 Since Paul Vallas came to
5 Philadelphia eight months ago, we have seen a
6 tireless advocate for Philadelphia's public
7 schools.

8 In addition, Council people, I can
9 tell you, he's just a good guy, too. There is no
10 person who has worked harder and smarter for the
11 children of Philadelphia than Paul Vallas. There
12 is no person better suited to making the tough
13 decisions with the SRC to improve the education of
14 Philadelphia's children than our CEO. What a
15 difference a year makes.

16 I would now like to introduce the
17 School District's Chief Executive, Paul Vallas.

18 MR. VALLAS: Thank you. Well, thank
19 you. Thank you, President Nevels, and Madam
20 President. Thank you for this opportunity to come
21 before the Council.

22 I just want to recognize and
23 introduce to the Council a number of our executive
24 staff, most of whom are here and all of whom will
25 be here before the testimony is over.

00012

1 03/24/03 - Committee of the Whole
2 First of all, Natalie Pakeen, my
3 Chief of Staff, if Natalie can just raise her
4 hand. Tim Spritzer, my Deputy Chief of Staff.
5 Craig Williams, our Deputy Chief Academic Officer.
6 I don't know if Ed Williams has arrived.
7 COUNCIL PRESIDENT VERNA: If the
8 individuals would stand, I think it would be nice.
9 We would get some --
10 MR. VALLAS: Great. Let me start
11 out with Natalie Pakeen, my Chief of Staff. Tim
12 Spritzer, the Deputy Chief of Staff. I know
13 you've all had contact with Tim. Dr. Craig
14 Williams, our Deputy Chief Academic Officer in
15 charge of our High School Restructuring Plan.
16 COUNCIL PRESIDENT VERNA: Excuse me,
17 Mr. Vallas. I understand some of the Council
18 Members cannot hear you.
19 MR. VALLAS: Oh, I'm sorry. I
20 apologize.
21 COUNCIL PRESIDENT VERNA: Get closer
22 to the mike, please.
23 MR. VALLAS: Oh, great. Great.
24 Okay.
25 Dr. Craig Williams, my Deputy Chief

00013

1 03/24/03 - Committee of the Whole
2 Academic Officer, also in charge of the High
3 School Restructuring Plan.

4 Ed Williams is -- I don't know if
5 Ed's arrived yet -- our Chief Academic Officer.
6 Karen Burke, our Chief Operating Officer, if she
7 will please stand.

8 Chris Harris, who's the Director of
9 the School District's Capital Program. Ellen
10 Savitz, our Deputy Chief Academic Officer. She's
11 managing the EMOs, the charters schools, as well
12 as the new school conversions, and the academic
13 side of the new High School Restructuring Plan.

14 Kim Seitzer, our Chief Procurement
15 Officer. I saw Kim way in the back, if...

16 COUNCIL PRESIDENT Verna: She's
17 here.

18 MR. VALLAS: Dexter Green has not
19 arrived yet, but he'll be arriving shortly. He's
20 had to deal with one or two issues this morning.
21 And we always have public safety issues that we
22 have to deal with.

23 But our Director of School Security,
24 Gwen Morris, who manages our alternative schools
25 and our school discipline programs and policies

00014

1 03/24/03 - Committee of the Whole
2 will also be arriving.

3 Nilsa Gonzalez, our Director of
4 School and Regions, who is responsible for the
5 day-to-day management of the system, in terms of
6 the system's interaction with local schools.

7 And Tomas Hanna, who will be
8 arriving shortly, who's our Director of Teacher
9 Recruitment and Retention. So that is the senior
10 staff.

11 We are also, as I think Jim pointed
12 out, joined by Sandra Dungee Glenn, one of the
13 five Commission members and clearly a force in the
14 changes that we have been pushing, both now and of
15 course long before I arrived.

16 What I'd like to do is to provide
17 kind of a general budget overview, but talk not
18 only about the budget but also talk about the
19 programs, because this budget is driven by our
20 initiatives.

21 When we worked to put together our
22 budget, we did so with an idea in mind that
23 everything that we would do and every decision
24 that we would make budgetarily would support our
25 education reforms and our education initiatives.

00015

1 03/24/03 - Committee of the Whole

2 And so, I'm going to take a few
3 moments and talk about in general terms the
4 overall budget strategy and the overall budget
5 plan, and then just spend even a little more time
6 talking about the objectives of this budget.

7 And that is, to make our schools
8 safer, to improve the physical conditions of our
9 schools, and to improve the academic programs so
10 that we can enhance education performance.

11 And then I'll be followed by Mike
12 Harris, who can get into the specifics of some of
13 the budget document that we presented to you.

14 Let me start off by saying that one
15 of the first things that we did when we came in
16 was to lay out a five-year financial blueprint for
17 the School District.

18 We were facing, with no changes, a
19 long-term imbalance of about \$1 billion, based on
20 what projected expenditures were, as well as based
21 on what projected revenues were.

22 So the first thing that we did in
23 July was, we quickly began the work on laying out
24 a financial blueprint, a blueprint that would
25 enable us to keep spending in line with revenues

00016

1 03/24/03 - Committee of the Whole
2 and draw down the deficit financing bond, which we
3 were authorized to issue over a five-year period.
4 So in effect, we could guarantee the School
5 District five years of financial stability.

6 But in putting together that plan,
7 we put that plan together with an eye towards
8 funding initiatives and pushing initiatives that
9 would make schools safer, pushing initiatives that
10 would rehab the terrible condition of our schools,
11 and pushing initiatives that we knew would
12 guarantee improved student academic performance.

13 When we finalized our five-year
14 plan, you afforded us the courtesy to brief
15 virtually every Council Member on the details of
16 that plan, both in terms of the financials and in
17 terms of the academics.

18 So going into the original five-year
19 plan would only be redundant. But let me just say
20 that the first year's results of the five-year
21 plan really exceeded our expectations.

22 We went from a projected \$28 million
23 operating deficit to a structurally balanced
24 budget where we anticipate we'll have a slight
25 surplus this year.

00017

1 03/24/03 - Committee of the Whole

2 But in the process we were able to
3 hit our first-year numbers in our five-year plan.
4 We did that by cutting about \$51 million in
5 spending last year and by securing close to \$62
6 million in new revenue, some state sources, but
7 others largely Federal sources.

8 Like the Empowerment Zone Grant,
9 additional Title One and Chapter One money that we
10 had not anticipated, additional funds under the No
11 Child Left Behind Act.

12 In effect, we were able to secure
13 additional money on top of the cuts so that we
14 were able to balance our budget, but then at the
15 same time we were able to pursue our education
16 initiatives.

17 And let me point out that just in
18 the first year we've begun to lay the foundations
19 of our School Construction Repair Program.

20 Just in the first year, we've begun
21 to institutionalize our After-School Extended Day
22 Program. Today, all of the schools have
23 after-school extended day. There are slots for
24 close to 35,000, 40,000 students.

25 This summer we will probably have

00018

1 03/24/03 - Committee of the Whole
2 the largest summer school program in our history,
3 about 50,000 students.

4 But the creation of the Office of
5 Accountability, the professional development, and
6 the upgrade in professional development training,
7 the initiatives that we undertook, in terms of
8 setting up an alternative schools network, so that
9 in a Saturday, what we call a Saturday Alternative
10 Program for expulsion for students who are badly
11 behaved.

12 So in effect, we just did not hit
13 our budgetary goals in year one, but we also began
14 to lay the foundation for what is intended to be
15 our long-term educational goals, our long-term
16 educational plan.

17 But now we're preparing for year
18 two. In facing the year two budget, we were --
19 Well, we were reasonably confident that we were
20 going to be able to hit the numbers that we had
21 anticipated hitting, in terms of our abilities to
22 secure Federal funds.

23 And obviously, while our local
24 revenue base has been pretty close to certain,
25 there was uncertainty as to what would be

00019

1 03/24/03 - Committee of the Whole
2 available at the state level.

3 So we decided to prepare our budget
4 document, based on Governor Rendell's original
5 budget that he introduced, and that was passed,
6 and that he amendatorily vetoed in Harrisburg.
7 And that was to base that budget on the
8 assumptions in the governor's original budget,
9 particularly for education.

10 Our reason for that is, we felt that
11 we should go with a worst-case scenario, and that
12 we should use that first budget as a vehicle for
13 going in and jettisoning other expenditures in the
14 school system that we felt did not fit with our
15 education plans and education strategies.

16 So rather than going in and cutting
17 core programs, what we elected to do was to go in
18 and to jettison anything that we felt was not
19 directly or indirectly impacting the classroom in
20 a positive way.

21 So the Governor's budget left us
22 approximately \$65 million shy from year two of our
23 financial plan. And so to close that hole, we
24 came out with a number of proposals to cut
25 spending an additional \$48 million to reallocate

00020

1 03/24/03 - Committee of the Whole
2 Federal --
3 COUNCIL PRESIDENT Verna: Excuse me,
4 Mr. Vallas. Councilman Nutter has a point of
5 information.
6 MR. VALLAS: Yes.
7 COUNCILMAN NUTTER: Good morning,
8 Mr. Vallas.
9 MR. VALLAS: Yes. Good morning.
10 COUNCILMAN NUTTER: I just want to
11 make sure I understand the statement that you just
12 laid out. Your testimony is that the budget in
13 front of us is based on the budget that the
14 Governor introduced. I believe that was on...
15 MR. VALLAS: March 4th.
16 COUNCILMAN NUTTER: March 4th.
17 Trying to keep track of all these days.
18 But I think what I hear you saying
19 is that possibly based on what the Governor's
20 going to put forward literally tomorrow, many of
21 the proposals or assumptions in the budget in
22 front of us today more than likely will change,
23 and possibly change somewhat significantly; is
24 that correct?
25 MR. VALLAS: Well, yes. Obviously,

00021

1 03/24/03 - Committee of the Whole
2 the revenue assumptions will change, and obviously
3 in terms of where we provide the additional money,
4 where we refocus the additional money. Programs
5 like After-School Extended Day Class Reduction,
6 those assumptions will change, too.

7 COUNCILMAN NUTTER: So even though
8 City Council does not technically approve your
9 budget, but you're here ostensibly for a budget
10 hearing on actually the tax bills, there still
11 remains, naturally, the general perception that we
12 hold, quote, unquote, budget hearings about your
13 budget.

14 We ask you about the assumptions and
15 the proposals. We don't actually approve your
16 budget. There are items in this budget, as I
17 think you well know, that will raise a significant
18 amount of concerns in a variety of quarters.

19 You will come; you will go. The
20 Governor will do what he does tomorrow. We would
21 all hope that there would be a somewhat more
22 extensive budget process on the second go around.
23 I don't know if it's possible that it could be
24 shorter than the first go around.

25 So we'll assume all the best

00022

1 03/24/03 - Committee of the Whole
2 interests and intentions of the folks in
3 Harrisburg. But you will have left. And we will
4 then be in a position to have possibly, quote,
5 unquote, accepted this budget that's in front of
6 us, with all of its issues attached to it.

7 And I doubt that you will be back
8 after the Governor puts forward his budget, after
9 the Legislature does what it does, and after you
10 then subsequently possibly restore or change many
11 of the assumptions that are in this budget.

12 Is that a fairly accurate portrayal
13 of the current scenario?

14 MR. VALLAS: Well, clearly, if there
15 is a compromise on the Governor's budget, then
16 there's no certainty; we will obviously make
17 adjustments.

18 But we will afford the Council
19 always an opportunity to come back and to sit with
20 the Council, both collectively and individually,
21 to obviously address some of the issues that this
22 first budget has raised.

23 But if I can just lay out kind of a
24 general overview of what the strategy is, the
25 strategy here is the following: This is a School

00023

1 03/24/03 - Committee of the Whole
2 District that has not been spending all of its
3 resources or all of its critical resources in the
4 classroom.

5 It's a School District that doesn't
6 have enough teachers, that has not dedicated
7 enough money for school construction, that has had
8 virtually no after-school summer school programs,
9 a School District that has not spent its
10 professional development dollars effectively, a
11 School District that carries positions that have
12 no relationship to the educational
13 responsibilities that the School District
14 provides.

15 And so we feel that, once again,
16 selecting the Governor's first budget was first of
17 all the fiscally responsible thing to do, but then
18 going in and identifying things in our budget that
19 could be jettisoned so that we could meet the year
20 two projections, the year two financial goals of
21 our five-year financial plan, and yet still
22 sustain the programs that we have laid out for
23 you, both privately as well as publicly, and that
24 I'm going to summarize again, was also the right
25 thing to do because it sets the stage.

00024

1 03/24/03 - Committee of the Whole

2 It sets the stage for a compromise
3 on school funding, for perhaps the Governor's
4 second budget or a compromise on that second
5 budget.

6 And then what we could do with those
7 additional resources, with those additional
8 revenues, is put even more money in the classroom.

9 You see, the five-year financial
10 plan that we've laid out and that we update for
11 you all today is roughly balanced through now to
12 2008.

13 But in 2008, the deficit financing
14 bond reserve is gone, and there is a structural
15 deficit that needs to be closed, necessitating
16 another round of heavy cuts as early as for the
17 2008, 2009 budget. And while that may be too far
18 into the future for some, it's certainly not too
19 far in the future for this Council that always
20 obviously thinks ahead.

21 So if the state does begin to
22 restore the funding that has been made available
23 that we had assumed that -- or we had projected
24 that we would get or we would have liked to have
25 gotten, if there is a compromise on school funding

00025

1 03/24/03 - Committee of the Whole
2 reform, and the \$65 million is returned to the
3 School District, then what happens is, we cannot
4 only put more money in education initiatives, but
5 we can in effect correct the long-term structural
6 imbalance that this District faces, in effect,
7 institutionalizing the programs that we've laid
8 out, not for five years or six years, but for 10
9 years or 15 years, in effect, having transformed
10 the entire financial and academic programs in the
11 School District, re-prioritizing things, so that
12 we can really move this School District forward.
13 So our strategy has been to budget
14 conservatively, to go in and to make changes to
15 the budget that we feel did not directly impact on
16 the classroom, continue to sustain our educational
17 initiatives that we've laid out; and if you can
18 just afford me about 10 or 15 minutes to summarize
19 them.
20 And then also set the stage for
21 Rendell Two, or as some people said, Rendell Two
22 and a half, you know, and whatever actually
23 becomes reality.
24 And then that means for the first
25 time, when this District receives new resources

00026

1 03/24/03 - Committee of the Whole
2 from the state, those resources are going to go
3 into not only correcting long-term structural
4 problems that this School District has had for a
5 number of years, but also we'll be able to have
6 even more resources for the classroom. We'll have
7 even more resources for after school, and summer
8 School, and class size reduction.

9 And so that has been our strategy.
10 It's kind of always been our strategy to budget
11 conservatively.

12 So as the state moves along in the
13 budget process, of course we have to let schools
14 know what their resources are going to be in
15 March, because there are significant educational
16 reforms here that the schools need certainty
17 about. And I'm going to describe just a few of
18 them in a second.

19 But while we will move obviously on
20 this budget, we will do what we always do: We
21 will amend the budget, if there are changes in
22 anticipated funding levels from Harrisburg. And
23 we'll certainly afford the Council an opportunity
24 to have input, and to come before the Council to
25 talk about changes we will make or we plan on

00027

1 03/24/03 - Committee of the Whole
2 making before those changes are actually made.
3 It's the very least that we could do.
4 Now, let me -- I'm sorry.
5 COUNCIL PRESIDENT VERNA:
6 Councilman Ortiz, your hand is up. Did you want
7 to be recognized?
8 COUNCILMAN ORTIZ: Madam Chair.
9 Mr. Vallas, you're doing what Rendell is -- You're
10 presenting two different budgets at the same time.
11 And I'd like to find out, when you say you're
12 budgeting conservatively in this go around...
13 MR. VALLAS: Yes.
14 COUNCILMAN ORTIZ: ...and you're
15 projecting a series of cuts that do not affect
16 classroom instruction --
17 MR. VALLAS: Mm-hmm.
18 COUNCILMAN ORTIZ: -- in classroom.
19 Could you detail to us what those cuts are?
20 MR. VALLAS: Sure.
21 COUNCILMAN ORTIZ: And if any of
22 those cuts that are being done are being projected
23 to be re-integrated into the budget later on, as
24 the budget -- the Rendell Budget Two takes effect
25 or if it comes about, and...

00028

1 03/24/03 - Committee of the Whole
2 COUNCIL PRESIDENT VERNA: Councilman
3 Ortiz.
4 COUNCILMAN ORTIZ: Yes.
5 COUNCIL PRESIDENT VERNA: If I may.
6 I think we should have Mr. Vallas continue with
7 his testimony.
8 COUNCILMAN ORTIZ: Thank you.
9 COUNCIL PRESIDENT VERNA: And I
10 believe we have Mr. Harris --
11 COUNCILMAN ORTIZ: Yes.
12 COUNCIL PRESIDENT VERNA: -- also to
13 testify. And after their testimony, we can then
14 ask questions. So Mr. Vallas, would you please
15 proceed with your testimony.
16 MR. VALLAS: Thank you. But we'll
17 get back to your... As soon as we're done with
18 the testimony.
19 Let me explain the education
20 initiatives that we are going to continue to
21 pursue and improve upon in this budget. I'm going
22 to take them in the following order: First of
23 all, I'm going to take them in -- I'm going to
24 talk about public safety first, I'm going to talk
25 about capital second, and I'm going to talk about

00029

1 03/24/03 - Committee of the Whole
2 education third, leaving the most important
3 obviously to last.

4 On the public safety side, this
5 budget will allow us to continue our expansion of
6 our alternative schools programs. We are
7 anticipating that we will have at least 9 to 10
8 alternative school locations or sites next year,
9 because we are going to be expanding the
10 Alternative Schools Network that we use to handle,
11 not only student discipline problems, but also to
12 handle the students that come through Act 88, the
13 state law which requires that we not return
14 students to neighborhood schools, students who
15 have been incarcerated.

16 In addition, this budgets also
17 expands what we call our Saturday Detention
18 Program, or SMART program as we call it.

19 This is our Saturday School for
20 students that are chronically bad behaved. They
21 are put in Saturday schools as an alternative not
22 only to expulsion, but also students who may be
23 working their way towards expulsion, who need some
24 intensified counseling.

25 The objective here is not to send a

00030

1 03/24/03 - Committee of the Whole
2 student home for five days, in which case the
3 student comes back from the suspension even more
4 disruptive or further behind than they were before
5 they were suspended, but to put students in
6 Saturday programs.

7 And we have nine sites operating
8 now. The program started at mid-year. We hope to
9 hopefully double the sites in the coming year.
10 And we're obviously working not only locating
11 those sites in our neighborhood high schools, but
12 also we're working with religious institutions, as
13 well as community providers, in order to also
14 expand those sites.

15 So... But in addition to those
16 initiatives, you will see in this budget that
17 there's an expanded investment in intervention.
18 There's an expanded investment in outreach.
19 There's an expanded investment in the creation of
20 crisis intervention teams that can work with high
21 schools and work with elementary schools that are
22 having problems maintaining student discipline.

23 So it's simply not about expelling
24 students. It's also about getting them into more
25 intensified detention or counseling programs, the

00031

1 03/24/03 - Committee of the Whole
2 Saturday schools being the prime example.

3 And it's also about providing
4 intervention -- providing quicker intervention
5 services. Right now we have intervention teams
6 and we have networks of community providers in all
7 nine of our regions who work with our regions
8 intervening in schools and providing support to
9 schools where we are having problems with student
10 discipline. These initiatives will be sustained,
11 and will be built upon in this budget.

12 Let me talk about capital. On the
13 school construction side, this budget continues
14 the expansion of our Capital Program. We project
15 that we will spend upwards to \$1.5 billion in
16 school construction over the next five years.

17 Now, that is money obviously that's
18 going to be generated through the issue of 30-year
19 school construction bonds.

20 It's going to be partially
21 subsidized through the state plan com program,
22 which reimburses the local school districts to the
23 tune of about 20, 22 percent of their debt service
24 on school construction if it qualifies.

25 But we are going to proceed forward.

00032

1 03/24/03 - Committee of the Whole
2 In about two months, we're going to sell our first
3 \$300 million school construction bond, and that is
4 already funded or already provided for in this
5 previous year's budget.

6 But next year, we'll be issuing
7 about the same time, March or April, our second
8 \$300 million school construction bond.

9 So the school construction program
10 is going to move forward. And as you know, if I
11 can just summarize the goals of that school
12 construction program, the school construction
13 program is intended to build at least 11 new or
14 replacement high schools to pay for the
15 renovations of -- major renovations, to the tune
16 of \$10 million to \$15 million in between 13 to 15
17 neighborhood comprehensive high schools, and then
18 provide for what I call modest renovations in the
19 balance of the high schools.

20 But the school construction program
21 also provides for the construction of, I believe,
22 between six to eight new elementary school
23 buildings, and I believe about a dozen additions
24 or little red schoolhouses so that we can relieve
25 overcrowding. And the budget also provides for

00033

1 03/24/03 - Committee of the Whole
2 maintenance and repair upgrades in the majority of
3 our schools.

4 We have organized our trades into
5 what we call minute men teams, in the Colonial
6 tradition, and every week teams are in schools
7 spending between one to two weeks, and sometimes
8 more in those schools, repairing and fixing
9 everything that needs to be done.

10 And we anticipate using this
11 program. We're going to go in and do major
12 interior renovations in all of our elementary
13 schools, to the tune of about 35 to 40 a year, on
14 top of the basic repairs that we normally do.

15 So the Capital Plan is driven by a
16 need to expand the number of high school options,
17 to reduce the size of our high schools by creating
18 more high schools, to replace obsolete and falling
19 apart high schools. It's also driven by a plan to
20 relieve overcrowding in our elementary schools,
21 and to provide the basic renovations that our
22 elementary schools need.

23 And let me point out that one of the
24 highlights of the plan is to make sure that every
25 single neighborhood-based high school,

00034

1 03/24/03 - Committee of the Whole
2 comprehensive high school, has state of the art
3 science labs and technology labs, and library
4 multi-media centers, so that the critical
5 classrooms -- the critical classrooms: Technical,
6 science, library, learning center classrooms in
7 the high schools are on par with any suburban high
8 school out there.

9 The Capital Plan will not address
10 all of our needs. We probably have close to
11 \$3 billion in need, but if we can get through the
12 \$1.5 billion construction plans over the next five
13 years, all of the high schools will be fixed and
14 repaired structurally and physically, and
15 overcrowding at the elementary schools where it
16 exists will be alleviated, and all of the
17 elementary schools and the middle schools will
18 have had the needed repairs that they have needed
19 to basically -- so that they remain viable
20 buildings.

21 If we receive more money from the
22 state, obviously, we're going to pump more money
23 into the elementary schools. But this is a pretty
24 ambitious plan.

25 Let me also point out that we are

00035

1 03/24/03 - Committee of the Whole
2 reasonably confident that we are going to be able
3 to finish the plan on budget, because with the
4 support of the unions, we have been able to
5 receive a waiver for the first three-year
6 construction -- the four-part bidding contract
7 provision, so in effect we can expedite contracts,
8 and we can make sure that those contracts are
9 provided -- are executed in a timely fashion.
10 I will also point out, then -- we'll
11 have an opportunity to answer more detailed
12 questions on this -- that all of our construction
13 programs, as well as our professional service
14 programs, will have MBE-WBE goals.
15 And just to give you an example, the
16 prime contractor who we brought in, the prime
17 manager who we have brought in to manage our
18 construction programs, 43 -- I think 43 or 47. 43
19 percent of that contract went to women or
20 minority-owned businesses. And this will be a
21 pattern that we will pursue very aggressively when
22 it comes to contracting out.
23 Now, let me talk about the education
24 initiatives. This budget continues to fund the
25 education initiatives that we have laid out

00036

1 03/24/03 - Committee of the Whole
2 publicly over the last four or five months.

3 On the early childhood side, simply
4 through a re-programming and a re-prioritizing of
5 how we spend our early childhood money, we are
6 going to be able to put an additional 2500
7 children at risk into early childhood programs.

8 And we are going to be able to
9 create a comprehensive zero to three program that
10 will identify pregnant teens in the high schools,
11 and make sure that the pregnant teens are assigned
12 a parent advocate or parent trainer, and provide
13 day care and pre-school for the pregnant teens.

14 But we have been able to secure a
15 federal grant of \$4.5 million to help supplement
16 the program. But we are also reprogramming and
17 reallocating existing revenues so we can expand
18 the slots.

19 If you look at the early childhood
20 budget, we spent \$32 million on 2200 students, and
21 many of whom are not at risk in early childhood
22 programs, very inefficient programs.

23 And by reallocating those resources
24 and by upgrading those programs, in terms of the
25 number of students who are in those programs,

00037

1 03/24/03 - Committee of the Whole
2 we're actually going to be able to reach more
3 students.

4 But there's going to be an expansion
5 of our early childhood initiatives in this budget
6 next year, with the cradle to the classroom, the
7 zero to three program, and there will be at least
8 2500 additional students in that program.

9 Now, if the Rendell Administration
10 is successful in meeting the Governor's early
11 childhood priorities, then we will be able to
12 increase the number of children in early childhood
13 to an even greater amount.

14 But we estimate that close to 1500
15 children zero to three will be put in day care
16 under the cradle to the classroom program. So,
17 this will be the most significant expansion of
18 early childhood we've ever had.

19 If I can just go through, we have
20 already made our conversion to the Terranova Test.
21 We already have our Office of Academic
22 Accountability that provides quality review of all
23 our schools and works with the schools to develop
24 plans of reform, plans of quality review, changes
25 that need to be done in the schools, if those

00038

1 03/24/03 - Committee of the Whole
2 schools are struggling.

3 But the shift to the Terranova,
4 which incidentally, is also going to save us
5 money, has also provided the school system with
6 the test, the results of which can be communicated
7 to teachers and to parents within 30 days of that
8 test being given. And it's given teachers and
9 parents a diagnostic tool that they can understand
10 the results of.

11 This year we got the Terranova
12 results after 30 days, and two weeks after that we
13 sent the results to the parents, so the parents
14 were able to get a breakdown of where their
15 child's strength and weaknesses were.

16 It's also a test that is aligned
17 with the state standards. It's a state that the
18 Archdiocese gives, and it's a test that is very
19 similar in form and in content to the state test,
20 which meaning, when you're preparing kids for the
21 state goals, you're also going to be covering the
22 material in both the Terranova Test, as well as
23 the PSSA test. So those things have already
24 begun.

25 But all of the schools next year, as

00039

1 03/24/03 - Committee of the Whole
2 we move forward, the education plan lays the
3 foundation for the phase out of our middle
4 schools.

5 What we're going to be looking at
6 doing over the next five to seven years is to
7 reduce significantly the number of our middle
8 schools.

9 Next year three middle schools are
10 scheduled to be converted to high schools;
11 ultimately, 9 to 10 will. And a number of -- at
12 least the same number of elementary schools or of
13 middle schools will be converted to K to 8
14 schools.

15 And then next year, beginning next
16 year, 45 to 50 K to 5 schools will begin adding
17 grades, meaning parents are not going to have to
18 be stressed out at the end of fifth grade about
19 worrying where their children are going to have to
20 go to School.

21 And as you know, only two to three
22 of the middle schools in the school system are
23 meeting state standards.

24 There is an exodus of students
25 before the middle school years. Our middle

00040

1 03/24/03 - Committee of the Whole
2 schools are fed by far too many feeder schools.
3 The vast majority of our schools are
4 on the No Child Left Behind academic watch list,
5 not to mention the state's watch list. So,
6 converting and moving to a K to 8 system and a 9
7 to 12 system, I think, is the right thing to do.
8 Our hope is within five to six years, if we have
9 middle schools that remain, they will be fed by
10 maybe one or two feeder schools. So, again, those
11 reforms, we are going to -- we will continue to
12 move forward on in this budget.

13 And in addition, and as part of our
14 high school restructuring plan, by converting
15 middle schools to high schools, by supporting the
16 middle school charters that are performing in an
17 exemplary fashion -- and there's four or five
18 middle school high schools that we're going to
19 support the expansion of because they're providing
20 superior academic options.

21 And by building a number of new
22 middle schools, we feel optimistically that within
23 the next four to five years, we're going to have
24 close to 15 and maybe as many as 20 new high
25 schools options.

00041

1 03/24/03 - Committee of the Whole

2 So what will happen will be, when
3 children graduate from eight grade, they'll have,
4 instead of 3 magnet schools to apply to, maybe 8
5 or 9 or 10 magnet schools to apply to, not to
6 mention the high performing charters.

7 And to magnetize our neighborhood
8 schools, we are going to be putting magnet
9 programs in advanced placement and honors programs
10 in our neighborhood high schools, and opening the
11 enrollment in those high schools.

12 So in effect, you're going to have
13 high school choice. In effect, when a child
14 graduates eight grade, if that neighborhood school
15 is not a school to their satisfaction, they're
16 going to be able to apply to one of perhaps as
17 many as a dozen citywide high schools, or for that
18 matter, one of as many as two dozen what we call
19 neighborhood-based magnet programs in neighborhood
20 high schools, like international baccalaureate
21 programs and world language academy programs, and
22 math, science, and technology academy programs.

23 So what you'll have for the first
24 time is options. So if that neighborhood school
25 is not to your satisfaction, you just don't have

00042

1 03/24/03 - Committee of the Whole
2 to line up out at Central or Girls High and say,
3 where am I going to go.

4 There are going to be plenty of
5 options. There will be no excuse for exiting the
6 system or leaving the system because the system
7 does not provide quality academic options.

8 If I could just give you one
9 statistic to drive home the point, we have 61,000
10 students in high schools. Only 12 of our 46 high
11 schools have advanced placement and honors
12 courses. Only 1,000 of our 61,000 kids take
13 advanced placement and honors exams.

14 I was watching an advertisement that
15 New Jersey Department of Education came out with
16 yesterday trumping New Jersey as the top state, in
17 terms of percentage of kids taking advanced
18 placement and honors programs.

19 We don't have an advanced placement
20 and honors courses, so how can our kids take the
21 AP exams?

22 We have high schools with 2500,
23 3,000 students who don't have a single honors
24 course in those schools. Only 5,000 of our
25 students took the SAT. 61,000. Now, that's for

00043

1 03/24/03 - Committee of the Whole
2 all intents and purposes, the college entrance
3 exam. Only 5,000, less than 10 percent.

4 And even more disturbing, only 7400
5 or 7500 of our students -- and correct me if I'm
6 wrong Craig -- took the PSSA, which means probably
7 only half the kids are taking the state exam who
8 should be taking the same exam. That is going to
9 change and is going to change dramatically.

10 So these reforms are not only
11 raising standards as to why, but these reforms are
12 about making institutional changes, phasing out
13 the middle schools, so that our kids can
14 transition to high school through a K to 8 system,
15 so that we don't have 1500 sixth, seventh and
16 eighth graders piled in a building four to five
17 stories high.

18 And when our children go to high
19 schools, those high schools present them with
20 choices, not only choices citywide, but the
21 neighborhood high schools present them with
22 choices in the neighborhood high schools
23 themselves. But those initiatives are funded in
24 this plan.

25 In addition -- In addition, if I can

00044

1 03/24/03 - Committee of the Whole
2 just quickly comment on a couple of other
3 initiatives that are also funded. Last week we
4 laid out our plans to reform our curriculum and
5 instruction.

6 This time next year all the school
7 system will be on uniform standardized curriculum
8 instructional models. We've picked models that we
9 feel are the best practice models.

10 Our focus in the initial years is
11 going to be reading and math. And we've gone to
12 great lengths to ensure that all the curriculum
13 instructional models that are adopted are models
14 that are multi-cultural, are models that lend
15 themselves.

16 And our selection of hard core
17 trophies, as well as our approval of supplemental
18 curriculums are guided by not only the superior
19 nature of those curriculums -- and let me point
20 out that the curriculum models we're selecting
21 have the approval of the Federal Department of
22 Education, so we're not selecting curriculum
23 models that we can't secure funding for. But
24 those curriculum models are also selected because
25 we feel that they lend themselves now to what we

00045

1 03/24/03 - Committee of the Whole
2 call a true multi-cultural curriculum.

3 But in addition to the curriculum
4 and instructional reforms that all the schools
5 will have next year, we are going to support those
6 curriculum and instructional reforms by doing the
7 following things: By increasing the school day
8 and increasing the school year.

9 Next year, our after school
10 extended -- our after school program will really
11 be an extended day program, because any child
12 grades three through nine below grade level in
13 reading or in math will not have their school day
14 end at 3:30. They will have their school day end
15 after one to two hours of additional academic
16 instruction.

17 And we're selling it as extended day
18 because we want to create the mentality out there
19 that this is part of the school day. Our school
20 day runs this long for underachieving children.

21 The same thing in summer school.
22 Children grades three through nine will have to go
23 to summer school if they're below performance in
24 either reading and/or math. And if children have
25 special education needs or if children are ESL

00046

1 03/24/03 - Committee of the Whole
2 students with English language deficiencies. This
3 will be not summer School, but extended School
4 year, because it will be part of what we consider
5 to be the normal school year for students who are
6 not meeting the academic standards.

7 So while the schools will have
8 curriculum and instructional models, we will spend
9 more time, extended day and extended year,
10 teaching the children who are struggling to those
11 models.

12 But in addition to the more time on
13 task, all the schools next year are going to go
14 through year-round professional development.

15 We have reached an agreement with
16 the teachers union to provide for end of the year
17 professional development of teachers, professional
18 development through the summer, and professional
19 development twice a month two hours a day.

20 So twice a month there will be two
21 hours of professional development time set aside.
22 So, in effect, not only will we have curriculum
23 instructional models and time on task, but we will
24 have the professional development to go with it.

25 And on top of the professional

00047

1 03/24/03 - Committee of the Whole
2 development, the budget -- this budget provides
3 for curriculum and instruction experts. Every one
4 of our nine regions will have five curriculum
5 coordinators who will work with the schools on
6 continuous professional development and in-service
7 training of teachers.

8 In addition, we will be designating
9 a reading and math curriculum coordinator in each
10 of the elementary schools and the high schools, so
11 there will be a network of curriculum experts to
12 sustain the quality curriculum instruction by
13 being there to help the teachers, to assist the
14 teachers, and being there to facilitate
15 professional development.

16 And then finally, we will do
17 probably the most massive class size reduction
18 that this system has ever done. Our plan next
19 year is to reduce class sizes in all the
20 elementary school grade levels, grades
21 kindergarten through third in schools that have
22 the additional space. If they don't have the
23 additional space, we will hire literacy interns.

24 We are providing the School
25 Districts with models on how they can reduce their

00048

1 03/24/03 - Committee of the Whole
2 class sizes, grades four through eight.

3 Now, when you look at this budget,
4 we are going to be jettisoning close to 500 SSA
5 positions because we are going to be hiring over
6 500 new classroom teachers.

7 So, in effect, we're going to be
8 reducing class size on a massive scale that few
9 Districts in the nation have basically done or
10 have basically embraced. And this will begin next
11 year.

12 Also, at the high school level we
13 are going to be reducing class size at key grades.
14 So, for example, no longer will we say, well, we
15 don't have enough honors chemistry students, so we
16 can't have an honors chemistry course. If we have
17 to have an honors chemistry course with 12 or 14
18 or 15 students, so be it.

19 And no longer will which stuff 33
20 algebra students in a freshman algebra course with
21 a single teacher, and then mandate that they
22 master algebra in a year with two-thirds of the
23 kids never having had pre-algebra.

24 Algebra classes, the freshman math
25 classes, will be no bigger than 15 students per

00049

1 03/24/03 - Committee of the Whole
2 instructor. So, the class size reduction
3 initiatives are going to, I think, significantly
4 transform the nature of the system.

5 So if you have quality curriculum,
6 if you have more time on task, if you have
7 professional development, and you have class size
8 reduction, you're going to see a dramatic change
9 in instruction.

10 And then, finally, all of our
11 curriculum instructional models will have parental
12 outreach pieces: Curriculum guides for parents,
13 homework guides for parents, a system of
14 communicating with parents, simplified report
15 cards, simplified dissemination of test core
16 information.

17 And we are going to be working with
18 our parent truant officers to teach them to do
19 home outreach to parents who are not academically
20 engaged in their child's education.

21 So if a parent is not coming to pick
22 up the report card, or if a parent is not coming
23 to parent/teacher conferences, or not responding
24 to communications that are being sent home to that
25 parent, we're going to make a visit. And we're

00050

1 03/24/03 - Committee of the Whole
2 going to have a parent make a visit to that home
3 to try to get a handle on what's going on. Those
4 initiatives are in this budget.

5 And then finally on teacher
6 recruitment and retention, as you know, two weeks
7 ago, under the leadership of Sandra Dungee Glenn
8 and Rosemary Greco, we laid out a plan to improve
9 teacher recruitment and teacher retention, through
10 alternative certification, through incentives,
11 through providing more teacher mentoring when
12 teachers enter the system, through student/teacher
13 subsidies so that we can recruit a much larger
14 student/teacher core into the system, the
15 conclusion being, we can retain more teachers.

16 But our end through contracting out
17 with not for profit corporations, like Teach
18 American and the National Teachers Project, to
19 expand our teacher recruitments efforts
20 nationwide, we hope to have at least 500 to 600
21 additional certified qualified teacher candidates
22 through this program.

23 And we feel that if we can get the
24 teachers in, we will be able to retain the
25 teachers because they will be provided a mentor,

00051

1 03/24/03 - Committee of the Whole
2 they will be provided curriculum instructional
3 models, they will be provided smaller class sizes,
4 they will be provided year-round subsidized
5 professional development.

6 So we feel that we can make
7 significant progress increasing the pool of
8 qualified teachers and reducing the attrition.
9 Between two or three years in this system, 40
10 percent of the teachers are gone. They have
11 exited the system.

12 So we feel that these things are
13 going to help us in the area of teacher
14 recruitment and teacher retention. These things,
15 likewise, are funded in the budget.

16 Now, some people will say, well, how
17 are you doing this, or how are you going to be
18 able to do this, in light of the Rendell budget
19 cuts?

20 And what I'd like to do is just take
21 two or three examples of how we're funding each of
22 these initiatives and how these initiatives fit
23 into our budget process.

24 I've referred to kind of our budget
25 approach as having what we've referred to

00052

1 03/24/03 - Committee of the Whole
2 affectionately as the financial equivalent to
3 watertight compartments.

4 Let me give you an example of our
5 efforts to recruit, of our efforts in curriculum
6 instruction and professional development.

7 Now, the plan as I summarized is
8 simple: New curriculum instructional models, more
9 time on task, year-round professional development,
10 smaller class sizes, parental outreach. Well, how
11 are we going to deal with all these issues during
12 financial tough times?

13 Well, let me summarize by saying, we
14 already spend \$40 million on curriculum,
15 instruction, and textbooks in this system. But
16 because we don't have a standardized curriculum,
17 because we've got schools doing 600 different
18 things, the money is not spent efficiently or
19 effectively.

20 The move towards a standardized
21 curriculum allows us to leverage the fact that
22 we're going to be working with fewer curriculum
23 providers, and we're going to be purchasing more
24 standardize materials so that we can get a bigger
25 bang for our buck. And we can purchase materials

00053

1 03/24/03 - Committee of the Whole
2 that basically fit within the curriculum strategy.
3 We spend currently \$46 million on
4 class size reduction, the bulk of the money going
5 to literacy interns.

6 Now, think of this math. If you
7 have three third grade teachers and they have one
8 literacy intern, you have one teacher that
9 benefits.

10 But if instead of that literacy
11 intern, you hire a fourth third grade teacher,
12 then all the third grade teachers, all the third
13 grade teachers educate eight fewer students. In
14 effect you reduce the class size from 33 to 23 or
15 24. The bottom line is, that money can lay -- our
16 focus is going to be on hiring teachers.

17 In addition -- In addition, there
18 is -- we've been able to secure close to \$15
19 million in funding for our summer school programs,
20 through the Arlen Spector Empowerment Grant, not
21 only for this year but for next summer with the
22 commitment for a third summer.

23 We've been able to reallocate \$17
24 million in Title One reallocation for our after
25 school extended day programs.

00054

1 03/24/03 - Committee of the Whole

2 By doing that, incidentally, we
3 bring our after school extended day and
4 supplemental services in line with No Child Left
5 Behind, making us eligible for even more
6 resources.

7 And we've been working with the
8 School Districts -- We've been working with the
9 School Districts to identify -- to identify local
10 funds that they can use, Title One and Title Two
11 funds that they can re-prioritize to do class size
12 reduction.

13 So in part, it's a securing of
14 additional federal funds, but it's also a
15 reallocation of existing dollars.

16 On top of that, the District has
17 received \$9.6 million -- will receive in each of
18 the next six years -- for our reading initiatives,
19 and \$4.5 million for our early childhood
20 initiatives from the Federal Government.

21 And finally, we've reached in -- I
22 wouldn't say finalized, but we've reached kind of
23 an agreement, a general agreement, that we will be
24 able to secure money from the Parking Authority to
25 finance a borrowing that we will do to do the

00055

1 03/24/03 - Committee of the Whole
2 one-time curriculum replacements and textbook
3 replacements that need to be done.
4 Because in this push towards a more
5 standardized curriculum, there's going to be a
6 first-year up-front cost that's going to go beyond
7 our capacity to finance, unless we're able to
8 borrow and to secure that borrowing with an
9 outside revenue source.
10 And the Parking Authority has agreed
11 to provide us with a revenue stream, so that we
12 will be able to borrow next year upwards from \$20
13 million to \$25 million to also finance this
14 initiative.
15 So, once again, this initiative is
16 watertight. This initiative will be funded
17 regardless of what happens in Harrisburg. But the
18 most important investment, the investment in
19 curriculum, instruction and professional
20 development, and class size reduction, the
21 investment in new textbooks, the investment in the
22 type of programs to provide student support,
23 extended day, extended school year is an
24 investment that we can make because we've
25 allocated the resources.

00056

1 03/24/03 - Committee of the Whole

2 And then finally, to fund our
3 initiatives in the high schools -- And let me give
4 you another example of how we're going to be able
5 to do our initiatives in the high schools.

6 Our high schools have hundreds of
7 courses that are, for all practical purposes,
8 irrelevant. All you have to do is look at the
9 courses.

10 I think, in many ways, the courses
11 are designed to meet the individual skills of the
12 instructors, as opposed to the needs of the
13 students.

14 And we've identified at least 322
15 academic courses that we feel are not relevant,
16 that we can eliminate, freeing up \$5 million to
17 pay for our advanced placement courses, our honors
18 courses, our international baccalaureate courses;
19 In other words, money that can be simply be
20 reallocated.

21 In the high schools you have small
22 learning community coordinators, you have slick
23 coordinators, you have so-called curriculum
24 coordinators and department heads.

25 While there are already the

00057

1 03/24/03 - Committee of the Whole
2 positions there to reallocate and re-prioritize so
3 we can make sure that all of our high schools have
4 curriculum and instructor experts and trainers in
5 those schools. So there are resources in the high
6 schools that we're easily going to be able to
7 reallocate.

8 But to supplement our high school
9 resources, we're go going to be shifting \$10
10 million from the privately managed school
11 contracts to our high schools to fund our high
12 school initiatives.

13 Our general feeling, based on our
14 evaluation of these privately contracted schools,
15 is that we're paying them more than they need,
16 we're paying them too much when you consider the
17 amount of overhead that they're spending, and high
18 schools have not been a part of this whole Reform
19 process.

20 So, again, a watertight compartment.
21 There's money to be reallocated in our high
22 schools, and there's money elsewhere in the budget
23 that can be shifted to the high schools to move
24 our high schools forward.

25 So the bottom line here is, this --

00058

1 03/24/03 - Committee of the Whole
2 despite the tough decisions that we've had to make
3 budgetarily, this budget is lean and mean. It
4 jettisons what we don't need, and it puts money
5 into the areas where we do need the resources.
6 Because we will continue to make
7 progress on public safety. We will continue to
8 phase in our Capital Program, as we have
9 articulated to you and as we've laid out to you.
10 We will significantly expand early
11 childhood. We will make the curriculum
12 instructional reforms that we have promised, along
13 with the after school extended day care programs,
14 and the professional development, and the more
15 time on task that needs to be done, and we will
16 reduce class size which is long overdue.
17 To accommodate -- And we will do the
18 type of recruitment and retention that the system
19 needs to do to ensure that we have a quality work
20 force.
21 Let me also point out that we've
22 reached an understanding with the teachers union
23 that will allow us to close the door on movement
24 of teachers from one school to another at the end
25 of June.

00059

1 03/24/03 - Committee of the Whole

2 In the past, seniority impacts
3 school placements of teachers and personnel well
4 into August. Well, beginning this year, the
5 window is going to close June 30th, which means at
6 the end of June 30th, when we have identified
7 teachers, we'll be able to tell the teachers what
8 school they're going to, what class they're going
9 to be teaching, and what subject they're going to
10 be teaching.

11 50 percent of the teachers who
12 entered our system last year didn't know the
13 school they were going to be in until the last
14 week of summer or the first week of the school
15 year. And 66 percent of them had no orientation
16 or prior training before they entered the system.
17 That's going to change like that.

18 In addition, we are going to end
19 leveling, so there will be no adjustments in
20 school budgets in October. In other words,
21 schools will not lose this one teacher or two
22 teachers, forcing a changing of all the school
23 rosters.

24 So what this is going to do is, this is
25 going to allow our teachers, our new teachers, to

00060

1 03/24/03 - Committee of the Whole
2 know what school they're going to go to, and be
3 reasonably secure in the knowledge that they're
4 going to have that school, and come October,
5 they're not going to be told, well, that position
6 isn't there, you're going to have to go somewhere
7 else. So this budget finances those initiatives.
8 Now, it doesn't finance the
9 initiatives without some pain. We're going to
10 continue to reduce the size of administrative --
11 of our administrative positions. As we mentioned,
12 while we're going to be hiring hundreds of new
13 teachers, we are going to be phasing out -- and
14 through attrition, and in some cases eliminating a
15 number of the part-time positions that are in the
16 schools.
17 We are going to be eliminating other
18 positions in the schools that we feel do not
19 directly impact the educational process.
20 And we've articulated what some of
21 those positions are. There are a number of
22 municipal positions, services that we carry, that
23 are also going to be on our elimination list.
24 And we're going to be doing some
25 shifting of positions to the bonds, I think about

00061

1 03/24/03 - Committee of the Whole
2 38 of those positions.

3 Because of the size of the school
4 construction bond program, we're going to be -- a
5 number of our maintenance and repair people are
6 going to be working on longer-term projects, so we
7 feel we can certainly justify shifting those
8 positions and those expenses to the bond.

9 But all told, there is going to be a
10 net reduction in personnel in this School District
11 to the tune of 373. But that 373, in that number
12 is going to -- also is going to include a
13 significant increase in the number of teaching
14 positions.

15 Normally, what would happen in this
16 school system, because of the expansion of
17 charters and because of the decline in the
18 system's enrollment, is this system would normally
19 lose about 220 teachers just through attrition or
20 just due to the fact that the student population
21 declined, and more teachers and more students are
22 shifting to the Charters.

23 But what's going to happen here is,
24 that's going to be offset by the need to hire 593
25 teachers to fulfill our class size reduction

00062

1 03/24/03 - Committee of the Whole
2 initiatives. So there is going to be a need for
3 593 classroom teachers because of our class size
4 reduction initiatives.

5 So there will be a net increase in
6 the number of teachers of 374. That's the net
7 increase, minus the teachers who would have
8 attrited out because of enrollment reductions.

9 So we are going to be hiring more
10 teachers than ever before, and you're going to see
11 the type of class size reduction that you've
12 always talked about seeing in the School District,
13 and that we've always talked about wanting but we
14 have not seen in many, many years.

15 Now, the budget the way it is sets
16 the stage for the state. Because this budget is
17 based on the first Rendell budget, because this
18 budget hits the goals in year two of our financial
19 plan, while at the same time funding our public
20 safety initiatives, our school construction and
21 repair initiatives, our education initiatives,
22 like expanded early childhood, and curriculum
23 instruction reforms, high school redesign, the
24 phasing out of the middle schools, the after
25 school extended day programs, and class size

00063

1 03/24/03 - Committee of the Whole
2 reduction programs.

3 Because those things are happening,
4 it sets the stage for -- In the event that the
5 Rendell Administration is successful in getting
6 their budget through or some facsimile of the
7 budget proposal that they will be making in the
8 next couple days, we will be able to use those
9 additional revenues, and we will be able to put
10 even more revenues in the classroom, for even more
11 class size reduction, for even larger after school
12 extended day programs, for even larger early
13 childhood program expansions.

14 And we will be able to use those
15 resources to help address the long-term structural
16 needs, structural deficit problems that this
17 District is going to face in 2008 and beyond.

18 I'll bring my comments to a close.
19 I appreciate your indulgence, and I'll turn it
20 over to Mike Harris.

21 COUNCIL PRESIDENT VERA: Good
22 morning, Mr. Harris. Please identify yourself
23 for the record and proceed with your testimony.

24 MR. HARRIS: Thank you. Good
25 morning, Council President Verna, Councilwoman

00064

1 03/24/03 - Committee of the Whole
2 Miller, and other distinguished City Council
3 Members.

4 Thank you for this opportunity to
5 share with you the financial status of the School
6 District of Philadelphia.

7 The SRC could have brought in many
8 CEOs who would have just attacked the District's
9 structural deficit.

10 However, Mr. Vallas was hired to
11 evolve, advance and better the School District of
12 Philadelphia while we also attempt to bring the
13 finances into balance.

14 And this is my charge. And as
15 difficult as it is to hold to this commitment as
16 we prepare this budget, I do believe the District
17 has found a way in difficult economic times to
18 adhere to the five-year plan that was laid out
19 last summer.

20 But before I begin to talk about
21 next year's budget, I must applaud the efforts of
22 City Council, the City of Philadelphia and the
23 Commonwealth of Pennsylvania for their financial
24 help during the past year. The City's help in
25 securing \$317 million in deficit financing, its

00065

1 03/24/03 - Committee of the Whole
2 \$45 million grant, and the Commonwealth's \$75
3 million in additional funding could not have come
4 at a more critical time for the District.

5 And your understanding of the
6 District's precarious financial position and
7 subsequent dedicated revenues have helped stave
8 off possible long-term economic damage to both the
9 District and educational opportunities for
10 Philadelphia's children.

11 And even though it was not me who
12 was here last year to ask for your help, I do
13 thank you in your regards to this effort.

14 In the past year the District has
15 gone through many structural and cultural changes
16 involving the SRC, the appointment of
17 Mr. Vallas, the new management personnel, and
18 initiatives at all levels of the organization.
19 And this change has yielded a window of
20 opportunity through which the District can realize
21 its greatness.

22 And the District's Finance
23 Department is working hard, very hard, to do its
24 part to make these possibilities a reality.

25 In August of 2002, the District put

00066

1 03/24/03 - Committee of the Whole
2 forth a five-year financial plan that began the
3 work of advancing school and program initiatives
4 while also dealing with the structural deficit
5 that we have inherited.

6 And the budget we present today has
7 the same projected deficit of \$46.6 million for
8 2004 as was projected in August.

9 Frankly, this is no small
10 accomplishment, considering that revenues have
11 come in somewhat lower than projected, health care
12 costs continue to advance at five to seven times
13 higher than the CPI. And this Administration has
14 continued its commitment to identify funding for
15 the District's priorities for positive change.

16 The District was negatively affected
17 by the initial budget of the Commonwealth of
18 Pennsylvania, the initial proposal, as were many
19 other districts across the state.

20 We certainly understand that the
21 Governor and his staff were in a extremely
22 difficult and unenviable position of trying to
23 erase a structural deficit of their own.

24 But the impact that it did have on
25 the District was the ending of the empowerment

00067

1 03/24/03 - Committee of the Whole
2 school's grant at a cost of \$16 million, the
3 flattening of the basic education grant at a cost
4 of \$28.5 million. Freezing the Charter School
5 formula was a cost of \$8 million. After school
6 literacy cut costs by \$4 million -- or cut
7 revenues by \$4 million. And the flattening of the
8 special education funding cost the District an
9 additional \$2.8 million.

10 All told, the state cuts left the
11 School District of Philadelphia with \$65 million
12 in additional cuts that needed to be identified in
13 order to maintain the goals outlined in our
14 five-year plan. Again, I would point that this is
15 compared to the plan that was laid out.

16 To offset these lost revenues, the
17 District enacted a freeze on discretionary
18 spending growth, and netted savings of \$25.2
19 million, and compiled a least of expenditure cuts
20 that netted an additional savings of \$39.2. All
21 told, these combined cuts accounted for budget
22 savings of \$64 million.

23 At the same time, the District has
24 made every effort to cut expenditures. We are
25 also working to identify funding for the

00068

1 03/24/03 - Committee of the Whole
2 District's priorities for positive change through
3 new and continued initiatives.

4 For the 2003/2004 school year, the
5 District has budgeted \$19.2 million for after
6 school extended day programs, \$10 million for
7 restructured high schools, \$8.7 million for
8 expanded capital programs, \$8.2 for enhanced
9 public safety, and \$2 million for early childhood
10 and cradle of the classroom.

11 The District will also spend \$14.2
12 million for expanded summer school that will be
13 funded through the empowerment grant secured under
14 the leadership of Senator Arlen Specter.

15 The School District of Philadelphia
16 has undertaken a plan that will positively change
17 the educational opportunities of the children of
18 the city for decades to come. But this plan costs
19 money, and in these challenging economic times,
20 your support is needed perhaps more than ever.

21 This budget represents an effort to
22 continue the advancement towards balanced budgets
23 and enhanced programs.

24 And I look forward to continuing the
25 solid and productive working relationship that the

00069

1 03/24/03 - Committee of the Whole
2 District and the City have begun.

3 And on behalf of myself, my staff,
4 and the School District, I thank you for this
5 opportunity to present our 2004 financial year
6 budget.

7 COUNCIL PRESIDENT VERNA: Thank you,
8 Mr. Harris. Maybe you should remain at the table,
9 Mr. Vallas. And I guess Mr. Nevels could also
10 come up. Every Council Person wants to be
11 recognized.

12 The Chair of the Committee and I
13 have decided we're going for the first go around,
14 each Councilperson will have five minutes.

15 Mr. Vallas?

16 MR. VALLAS: Yes.

17 COUNCIL PRESIDENT VERNA: Did I
18 understand you to mention that the Parking
19 Authority will be providing bond capacity to the
20 School Districts? Would you give us the specifics
21 of this initiative?

22 MR. VALLAS: Sure. Well, first of
23 all, we haven't finalized the initiative yet. But
24 as part of the curriculum and instructional
25 reforms, as I mentioned, there is a lot of money

00070

1 03/24/03 - Committee of the Whole
2 that the District already spends that it needs to
3 spend better.

4 And we have been able to secure
5 upwards to... well, \$9.6 million a year in reading
6 grants, and \$4.5 million in early childhood grant,
7 other funds, obviously to help finance our
8 initiatives.

9 But any time you're going to revamp
10 and change the curriculum around, there's going to
11 be some up-front costs. So our plan here is to
12 borrow in order to replace all of the obsolete
13 textbooks.

14 It's going to be a one-time
15 investment that we'll just in the out years have
16 to maintain; but obviously, the one time costs
17 will be one time. And then we have enough money
18 to maintain the curriculum materials that we've
19 brought.

20 So now, in our discussions with the
21 Parking Authority, to address this issue of the
22 Parking Authority's commitment or promise to the
23 School District, what we suggested to them is that
24 if we're going to go out there and we're going to
25 borrow to secure enough funding to do a massive

00071

1 03/24/03 - Committee of the Whole
2 initial purchase of new curriculum and
3 instructional materials, if they could provide us
4 with an allocation or a dedicated revenue stream,
5 or if they just made a commitment via
6 intergovernmental agreement to provide us with a
7 specific amount of revenues every year, we could
8 use those revenues to offset our borrowing costs.
9 Now, we haven't finalized the
10 proposal yet. And obviously, any proposal we will
11 finalize we will bring to Council and we will
12 discuss with Council.
13 But the they've made a commitment
14 that that will provide us with an allocation every
15 year. And we feel that we can use that allocation
16 to finance the borrowing that we will have to do
17 one way or another --
18 COUNCIL PRESIDENT VERNA:
19 Mr. Vallas, I'm somewhat confused on that, because
20 I thought that the City would be getting the
21 money, not the School District. I mean, I just
22 don't understand the specifics of all this. And I
23 don't know how that could happen without coming to
24 the City first.
25 MR. VALLAS: Well, I'm not so sure

00072

1 03/24/03 - Committee of the Whole
2 that we won't have to come to the City. I'm
3 just... In my conversations with all parties,
4 the -- consistently I've been told that the
5 Parking Authority made a commitment to the school
6 district.

7 And knowing full well that the
8 Parking Authority doesn't have the money to give
9 the School District \$40 million to \$45 million or
10 \$35 million, whatever that amount is, we came out
11 with a way -- we came up with a way in our
12 conversations with both the Chairman of the Board
13 of the Parking Authority, a way that they could
14 meet that commitment, and obviously it could
15 benefit the School District.

16 Now, we haven't finalized any
17 agreement. It's simply a proposal. And once that
18 proposal's finalized, you know, I'm sure I'll be
19 told what the next process is for getting that
20 proposal approved.

21 But right now it's a commitment that
22 they're willing to make, but we have not
23 finalized, just like this budget has not been
24 finalized. We have not finalized --

25 COUNCIL PRESIDENT VERA: Well, it's

00073

1 03/24/03 - Committee of the Whole
2 certainly not finalized, sir. And we'll be
3 having, I'm sure, several more --
4 MR. VALLAS: I'm sure.
5 COUNCIL PRESIDENT VERNA: -- public
6 hearings.
7 MR. VALLAS: I'm sure. But let me
8 point out that we spend about \$20 million on
9 textbook purchases a year, which believe it or
10 not, is a considerable amount of money.
11 And that doesn't include all the
12 discretionary money that's spent on textbooks.
13 It's just not spent right. And it's just not
14 spent well. And when you're doing 6,000 different
15 things, no wonder.
16 Our plan, had we not been able to
17 secure an outside funding stream, was to dedicate
18 a small portion of that funding stream, maybe \$2
19 million a year or \$3 million a year, to finance a
20 borrowing so that we can do massive purchases in a
21 single year.
22 Our preference, obviously, is to
23 secure another revenue source. And we certainly
24 saw the Parking Authority as one option.
25 But once again, we haven't finalized

00074

1 03/24/03 - Committee of the Whole
2 anything. It's a proposal that's out there. You
3 know, we try to look for constructive solutions,
4 particularly when it involves commitments that
5 either were made or whatever the context was of
6 those commitments being made to the School
7 District.

8 And I'm sure we'll have an
9 opportunity to have several discussions on that
10 before it's resolved.

11 COUNCIL PRESIDENT VERNA:
12 Mr. Vallas, on Page 31-1 of your detailed budget I
13 see that for FY '04 you do not have any
14 appropriations for the Board of Revision of Taxes.

15 MR. VALLAS: Yes. We have not
16 included an appropriation for that item in the
17 budget.

18 I directed our finance people to
19 identify initiatives, to identify programs, to
20 identify positions that we felt did not impact on
21 the classroom, either directly or indirectly. And
22 I said that given the initial budget proposals
23 coming out of Harrisburg, those positions should
24 not be in the budget.

25 COUNCIL PRESIDENT VERNA: But if we

00075

1 03/24/03 - Committee of the Whole
2 don't have anybody doing the assessments, how do
3 we generate more money for the schools?

4 MR. VALLAS: Well, I could certainly
5 have a conversation about those positions or how
6 many of those positions are actually, you know,
7 positions where things are getting done. But I'll
8 defer that conversation to, you know, obviously
9 another time.

10 But the bottom line is, it's not --
11 the School District isn't mandated. Those
12 positions were transferred to the budget a number
13 of years ago, I believe, when the School District
14 had available resources and the City did not.

15 Those positions -- the School
16 District doesn't have any control over those
17 positions. The School District can't manage those
18 positions. The School District can't make sure if
19 the people in those positions are basically
20 showing up every day and doing the work that they
21 need to do in those positions. So there's just --
22 the School District just doesn't have any
23 accountability over those positions.

24 Now, you know, if it's an issue of
25 the City contributing financially to the financing

00076

1 03/24/03 - Committee of the Whole
2 of those positions, I'm sure that's something
3 that --

4 COUNCIL PRESIDENT VERNA:
5 Mr. Vallas, have you had any conversation at all
6 with Mr. Glancey at the BRT?

7 MR. VALLAS: No, I haven't had any
8 personal conversations with him.

9 COUNCIL PRESIDENT VERNA: Well, I
10 think there should be some conversation to
11 ascertain exactly what these employees do...

12 MR. VALLAS: Mm-hmm.

13 COUNCIL PRESIDENT VERNA: ...and
14 what their responsibilities are.

15 Do they generate monies for the
16 School District? And if we don't fill those
17 positions, what happens?

18 As I said, I think every Member
19 wants to be recognized. I have a number of
20 questions, but I would like to give everybody the
21 opportunity to be recognized.

22 Councilwoman Miller.

23 COUNCILWOMAN MILLER: Thank you,
24 Madam President. I'm just going to ask a couple
25 questions. I have more.

00077

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: Yes, ma'am.

3 COUNCILWOMAN MILLER: Do you have --

4 Mr. Nevels, or Mr. Vallas, is there currently a
5 listing or directory of how the District is now
6 structured? You talk about a couple new
7 departments, like the Office of Accountability,
8 the Office of Community Relations. Because of so
9 many changes, it would help us if we had a copy of
10 an organizational chart.

11 MR. VALLAS: Sure.

12 COUNCILWOMAN MILLER: Phone numbers,
13 directory or whatever it is that you have that
14 you're operating from.

15 MR. VALLAS: We'll have that for you
16 before the second hearing tomorrow.

17 COUNCILWOMAN MILLER: Okay. Thank
18 you.

19 And one other question for now. It
20 appears that lots of what you're talking about
21 today, and just in terms of laying out goals...

22 MR. VALLAS: Mm-hmm.

23 COUNCILWOMAN MILLER: ...structured
24 around the No Child Left Behind legislation, can
25 the School District give us something written that

00078

1 03/24/03 - Committee of the Whole
2 tells us how you're fitting in or how you have fit
3 in to the original piece of legislation --

4 MR. VALLAS: Yes.

5 COUNCILWOMAN MILLER: -- the goals,
6 objectives, you know, where you're doing well,
7 what areas you need to improve on?

8 MR. VALLAS: Yes. Absolutely. And
9 if I can just take just two minutes, but we will
10 provide you with the information. In fact, I
11 believe in the packet -- and if it's not in the
12 packet, I'll make sure that it is -- we've laid
13 out a chart that identifies the four major areas
14 of No Child Left Behind.

15 It's school choice. It's providing
16 support for children in schools who do not have
17 choice. It is dealing with school management
18 issues when schools are chronically failing. And
19 it's teacher recruitment and retention.

20 And I have really kind of touched in
21 my presentation on all those initiatives. Our
22 school choice initiatives, not only are we
23 following No Child Left Behind by identifying
24 spots in performing schools and giving children
25 the option of moving to those spots, but we're

00079

1 03/24/03 - Committee of the Whole
2 also creating school choice options.
3 The move towards more magnet
4 schools. They're putting magnet programs in
5 neighborhood schools. Our charter school system.
6 It's very consistent with No Child Left Behind.
7 On the whole -- On part two of No
8 Child Left Behind, the Moore services for children
9 who are underperforming, our after school and
10 summer school programs are completely in line with
11 level two or phase two of No Child Left Behind.
12 Phase three, which is management.
13 The changing of management for failing schools. I
14 like to think we've changed management with a
15 vengeance here. You have privately managed
16 schools, your charter school conversions, your
17 reconstituted schools, all very consistent with No
18 Child Left Behind.
19 And finally, the plan for
20 recruitment and retention, which basically says
21 that by such and such a year all teachers have to
22 be certified and all support staff have to be
23 certified.
24 I've articulated what we're doing in
25 the area of recruitment and retention. So we are

00080

1 03/24/03 - Committee of the Whole
2 pursuing -- we are pursuing the goals set by No
3 Child Left Behind. We're fine tuning them so that
4 they meet our education priorities. But the goals
5 our pretty consistent with our goals.

6 And I think because of that, we've
7 been able to secure additional funds. We've been
8 able to secure additional resources for our
9 programs.

10 But I will provide you -- If the
11 memo isn't in there, I'll get you the memo by the
12 end of the day, on our note, the memo we provided
13 to the Department of Education on our compliance
14 with the No Child Left Behind Act.

15 COUNCILWOMAN MILLER: Okay. And one
16 more just short note. When you're thinking about
17 school choice and giving children the option for
18 magnets and high school, I think what you really
19 need to also remember is that -- or if you don't
20 know, I'm sure some of your members know -- there
21 are many, many children that applied to Masterman.

22 MR. VALLAS: Mm-hmm.

23 COUNCILWOMAN MILLER: And we could
24 probably use an additional school, elementary
25 school, like Masterman --

00081

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: Mm-hmm.

3 COUNCILWOMAN MILLER: -- that don't
4 get in.

5 MR. VALLAS: Yes. And let me point
6 out that with the -- Masterman, of course, has
7 about 400, 450 students in the high school, but
8 they have about 700 students in the middle school.

9 And as you know, we've talked about
10 obviously creating a number of new magnet high
11 schools or open enrollment high schools, but also
12 magnetizing the neighborhood high schools by
13 putting exemplary programs and honors and advanced
14 placement programs in those neighborhood schools.

15 But we're also talking about putting
16 what we call exemplary programs or AP Prep
17 programs in the elementary schools. Because right
18 now, I mean, if we do what needs to be done in our
19 elementary schools in our -- for the middle grade
20 years, we won't have lines forming outside
21 Masterman.

22 But I will tell you specifically to
23 Masterman is, as you know, we're planning on
24 building a new Franklin Learning Center. And
25 we're in -- We have a site, but we're looking for

00082

1 03/24/03 - Committee of the Whole
2 perhaps a larger site.

3 But one of the things that has been
4 put out is the possibility of using the old
5 Franklin Learning Center, which is only four
6 blocks away from Masterman, as a potential site
7 for another what they magnet school middle grades
8 program. And that's something that my staff has
9 presented to me as an option. And I'll be more
10 than happy to discuss it with you.

11 But your goal is right. We need
12 more options. You know, we have, what? A half a
13 dozen magnet high schools, legitimate. But we
14 have very few magnet elementary schools, and we
15 need to create more options.

16 COUNCILWOMAN MILLER: That's right.
17 Thank you, Madam President.

18 COUNCIL PRESIDENT Verna: The Chair
19 recognizes Councilwoman Brown.

20 COUNCILWOMAN BROWN: Thank you,
21 Madam President. Good morning, gentlemen.

22 MR. VALLAS: Good morning.

23 MR. HARRIS: Good morning.

24 MR. NEVELS: Good morning.

25 COUNCILWOMAN BROWN: I would like to

00083

1 03/24/03 - Committee of the Whole
2 devote my first five minutes to the standardized
3 curriculum that we discussed, and refer to an
4 article that was just in Sunday's Inquirer around
5 the School District moving to a central lesson
6 plan.

7 MR. VALLAS: Mm-hmm.

8 COUNCILWOMAN BROWN: You've outlined
9 very well for me, at least, the factors that drove
10 you to the decision to have a standardized
11 curriculum.

12 I'm curious to know what
13 accommodations, what considerations, what kind of
14 thinking went into considering those high
15 performing schools, schools that were operating
16 above the standardized level --

17 MR. VALLAS: Yes.

18 COUNCILWOMAN BROWN: -- and which
19 suggest strong principles and the like. What kind
20 of consideration at all was given to those
21 schools, as relates to the infusion of the
22 standardized curriculum?

23 MR. VALLAS: Well, for the magnet
24 schools, for the high performing open enrollment
25 schools, we will most likely exempt from the

00084

1 03/24/03 - Committee of the Whole
2 standardized curriculum.

3 All the schools have to meet our
4 goals, our objectives. All the schools have to
5 meet our standards. But the handful of high
6 performing schools we have, you know, would be
7 exempted.

8 The schools that would be exempted
9 from the standardized curriculum are the privately
10 managed schools, because we can't dictate to them,
11 although we will certainly hold them accountable
12 for academic performance or non-academic
13 performance.

14 The charter schools, of course, are
15 not required. We could not mandate that the
16 charter schools use the standardized curriculum.

17 And then of course, the magnet
18 schools, like the Mastermans or the Capps or the
19 Centrals, or the Girls High. Those schools would
20 probably be exempted.

21 But there's only 20 schools which by
22 Federal Government's definition do not -- are
23 considered to be schools that are improving enough
24 not to be on the No Child Left Behind list, so to
25 speak, and --

00085

1 03/24/03 - Committee of the Whole

2 COUNCILWOMAN BROWN: Does that

3 include any elementary schools?

4 MR. VALLAS: They're mostly

5 elementary schools.

6 COUNCILWOMAN BROWN: Okay.

7 MR. VALLAS: So I would say that

8 there's -- many of those schools would be allowed

9 to stay with their own curriculum plans.

10 COUNCILWOMAN BROWN: I see.

11 MR. VALLAS: But that will leave

12 about 200 -- and I would say about 220 schools

13 using the structured curriculum.

14 I would also say this: We are going

15 to make the curriculum instructional models,

16 though, available, and the professional

17 development available to all the schools --

18 COUNCILWOMAN BROWN: Sure.

19 MR. VALLAS: -- whether they're

20 privately managed or Charters, because the

21 curriculum selections -- these are top notch

22 curriculum instructional models, which have the

23 full support of -- you know, of the Federal

24 Government.

25 We wouldn't have gotten the \$9.6

00086

1 03/24/03 - Committee of the Whole
2 million reading grant had we picked the reading
3 curriculum that they disapproved of.

4 But we will provide that support
5 even to schools that are not mandated under the
6 law to use our curriculum models.

7 COUNCILWOMAN BROWN: Okay. My
8 second question in this area: You mentioned in
9 your testimony that you have identified at least
10 322 academic courses that are, and I use your
11 word, not relevant.

12 MR. VALLAS: Yes.

13 COUNCILWOMAN BROWN: My concern was
14 with African-American studies.

15 MR. VALLAS: Mm-hmm.

16 COUNCILWOMAN BROWN: Given that the
17 ethnic makeup of the Philadelphia public school
18 system, and what are we doing in that area about
19 African-American studies?

20 MR. VALLAS: Sure. Well, let me
21 respond -- And once again, indulge me a bit as I
22 can go through details.

23 And we will provide you with an
24 addendum to our curriculum instruction materials
25 we put out last week. You should have gotten it

00087

1 03/24/03 - Committee of the Whole
2 all already. But just in case you didn't, we will
3 provide another copy, that lays out how we're
4 going to address the issue of multi-culturalism in
5 the curriculum. And I think you'll be pleased.
6 First is the following. And you
7 have to understand, because there's no -- You can
8 have a high quality curriculum and a
9 multi-cultural curriculum. Anybody who thinks
10 that -- It's like saying that you can't have
11 MBE-WBE and have quality school construction.
12 When we expanded our MBE-WBE program
13 in Chicago, the prices of our schools went down
14 and the construction got better because we had
15 competition.
16 So, I see both as part of the same
17 thing. You can't have a quality curriculum that
18 isn't a multi-cultural curriculum.
19 But while the curriculum models that
20 we've selected, like hardcore trophies, are
21 superior curriculum models, they were also
22 selected because these are curriculum models that
23 are multi-cultural.
24 And the reading materials that are
25 selected to support the hardcore trophies

00088

1 03/24/03 - Committee of the Whole
2 curriculum are multi-cultural materials.

3 We have a task force that we've put
4 together. There is a part of that task force
5 includes a number of scholars from the
6 African-American community, and elsewhere, to
7 focus on this issue of multi-culturalism.

8 It's not that I'm going to make
9 everybody happy like that. But the bottom line
10 here is, the curriculum models that we've selected
11 were selected in part because they lend themselves
12 to multi-culturalism.

13 In addition to that, the curriculum
14 supplements that we're selecting, like, we're
15 going to allow the Hundred Books Challenge and the
16 Greats Books to be used as a reading supplement --
17 not substitute --

18 COUNCILWOMAN BROWN: Right.

19 MR. VALLAS: -- but supplement,
20 because they are superior models.

21 Though what we've told the Hundred
22 Books Challenge and what we've told the Great
23 Books is: Look, you know, Western European
24 authors should not be the exclusive authors of the
25 books in the Hundred Book Challenge or the Great

00089

1 03/24/03 - Committee of the Whole

2 Books.

3 COUNCILWOMAN BROWN: That's right.

4 MR. VALLAS: So what we've told them
5 is, they have got to -- they have got to work to
6 make sure that their programs, which are very
7 effective in schools where they're run well are --
8 their programs are multi-cultural. And they're
9 going to have to meet our standards.

10 In addition to this, the
11 professional development, because it's just not
12 multi-culturalism, it's also pedagogy.

13 It's fine to have, you know,
14 multi-culturalism immersed into your curriculum.
15 But as Sandra Dungee Glenn always says, if the
16 teachers don't know how to teach in an urban
17 classroom, then they're not going to accomplish
18 anything.

19 The year-around professional
20 development is going to be focused on the
21 following: Contin area, instructional methods,
22 which includes teaching teachers about the most
23 effective instructional approaches in inner city
24 schools, technology, and classroom management.

25 So all of the teachers that come in,

00090

1 03/24/03 - Committee of the Whole
2 both existing teachers that go through the
3 professional development training and re-training,
4 and, most importantly, the new teachers that enter
5 in the system are going to be acclimated to the
6 classroom.

7 Because, you know, when you hire 600
8 or 700 teachers, and 66 percent of the teachers,
9 half of them don't know what classroom they're
10 going to have until the second week or first week
11 of school, and two-thirds of them haven't had any
12 prep before they've entered school -- you know, we
13 can't assume that the colleges of education are
14 really equipping them for the classroom -- you've
15 got a real problem. So it's not only about the
16 curriculum instructional materials, but it is
17 also -- it is also about the training.

18 And then finally, as part of the
19 high school redesign, as part of our clean-up of
20 the high school curriculum, we are going to
21 provide quality courses, like African history
22 courses, you know, African American history
23 courses, like courses -- like courses about great
24 civilizations, Asian history courses, Latin
25 American history courses.

00091

1 03/24/03 - Committee of the Whole
2 We are going to develop those
3 courses, and those courses are going to be part of
4 the permanent high school curriculum. So that's
5 the approach that we're taking.
6 Now, we are -- It will be at least a
7 couple years. Our focus right now is on reading
8 and math, and to begin to get --
9 COUNCILWOMAN BROWN: I read that.
10 MR. VALLAS: -- some of the
11 multi-cultural courses obviously developed. But
12 we will not be -- We will not have the social
13 studies curriculum models complete probably for
14 another year. It's just a question of how much
15 can we absorb all at once.
16 But we will address this issue, and
17 I think we'll address this issue in a very
18 aggressive way.
19 COUNCILWOMAN BROWN: So effective
20 September 2003 we can expect that --
21 COUNCIL PRESIDENT VERNA:
22 Councilwoman, I'm sorry. Your time was up some
23 time ago.
24 MR. VALLAS: By September 2003 the
25 curriculum models will be in place. And the

00092

1 03/24/03 - Committee of the Whole
2 curriculum models will be multi-cultural,
3 particularly the reading and literacy curriculum
4 models.

5 In terms of the course work
6 development, I don't know what the time line is.
7 The objective is to get those courses developed as
8 quickly as possible. But hopefully, they'll be
9 part of the high school curriculum come September.

10 But there may be a year delay in
11 that because you want to have developed quality
12 courses. You don't want to replace some of the,
13 you know, let's just say meaningless courses with
14 courses that are not -- that don't -- that are not
15 of quality.

16 And if you're going to -- But our
17 goal is to expedite that as quickly as possible.

18 COUNCILWOMAN BROWN: Thank you,
19 Madam Chair.

20 COUNCIL PRESIDENT Verna: You're
21 welcome.

22 The Chair recognizes Councilman
23 Kenney.

24 MR. KENNEY: Thank you, Madam
25 President.

00093

1 03/24/03 - Committee of the Whole
2 Mr. Vallas and your staff, I want to
3 thank you for the opportunity I've had over the
4 last number of months to have actually people from
5 the School District come to my office and ask me
6 what I think, which is a new experience for me.
7 And I'd like to thank you for that.

8 The issues that Council President
9 Verna raised and that her questioning relative to
10 the BRT and some other things, the Parking
11 Authority, I really do think these are things that
12 with the right discussion and conversation and
13 cooperation, we could work these things out, to
14 everyone's benefit.

15 The thing I would caution you on --
16 And this is something that I've experienced as a
17 native Philadelphian. You are going to find
18 people who are going to try to nitpick you to
19 death, who are going to try to put a little
20 roadblock up here or there, or a land mine here or
21 there.

22 And the reason I think that that
23 happens is because you're coming here with a lot
24 of new different ideas which to me make a lot of
25 sense, on discipline, on curriculum, on

00094

1 03/24/03 - Committee of the Whole
2 facilities, on other types of things that really
3 weren't addressed in a very comprehensive way.

4 If you're successful, you're going
5 to prove the last 15 or 20 years of what we've
6 been going through wrong. So there's going to be
7 people who are really going to have a need to make
8 sure that you don't succeed.

9 But I would say to you, don't stop
10 thinking outside the box. Don't stop the
11 enthusiasm. Don't stop the new ideas. Don't stop
12 trying to bring some reasonable approaches to
13 educating our kids in this City, because it's an
14 exciting time, I think, in this city right now.

15 And I want to commend you for your
16 enthusiasm and for really your desire to make a
17 big difference and not keep things the status quo.

18 MR. VALLAS: Thank you.

19 COUNCILMAN KENNEY: So we may have
20 fights as time goes on. You may get beat up in
21 here from time to time. You may get beat up in
22 the press from time. But if you stick your eyes
23 on the prize, I think at the end we're all going
24 to be a better City for it.

25 One of the things you've talked

00095

1 03/24/03 - Committee of the Whole
2 about which was a step-child in the last
3 Administration was the magnet schools. I think
4 the magnet schools offer us an opportunity to give
5 our children, as you said in your testimony, a
6 choice.

7 MR. VALLAS: Right.

8 COUNCILMAN KENNEY: When it comes to
9 an eighth grader and their parents making a
10 decision on what to do.

11 In the last Administration, magnet
12 schools were treated as step-children. The
13 acceptance standards were: We were having
14 lotteries for magnet schools, which is totally
15 insane. But those kinds of things, I think, make
16 a difference.

17 One of the things on your ability to
18 reform the finances of the District and to stay
19 afloat, I read in the paper some issues relative
20 to disability reform, the use of disability, and
21 the way the disability claims and other things are
22 managed in the system.

23 Could you be a little more expansive
24 on what's being changed, and how much we're going
25 to save now and into the future?

00096

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: Sure. I'm going to
3 turn that question over to Mike. But let me
4 respond to some general comments you made at the
5 beginning.

6 My commitment to the Council is, any
7 amendments that we make to the Council on this
8 budget, we will be more than happy to come back to
9 the Council and have a hearing on those changes.
10 This budget by no means is in any way to be
11 characterized as a throwing down the gauntlet.

12 We felt that we -- We have a
13 tremendous opportunity here in a very short period
14 of time to restructure not only the way we've done
15 business in the schools but where the resources
16 have gotten.

17 Just imagine -- Just imagine
18 system-wide class size reduction. Just imagine
19 institutionalized after school extended day
20 programs. Just imagine not only magnet schools,
21 but magnet programs in neighborhood schools.

22 And if the Governor's successful
23 with his initiatives, as we pray he is, it means
24 not only are these programs going to be sustained,
25 you know, for 10 or 15 years, but it also means

00097

1 03/24/03 - Committee of the Whole
2 that the long-term structural problems that this
3 District has faced financially are also going to
4 be corrected.

5 COUNCILMAN KENNEY: The more
6 conversation, the better, with this part.

7 MR. VALLAS: Rest assured, we will
8 be back here. Any major amendments that we will
9 make to the budget, we'll be more than happy to
10 set up the same formal presentation to talk to you
11 about our recommendations. Okay.

12 MR. HARRIS: Good morning,
13 Councilman.

14 COUNCILMAN KENNEY: Good morning.

15 MR. HARRIS: I think if you're
16 talking about how we're going to handle workers'
17 compensation --

18 COUNCILMAN KENNEY: Yes, workers'
19 comp and disability claims.

20 MR. HARRIS: We think it's an area
21 that we have a lot of room to improve in. And
22 we've got a strategy laid out by which we're going
23 to do that.

24 First of all, we did bring in a
25 consulting firm who has helped us lay out and

00098

1 03/24/03 - Committee of the Whole
2 mapped out a strategy for us, and we're down the
3 path of doing that.

4 We have -- Currently, the biggest
5 thing we've done to date is, we've released an RFP
6 for the third-party administrator.

7 We felt strongly that while we will
8 not -- I can't comment one way or the other on our
9 current TPA, we think that we need to go outside
10 and at least test the market and see who's out
11 there.

12 The City just went through the same
13 process, I understand a six-month process or so,
14 to do that. But we have -- Right now on the
15 street is an RFP to look at third-party
16 administrator work.

17 Also, we are going to release a
18 worker safety and absence management proposal --
19 request for proposals that should be out this
20 week. It should have been out today, actually, if
21 not tomorrow. And it will be to bring in
22 basically a safety loss program that is currently
23 not in place at the District.

24 We are in the process of working
25 with our Law Department, our Human Relations

00099

1 03/24/03 - Committee of the Whole
2 Department to get a light-duty program. The
3 District does not have a light-duty return to work
4 program. It is allowable but has not been
5 developed before we got in.

6 So it is a cumbersome process. You
7 have to go through a lot of work on that front.
8 But we are dedicated to that --

9 COUNCILMAN KENNEY: So you can't
10 associate any numbers at this point. I mean,
11 projected savings or --

12 MR. HARRIS: Yeah, yeah. I'm sorry.
13 I'm sorry. Yes, we can. We expect to save about
14 \$4 million in workers' compensation claims over
15 the coming year.

16 Currently, we spend approximately
17 \$20 million a year on workers' compensation
18 claims. So our goals, modest goals, we feel are
19 to save at least \$4 million. We expect we'll be
20 better than that.

21 MR. NEVELS: Councilman, if I could
22 follow up, I want to thank you again for your
23 support. And I also started out in my comments,
24 what a difference a year makes. And I also want
25 to thank everyone in attendance here on Council.

00100

1 03/24/03 - Committee of the Whole
2 But specifically, one thing I would
3 like to address is that as the Chairman of the
4 School Reform Commission, we committed ourselves
5 to providing information and speaking directly and
6 candidly with you.
7 And please, please keep in mind that
8 just because it's written on a budget sheet
9 doesn't mean that we're not going to have
10 conversations with you.
11 You are going to hear plenty from
12 this gentleman and the other gentleman at the end.
13 And just as we set the stage last year for ongoing
14 conversations, those are going to continue.
15 COUNCILMAN KENNEY: Thank you.
16 COUNCIL PRESIDENT VERNA: Thank you.
17 COUNCILWOMAN MILLER: Councilman
18 Kenney, your time is up, sir.
19 At this time, this hearing is going
20 to go into a recess until 1:30. Thank you.
21 (A luncheon recess was taken from
22 11:30 a.m. to 1:45 p.m.)
23 COUNCIL PRESIDENT VERNA: The
24 Committee of the Whole is now back in session.
25 And the Chair recognizes Councilman Nutter.

00101

1 03/24/03 - Committee of the Whole
2 COUNCILMAN NUTTER: Thank you, Madam
3 Chair.

4 Madam Chair, is this a continuation
5 of my original point of order from earlier today
6 or is this an actual questioning round? Because I
7 actually was not finished that point of order. So
8 is this a continuation of that or is this an
9 actual round of questioning?

10 COUNCIL PRESIDENT VERNA: Ask your
11 questions.

12 COUNCILMAN NUTTER: Thank you, Madam
13 Chair.

14 Good afternoon, Chairman Nevels,
15 Mr. Vallas, Mr. Harris.

16 MR. NEVELS: Good afternoon,
17 Councilman.

18 COUNCILMAN NUTTER: Let me ask...
19 We received on Friday a series of documents and
20 testimony, one of which was what we generally
21 refer to on the City side as the big book.
22 Fortunately, you guys only have one; the City has
23 two.

24 And I received FY 2004 Proposed
25 Budget Executive Summary. And then this morning

00102

1 03/24/03 - Committee of the Whole
2 at the hearing we received a second copy of an
3 Executive Summary. This one has down at the
4 bottom a revised March 24, 2003 date on it. Now,
5 which of these documents are we working from?

6 MR. HARRIS: Councilman, the one we
7 delivered to you this morning is the corrected
8 version. The one we delivered to you on Friday,
9 unfortunately, contained some --

10 COUNCILMAN NUTTER: I'm sorry; I
11 couldn't hear you.

12 MR. HARRIS: Unfortunately, the copy
13 we delivered on Friday, we recognized contained
14 some typos and other issues.

15 The basic material inside was
16 consistent, but we wanted to give you a corrected
17 copy. And we do apologize for that, but
18 understand that you... Thank you for accepting
19 it.

20 COUNCILMAN NUTTER: All right. So
21 our situation now is, we received a document on
22 Friday which we read through, and now we have a
23 new document this morning that has changed numbers
24 in it; is that correct?

25 MR. VALLAS: Most of the changes are

00103

1 03/24/03 - Committee of the Whole
2 for this year's budget are, for all practical
3 purposes, minor in nature. So the desire here was
4 to get a draft out on Friday in everyone's hands,
5 and then to have a final clean-up draft today.
6 So I don't think the numbers are -- at least the
7 numbers for this budget year, are different.

8 MR. HARRIS: No. There's some
9 additional material in there today, but the core
10 numbers regarding the five-year plan, there was a
11 typo in the second five-year plan that we have
12 just corrected and some other typos in the
13 narrative manner, so...

14 COUNCIL PRESIDENT VERNA: Councilman
15 Nutter?

16 COUNCILMAN NUTTER: Yes, Madam
17 Chair.

18 COUNCIL PRESIDENT VERNA: I don't
19 know. Councilman, are you looking at what we
20 received today, the differences on page, I believe
21 it's, what, 2?

22 COUNCILMAN NUTTER: I'm looking at
23 Page 2 at the moment.

24 COUNCIL PRESIDENT VERNA: And if you
25 then refer back to Page 7, the documents are

00104

1 03/24/03 - Committee of the Whole
2 totally different.

3 COUNCILMAN NUTTER: Yes. Well, I
4 had noticed that, Madam Chair. So, Mr. Harris, I
5 believe, characterized them as minor changes or
6 typos.

7 I'm left with the impression that
8 we're actually talking about a few million
9 dollars. And I think only the Federal Government
10 talks about millions of dollars as a typo.

11 MR. HARRIS: No, Councilman. I mean
12 no disrespect or flippancy by my comment. I
13 simply -- And I don't have the Friday copy in
14 front of me, since we've been working to correct
15 it and clean up the one that's in front of you,
16 which I feel very strongly is accurate.

17 COUNCILMAN NUTTER: I understand
18 that.

19 Would you like a copy, Mr. Harris?

20 MR. HARRIS: If you'd like me to
21 explain the difference, Councilman, I would have
22 to see it.

23 COUNCILMAN NUTTER: I would greatly
24 appreciate that. He needs a copy of this
25 document.

00105

1 03/24/03 - Committee of the Whole

2 Mr. Harris, what I'm looking at is
3 Page 2 of the Friday document compared to Page 2
4 of the document from today.

5 The first... No. Actually, now I
6 need a copy of the old document. The first thing
7 I notice is that for FY '04, I believe the
8 document from Friday for the expenditure reduction
9 column had a total of \$164.2 million, and today
10 that document, the new documents, says, \$112.5
11 million. Could you explain what the difference
12 is?

13 MR. HARRIS: Yes, Councilman. I see
14 the difference now, and I do understand what
15 happened. And again, I can't apologize enough.
16 But the FY -- On the first five-year plan from
17 2003 to 2007, the FY '04 column is... in the
18 document you have in front of you today, is the
19 reflection of the original five-year plan.

20 What you got on Friday was the first
21 year -- on that page, was the first year of the
22 revised five-year plan.

23 If you would go back and look at the
24 second five-year plan going from '04 to 08, if you
25 look at the '04, the FY '04 column, that --

00106

1 03/24/03 - Committee of the Whole
2 basically that is the new --

3 COUNCILMAN NUTTER: Where would I
4 find the second five-year plan?

5 MR. HARRIS: On Page 7 of the new
6 document.

7 COUNCILMAN NUTTER: Of the new
8 document.

9 COUNCIL PRESIDENT VERNA: Which is
10 totally different also.

11 COUNCILMAN NUTTER: Well, that makes
12 reference back to the \$164.2 million.

13 MR. HARRIS: Councilman, what
14 happened was, we laid out, in the first one in the
15 package that goes from '03 to '07. In the package
16 you got Friday, the FY '04 column was wrong
17 because it was not from the original five-year
18 plan.

19 What the '04-'08 you have now is
20 basically -- It was a transposed -- The wrong
21 column got put in the wrong spreadsheet. And so
22 what you saw on the first five-year plan basically
23 was actually the revised plan for '04-08.

24 COUNCILMAN NUTTER: Mr. Harris, I
25 think what I'm trying to understand is, on Page 2

00107

1 03/24/03 - Committee of the Whole
2 in the new document dated today, for expenditure
3 reduction in the FY '04 column, you now have on
4 Page 2, \$112.5 million.

5 On Page 7 of today's document for
6 FY '04 for expenditure reduction, you have \$164.2
7 million, which is what the document said on
8 Friday.

9 So what I'm now trying to figure out
10 is the difference between the Friday document,
11 this morning's document on Page 2, and today's
12 document on Page 7. Why do the numbers keep
13 changing in that column?

14 MR. HARRIS: The numbers changed,
15 Councilman, because I put the wrong column in the
16 wrong spreadsheet on Friday. And I do apologize.

17 COUNCILMAN NUTTER: So between Pages
18 2 and 7, which is the right number?

19 MR. HARRIS: Page 2 is the original
20 five-year plan for '03 through '07, laid out last
21 August --

22 COUNCILMAN NUTTER: Okay.

23 MR. HARRIS: -- or last September.

24 What is part of this package, in
25 going forward as a five-year plan, we wanted to

00108

1 03/24/03 - Committee of the Whole
2 lay out a new five-year plan. The Page 7 which is
3 the five-year plan '04 to 08 --
4 COUNCILMAN NUTTER: Right.
5 MR. HARRIS: -- basically, the FY
6 '04 column is a revision to the original plan, and
7 the spreadsheet is a revision to the five-year
8 plan that lays out and ties to the budget, so --
9 COUNCILMAN NUTTER: All right.
10 MR. HARRIS: -- the numbers did not
11 change.
12 COUNCILMAN NUTTER: Okay.
13 MR. HARRIS: And if there was
14 confusion, I apologize.
15 COUNCILMAN NUTTER: All right. I
16 appreciate the apology.
17 Why don't we say this. And you tell
18 me if I'm wrong. You're telling us now that on
19 the new document for today...
20 MR. HARRIS: Yes, sir.
21 COUNCILMAN NUTTER: ...that Page 2
22 represents the five-year plan that you laid out
23 back in September of 2002.
24 MR. HARRIS: Yes.
25 COUNCILMAN NUTTER: And that Page 7

00109

1 03/24/03 - Committee of the Whole
2 represents a new five-year plan, also changing and
3 recognizing a new budget year.

4 MR. HARRIS: That is correct.

5 COUNCILMAN NUTTER: Or budget period
6 '04 to '08, and that's what Page 7 represents.

7 MR. HARRIS: That's correct.

8 And I would also, if I may add, that
9 the number that you see jump from the 112 in
10 expenditure reductions to the 164 in expenditure
11 reductions is reflective of the matter brought up
12 earlier, which is, this document is reflective of
13 the Commonwealth's budget as we knew it at the
14 time of publishing this document. So therefore to
15 adjust to that, we did need to increase our
16 expenditure reductions.

17 COUNCILMAN NUTTER: Okay.

18 MR. HARRIS: To maintain the same
19 revised deficit balance that we had intended to
20 lay out in our first plan, so...

21 COUNCILMAN NUTTER: Okay. Well, let
22 me ask you this question: I mean, the Page 7,
23 five-year plan, the March '03 five-year revised
24 five-year plan reflects the state budget as we
25 know it today, and your best assumptions, and your

00110

1 03/24/03 - Committee of the Whole
2 best effort to lay out this is what could happen
3 if this budget happens?

4 MR. HARRIS: Felt that was the only
5 prudent thing to do, yes.

6 COUNCILMAN NUTTER: And we know with
7 some amount of certainty that tomorrow the
8 Governor is going to put forward Phase 2, or Part
9 2, rather, of his budget proposal, right?

10 MR. HARRIS: Yes, sir.

11 COUNCILMAN NUTTER: And I think it
12 would be fair to say, although I'd like to hear
13 your perspective on it... Do you have any belief
14 that what the Governor puts forward tomorrow will
15 change in any way what the Governor put forward on
16 March 4th, the result of which would be a change
17 in what you've given us today?

18 MR. VALLAS: My assumption is that
19 there will be a significant change. And to add to
20 that, our hope is that there will be a significant
21 change.

22 COUNCILMAN NUTTER: Well, we would
23 all hope that. So then let me ask you for the
24 moment, for today, as opposed to some other day in
25 the future, how good of a use of our respective

00111

1 03/24/03 - Committee of the Whole
2 times is it for us to have extensive discussion
3 about this particular budget, which everyone now
4 agrees across the rope here that more than likely
5 the budget in front of us will not be the budget
6 that ultimately gets approved by the SRC?

7 MR. VALLAS: Well, I think it's very
8 valuable to have that discussion, because once
9 again, what we're trying to do is to set a stage.
10 We're trying to use a worse case scenario. And
11 we've got to understand -- And I'm certainly not
12 trying to be condescending. This body certainly
13 understands the legislative process in Harrisburg.

14 The state budget deliberations could
15 go into June or July. Meanwhile, schools need to
16 know what their resources are going to be.

17 When we start recruiting teachers,
18 when we start doing class size reduction, we are
19 already two weeks' late in getting out critical
20 information to the schools about what they need to
21 do to gear up for next year.

22 So we have to give them a budget
23 document. And we don't want to base that budget
24 document on an even -- an optimistic forecast on
25 what might emerge from Harrisburg.

00112

1 03/24/03 - Committee of the Whole

2 But that said and done, we're also
3 motivated by a desire to eliminate -- to balance
4 this budget based on a worse case scenario, so
5 that we can fund our initiatives, in hopes that if
6 there are additional resources coming from
7 Harrisburg, we have at least re-prioritized to
8 such an extent so that those resources can go into
9 additional class size reduction, those resources
10 can go into an expansion of early childhood, those
11 resources can go into even larger after-school and
12 extended day programs.

13 And if you look at the five-year
14 plan, whether you look at the first chart with the
15 incorrect cited column or the second chart, the
16 bottom line is, at the end of 2008, we hit a wall.
17 And that is the structural deficit wall. That's
18 when the deficit financing bond reserve is gone.

19 While we would like to be in a
20 position so that we won't hit that wall, and if
21 we've cleaned out of this budget things that are
22 not supportive of the educational process and
23 things that we consider to be unnecessary, and
24 that means, some of the additional money we get
25 from Harrisburg can also help us eliminate that

00113

1 03/24/03 - Committee of the Whole
2 structural deficit so that the initiatives that
3 were put into place become permanent.

4 COUNCILMAN NUTTER: Well, I can
5 appreciate that.

6 Why don't you then share with us in
7 the budget, as introduced by the Governor has now
8 actually been signed by the Governor, after, I
9 believe, he used -- I think, the appropriate color
10 is the blue pen.

11 MR. VALLAS: The blue pen or the red
12 pen.

13 COUNCILMAN NUTTER: So that's not to
14 be confused with the color of the day.

15 Tell us what the impact of the
16 signed budget is for the School District.

17 MR. VALLAS: There is no money for
18 the General State Aid Formula. So, he's basically
19 gutted most of education funding.

20 COUNCILMAN NUTTER: So as we sit
21 here and speak, again, there's no money for
22 education at the moment.

23 MR. VALLAS: Right.

24 COUNCILMAN NUTTER: Is that what
25 you're saying?

00114

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: Well, there is very
3 little new money for education or there's very
4 little money for education.

5 COUNCILMAN NUTTER: How would the
6 budget the Governor signed last week impact the
7 projects and proposals that you've laid out
8 earlier today?

9 MR. VALLAS: Well, you know, I think
10 the Governor's veto of that budget was designed to
11 bring everybody to the table, because most School
12 Districts would have to either dramatically
13 increase property taxes or they would have to
14 dramatically reduce their school days, or their
15 school years, or their teachers' salaries.

16 COUNCILMAN NUTTER: Okay. I took
17 down a couple of the things you said in the last
18 response. You talked about this budget being used
19 to set a stage, and that you wanted to clean out
20 certain things, or cut out things that were
21 unnecessary.

22 MR. VALLAS: Mm-hmm.

23 COUNCILMAN NUTTER: Tell us again
24 for the record, what those things are.

25 MR. VALLAS: You know, we have

00115

1 03/24/03 - Committee of the Whole
2 schools that have many positions. In many of the
3 high schools, it's not uncommon to have 10, 12, 15
4 teachers in positions where they may not actually
5 be teaching or certainly not teaching full-time.
6 They may be teaching part of the day.

7 It's not uncommon in high schools to
8 have things like slick coordinators, curriculum
9 coordinators, department chairs, and small
10 learning center coordinators.

11 There are many courses at the high
12 school level that we consider to be irrelevant.
13 For example, there's I believe 152 foreign
14 language courses. Now, I mean, that's -- I mean,
15 those are by category. Not to mention over 100
16 language arts courses, and et cetera, et cetera.

17 So there is clearly a great degree
18 of course inefficiency. And I would like to
19 replace many of those courses. Courses that are
20 not relevant, courses that are not certainly
21 relevant to either a vocational education career,
22 a quality college preparatory career, with honors
23 and advance placement courses, or courses that I
24 think are of a substantive nature

25 So those are things that can be

00116

1 03/24/03 - Committee of the Whole
2 re-prioritized, and those are things that we will
3 be re-prioritizing. But let me just give you
4 other examples.

5 There are many positions at the
6 local school level: Student aides, teacher aides,
7 classroom aides, SSAs, NTAs. Schools are
8 inundated with supplemental positions.

9 I would much rather prefer to go out
10 and hire, you know, 500 more teachers, even if
11 it's going to cost me 500 part-time two-hour or
12 three-hour a day -- I'm sorry, three-hour a day
13 SSAs, or basically classroom aides who only work
14 half a day.

15 So it's just a question of
16 re-prioritizing what your local school budgets
17 are. And obviously we control a lot of their
18 budget allocations.

19 COUNCILMAN NUTTER: Were those items
20 a part of -- I believe it's in the testimony --
21 the \$48.5 million in cuts? Can you give us a list
22 in a line item fashion --

23 MR. VALLAS: Sure.

24 COUNCILMAN NUTTER: -- of those
25 cuts, how much in terms of funding they represent,

00117

1 03/24/03 - Committee of the Whole
2 and if you can --

3 MR. VALLAS: Yes.

4 COUNCILMAN NUTTER: -- I mean, why
5 don't you give us maybe the top three at the
6 moment?

7 MR. VALLAS: I'll summarize the top
8 three. First of all, the salary freeze, \$5.7
9 million.

10 COUNCILMAN NUTTER: The what?

11 MR. VALLAS: The salary freeze, \$5.7
12 million. The SSAs, \$5.2 million. The elimination
13 of vacancies and over-appointments, \$4.8 million.
14 Administrative cuts -- Further administrative
15 cuts, \$4.2 million.

16 There's a number of non-mandated
17 transportation obligations that cost us in
18 aggregate maybe about \$2 million. There's other
19 reductions, about \$3.2 million.

20 So those are kind of the big items.
21 There's... Let's see. Elimination -- I mentioned
22 vacancies. And more effective use of existing
23 staff in classrooms. That's what we have. I
24 mean, we have some classrooms in individual
25 schools where the ratios are just -- just

00118

1 03/24/03 - Committee of the Whole
2 inappropriate.

3 And we have to have -- And I'm not
4 talking about 33 to 1 ratios. I'm talking about
5 even 22 to 1 ratios. And that would save us
6 upwards to about, perhaps, \$3.2 million.
7 Obviously then, there is also the municipal
8 positions which is, I believe, \$3.8 million. So,
9 those are the categories. But I'll be more than
10 happy to provide you with a copy of the breakdown.

11 COUNCILMAN NUTTER: Well, if you
12 could send that to the Chair, the two Chairs
13 jointly leading this committee.

14 Let me ask Mr. Vallas, and then I
15 know my time is up: The question was asked
16 earlier with regard to the School District
17 employees who are assigned to the Board of
18 Revision of Taxes. Now, are those individuals on
19 that list of \$48.5 million in cuts?

20 MR. VALLAS: Yes.

21 COUNCILMAN NUTTER: And they're
22 considered for the moment in the category of
23 cleaning things out, and things that are
24 unnecessary? Is that a part of that?

25 MR. VALLAS: I would characterize

00119

1 03/24/03 - Committee of the Whole
2 them as things that are unnecessary. And they are
3 assistant positions. They are not the principal
4 positions.

5 COUNCILMAN NUTTER: They are what?

6 MR. VALLAS: They are assistant
7 assessors. They are not basically assessors.
8 They are assistant assessors.

9 But, no; I would characterize those
10 positions as positions that should not be in the
11 education budget.

12 COUNCILMAN NUTTER: Okay. And...
13 Well, how would you suggest or what is the
14 proposal for how their work would be carried out?
15 I think they're working on behalf of the school
16 district; isn't that correct?

17 MR. VALLAS: Well, one could argue.
18 But again, I'd be more than happy to have
19 conversations about those positions, both in terms
20 of who controls them, who runs them, who makes
21 sure that they come to school every day or they're
22 basically in their offices every day.

23 I'd be more than happy to have a
24 conversation with you on that or with anyone on
25 that. But the bottom line is, we don't think the

00120

1 03/24/03 - Committee of the Whole

2 positions that -- it's appropriate that those
3 positions be in the budget.

4 And obviously, when we're talking
5 about hiring hundreds of additional teachers and,
6 you know, re-prioritizing to the extent that we're
7 re-prioritizing, we've got to make some critical
8 decisions. And I felt that this was one item that
9 we could identify that could be placed elsewhere.

10 And as I mentioned, we'd be more
11 than happy to discuss where those positions should
12 be funded or how they should be funded. But I
13 wanted to prepare a budget that I felt eliminated
14 positions that didn't have a direct impact on the
15 classroom.

16 COUNCILWOMAN MILLER: Okay. Thank
17 you. Thank you, Councilman Nutter. Your time is
18 up.

19 COUNCILMAN NUTTER: Thank you, Madam
20 Chair.

21 COUNCILWOMAN MILLER: Okay.
22 Councilman Rizzo.

23 MR. NEVELS: Council President, if I
24 might just interject a word, at your indulgence, I
25 want to acknowledge Councilman Nutter's support.

00121

1 03/24/03 - Committee of the Whole

2 Again, what a difference a year makes. And also
3 thank Council President Verna for assisting us
4 during a very difficult time to secure funding
5 from the public bond market. You may remember
6 that. I know a number of you do.

7 This budget is one that is a better
8 budget than last year. Please do keep in mind,
9 though, that we promised you then, and we had also
10 done now the right thing, in terms of assuming a
11 lean, mean financial situation, we're a year
12 deeper into a recession. We are a year deeper
13 into difficulties with budgets at the
14 Commonwealth.

15 We have looked at every line item,
16 every person. We have in the last year eliminated
17 positions. And with your support, we would ask
18 your help in assisting us to come to a conclusion
19 on the difficult decisions that we have to make
20 physically going forward.

21 So, thank you again.

22 COUNCILWOMAN MILLER: Thank you.

23 Councilman Rizzo.

24 COUNCILMAN RIZZO: Thank you, Madam

25 Chair.

00122

1 03/24/03 - Committee of the Whole
2 Mr. Vallas, before I move on, I just
3 want to make sure that what I have in front of me
4 is a correct document.
5 Your remarks today have "draft"
6 written on them. I would like to have --
7 MR. VALLAS: Sure.
8 COUNCILMAN RIZZO: -- something
9 other than a draft. I think we all have this
10 document.
11 MR. VALLAS: Yes. Yes.
12 COUNCILMAN RIZZO: Is there
13 something different between the draft?
14 MR. VALLAS: No. Those remarks --
15 My remarks are -- That is the document. But, once
16 again, our eagerness was to provide the Council
17 with not only the big book that's been provided in
18 the past, but also supplemental material.
19 And while we worked through the
20 weekend to finalize the budget and to make sure
21 that all the numbers were in the right line, my
22 directive to Tim and company -- and which is why
23 we spent time meeting with all the Council Members
24 individually -- was to give you as much
25 information as we could get out, so that we could

00123

1 03/24/03 - Committee of the Whole
2 basically -- you could have enough background
3 material for this meeting. But that summarizes my
4 remarks. I've made no additions to that since
5 Friday.

6 COUNCILMAN RIZZO: Okay. In
7 reference to -- In your remarks it indicates an
8 area that I have a specific interest in, is your
9 zero tolerance policy.

10 MR. VALLAS: Yes.

11 COUNCILMAN RIZZO: And based on the
12 numbers, you know, I look and I see the 870
13 students who were released from court order
14 placements, those 870 students. Based on 210,000
15 students, and you have 850 that are in alternative
16 schools, I've gotten some calls recently that
17 suggested that there are kids winding back up in
18 the same school that they were originally
19 disciplined and supposedly supposed to go to a
20 different school.

21 Do you have a written policy on --
22 If you talk to teachers, you talk to parents, with
23 210,000 kids in the system, and you only have 850
24 problem students, that's pretty good. That's not
25 a lot of students.

00124

1 03/24/03 - Committee of the Whole

2 But if you listen to -- If you
3 listen the parents, and you listen to the teachers
4 and you listen to the custodial workers, and you
5 listen to the school crossing guards, that number
6 is kind of surprising to me, 850.

7 So I'd like to know how a student
8 and the criteria to get -- to be considered in the
9 same category that the 850 are in because, you
10 know, out of -- that's less than -- If you do the
11 arithmetic, that's a very small percentage, if
12 it's even a percent, of the students in the entire
13 system, when we hear these supposed horror studies
14 of conduct in our schools. So could you comment
15 on that, please?

16 MR. VALLAS: Sure. Well, let me
17 respond by saying that it's actually double that
18 number, because I believe that -- And again, the
19 rough number is 850 students not being allowed
20 back into their neighborhood schools because
21 they've been released from the correctional
22 facilities or the juvenile detention centers.
23 That's Act 88.

24 And incidentally, in your packet...
25 in the blue book, we have breakdowns and summaries

00125

1 03/24/03 - Committee of the Whole
2 and discussions of all the subject areas that
3 we've covered: High schools, discipline,
4 everything, with hardcore numbers. So we really
5 worked hard to put this material together. And
6 you'll see that it's very, very comprehensive.
7 If somebody can -- Who can refer to
8 the -- What's the safety? That's right. He
9 reminds me that there's an index in the front.
10 11. Okay. If you turn to Page 11, this kind of
11 lays out the serious incident reports in their
12 totality.
13 But we'll provide you with the
14 information. But let me point out that in
15 addition to the students that are not allowed back
16 in the detention -- in their neighborhood day
17 schools because of Act 88 -- And 80 percent of
18 those students are in school, they're just in
19 alternative schools or evening programs.
20 There's another 800-plus students
21 who have been expelled from the system via the
22 zero tolerance policy. So the actual numbers of
23 students not being allowed into their day school
24 because of the zero tolerance policy in Act 88 is
25 closer to 1700.

00126

1 03/24/03 - Committee of the Whole

2 But let me point out the number of
3 students that we've expelled probably dwarfs any
4 other major school system in the country, even New
5 York which is about four times our size. And at
6 the end of the day, you're simply not going to be
7 able to expel every single student who is a bad
8 behaved student.

9 To a certain extent, we're going to
10 also have to work at better school management and
11 better classroom management, because it's going to
12 take a comprehensive approach.

13 The only thing -- And I'm not even
14 saying that this is preventing us from expelling
15 more kids, because we've been very aggressive
16 about expulsions. And I think by the time this
17 year is over we would have probably expelled more
18 kids than any other major school system.

19 I'd be surprised -- In Chicago, a
20 school system twice as large, at our peak we
21 expelled 750 kids, and we were considered to be
22 one of the tougher schools when it came to zero
23 tolerance.

24 But right now, the alternative --
25 you can't -- the alternative schools are at --

00127

1 03/24/03 - Committee of the Whole
2 are busting at the seams. CP has 1700 students.
3 That's created its own problems in the Kensington
4 area, with some friction between the Edison
5 students and the CP students.

6 We're -- Now we've put out an RFP to
7 identify alternative school providers who we can
8 expand the alternative schools network so that we
9 can get students into alternative quality,
10 alternative placements that are smaller in size
11 and that perhaps are closer to their
12 neighborhoods.

13 So we're moving very aggressively.
14 But you're going to have cases where students are
15 allowed back in the school because perhaps their
16 time under Act -- Article -- Act 88 has expired,
17 because it's intended to be a transition program
18 by state law.

19 And sometimes students who are
20 expelled for specific reasons will be readmitted
21 back into the system, because sometimes expulsions
22 are permanent, and sometimes expulsions can be for
23 a semester or for a year.

24 COUNCILMAN RIZZO: How do I respond
25 to a letter or a phone call that suggests...

00128

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: Mm-hmm.

3 COUNCILMAN RIZZO: ...alleges that
4 the children that are sent to alternative school
5 placements are not winding up in alternative
6 schools, that they're winding up in other schools
7 in some other area of the City, not an alternative
8 school?

9 MR. VALLAS: Well, the way you
10 respond is by calling my office, which many people
11 do, and communicating that letter, that concern to
12 me.

13 I then -- What I usually do is, I
14 will have Gwen Morris investigate. And if Gwen
15 Morris finds that a student has been transferred
16 inappropriately, basically that student will be
17 sent back to the school system that they came
18 from.

19 COUNCILMAN RIZZO: Excuse me.
20 Excuse me.

21 MR. VALLAS: I'm sorry. The
22 individual school that they came from.

23 COUNCILMAN RIZZO: If they were a
24 discipline problem, and they were supposed to be
25 sent to an alternative school, first of all, I

00129

1 03/24/03 - Committee of the Whole
2 would wish you could tell me that that isn't the
3 case, that if they're deemed to be a discipline
4 problem and should be going to an alternative
5 school, that they shouldn't be going to another
6 school that's five blocks away. They were going
7 back to the one they came from.

8 MR. VALLAS: Well, there's two or
9 three different type of categories of transfers.
10 Sometimes it's the kid who's transferred to an
11 alternative school for violating the zero
12 tolerance policy. That student should not
13 suddenly show up at a neighborhood school.

14 But then, a lot of times there's the
15 disciplinary case of that student who's a
16 disciplinary problem at one school. They haven't
17 violated the zero tolerance policy or gone through
18 expulsion hearings.

19 And sometimes what will happen is,
20 to escape expulsion, sometimes the parent
21 themselves will try to transfer her kid to another
22 school.

23 So when those cases happen, and it's
24 brought to our attention, we respond. We are
25 always taking action against students who show up

00130

1 03/24/03 - Committee of the Whole
2 at a school that they're not supposed to be
3 attending.

4 I've also told all of our regional
5 superintendents and I've told our principals when
6 I've had my principle meetings with them
7 individually, that if you feel that a student is
8 being transferred to your school from another
9 school, you know... Because a bigger problem is
10 the students that are causing disruptive behavior
11 in one school being transferred to another
12 neighborhood school... You shouldn't take any
13 student that you feel is being transferred for
14 disciplinary reasons, and you should bring those
15 issues to our attention so that we can take
16 appropriate action.

17 So I'll be more than happy to, first
18 of all, get you information by tomorrow on your
19 letter so we can get all the facts in the case.

20 And... But, you know, I mean, the
21 rule of thumb is, I tell people if you call us and
22 you bring it to our attention or if we get a
23 request through the school safety officer, or for
24 that matter, through the Bully Hot Line, we will
25 investigate those cases and we will get them

00131

1 03/24/03 - Committee of the Whole
2 resolved.

3 COUNCILMAN RIZZO: I'll wait until
4 the next go around.

5 COUNCILWOMAN MILLER: Councilman,
6 your time is up.

7 COUNCILMAN RIZZO: Okay. Can I just
8 finish my sentence?

9 COUNCILWOMAN MILLER: (Nods head in
10 the affirmative.).

11 COUNCILMAN RIZZO: I'll wait until
12 the next go around, because I'm a bit confused on
13 the policy itself. Because if you, in fact, say
14 that a person -- a child is a discipline problem
15 and they're supposed to go to an alternative
16 school, I want to find out in the next go around
17 what's not happening, how they could wind up in
18 another school, or back to their own school, if
19 they've been told that they're going to be sent to
20 an alternative school. And I'll wait for the next
21 go around for your response.

22 COUNCILWOMAN MILLER: Mr. Vallas, I
23 think it would help if we had copies of the Zero
24 Tolerance Policy and the Code of Student Conduct.

25 MR. VALLAS: We'll be more than

00132

1 03/24/03 - Committee of the Whole
2 happy to provide another copy.

3 COUNCILWOMAN MILLER: Okay. And I
4 just have a question along those same lines. Does
5 Act 88 have an age limitation on expulsion? I
6 mean, what would we do with a second grader, say,
7 that...

8 MR. VALLAS: Well, there's more of a
9 problem with the younger children. I mean, we can
10 be in the expulsion business. But the bottom line
11 is, there aren't a lot of facilities out there
12 that can provide alternative placement for primary
13 care children. So our approach has been to
14 develop a model to make sure that schools have
15 time out rooms or, you know, alternative placement
16 rooms.

17 We've begun to put all of the
18 teachers through training on how to deal with
19 students of primary age who are having problems,
20 and the SMART program is simply not limited to the
21 older kids.

22 If we have younger kids that are
23 chronically disruptive, this is the Saturday
24 Detention Program, we actually enroll them in
25 alternative placement.

00133

1 03/24/03 - Committee of the Whole
2 But whether we like it or not, we're
3 going to have to get into the alternative
4 placement business.

5 And let me point out that in a
6 system this large -- And let me just say that we
7 inherited a situation where they weren't expelling
8 too many people at all, and where intra-school
9 district transfers of disruptive kids was the
10 practice rather than the exception.

11 So I think we've made great strides
12 towards cracking down on disciplinary problem
13 students. But you're always going to have cases
14 where students or sometimes parents will try to
15 avoid the neighborhood school, so she'll show up
16 at a neighborhood school, or try to avoid an
17 alternative school so they'll show up at a
18 neighborhood school. And they'll try to enroll
19 that child in that neighborhood school.

20 And sometimes the principal,
21 unwilling to just accept or just to reject
22 somebody out of hand, will try to accommodate that
23 student. Because this is a school system that has
24 the 30 percent plus mobility rate. So there are
25 always children moving from school to school for

00134

1 03/24/03 - Committee of the Whole
2 reasons other than disciplinary problems. And
3 when you have that type of mobility, a lot of
4 times students who are moving for disciplinary
5 reasons will fall through the cracks.

6 But a lot of times all we can do is
7 clarify the policy and then be reactive, and then
8 basically tell principals, which we've done, that
9 if they have a concern over somebody who's being
10 transferred to their school, they should not
11 accept that student.

12 COUNCILWOMAN MILLER: Thank you.
13 And just for a point of clarification, the number
14 of students that Councilman Rizzo was talking
15 about in the very beginning were those students
16 that are moving, transitioning from youth
17 detention back into the Philadelphia Public School
18 System. And... But, how many students attend
19 Boone, Miller? How many people does CEP contract
20 to serve?

21 MR. VALLAS: Sure. Right now, I can
22 give you those numbers off the top of my head.

23 COUNCILWOMAN MILLER: Okay.

24 MR. VALLAS: CP, I believe, has 1700
25 students at their one facility alone.

00135

1 03/24/03 - Committee of the Whole

2 COUNCILWOMAN MILLER: Okay.

3 MR. VALLAS: I'm guessing a little
4 bit. I think Miller probably has about 250, 300
5 students. And as you know, CEP is going to be
6 taking over Miller operations, because we need to
7 first of all depopulate. The CEP campus is far
8 too close to Nueves Esperanza and to the Edison
9 School. And I believe Boone probably has about
10 300 students. Of course, there's also Shalfa.

11 COUNCILWOMAN MILLER: Shalfa, right.

12 MR. VALLAS: But we're busting at
13 the seams, which is why we've gone out with RFP.

14 And right now the Delaware Valley...
15 There's a alternative school. I forgot the name
16 of it -- I apologize -- that we've approved. And
17 there's at least three other alternative school
18 providers that we are negotiating with. And of
19 course, we've been working with Reverend Lusk on
20 setting up an Alternative Schools Charter, three
21 sites, about 150 students apiece.

22 So our hope next year is to have
23 about ten sites with six different providers,
24 because we've got to get into the alternative
25 schools business.

00136

1 03/24/03 - Committee of the Whole

2 Right now there's a lack of
3 capacity. That doesn't mean we won't expel. I
4 mean, you know, we've expelled more kids than any
5 school system in the country, not to mention the
6 very tough Act 88, which doesn't allow students
7 back in.

8 But the bottom line is, this is
9 going from a system that rarely expelled and that
10 always transferred for disciplinary reasons to a
11 system with one of the tougher zero tolerance
12 policies in the country.

13 So, you know, it's a transition.
14 It's a transition for teachers, principals. It's
15 certainly a transition for administrators. So
16 you've got to be patient with us while we refine
17 the program.

18 We've also worked very closely,
19 Madam President, with City agencies to coordinate
20 the services that are provided for those students
21 particularly who are being released from detention
22 centers. So they have the probation officer.

23 In other words, all the students
24 that are -- that are exiting through Act 88, 80
25 percent of those students are now in some sort of

00137

1 03/24/03 - Committee of the Whole
2 alternative placement. And they're all being
3 screened before they're being put in those
4 alternative placements.
5 So we're really at the cutting edge.
6 But it's going to take a while. We're always
7 going to have individual -- Not a day goes by that
8 I don't get e-mailed or called or someone contacts
9 me directly or comes through the hot line or we
10 deal with the Safe Schools advocate, that we don't
11 have a case that we have to check into because
12 perhaps procedures weren't followed or maybe
13 procedures were followed too aggressively. So,
14 it's a process. But we've been very aggressive
15 here. And we'll certainly stand by our
16 statistics.
17 COUNCILWOMAN MILLER: Okay. Thank
18 you.
19 Councilman Cohen, you're next.
20 COUNCILMAN COHEN: Thank you, Madam
21 Chair.
22 COUNCILWOMAN MILLER: You're
23 welcome.
24 COUNCILMAN COHEN: First to give
25 Mr. Vallas a little rest, I'd like to address some

00138

1 03/24/03 - Committee of the Whole
2 questions to Mr. Nevels. The appointment of
3 Mr. Vallas's superintendent; who was responsible
4 for that appointment? Who made it?

5 I raised the question in an
6 approving sense because it's the one good thing I
7 know that has occurred in the school system. And
8 I'll explain further why I said that.

9 MR. NEVELS: Thank you, Councilman.
10 I'll take that as a compliment.

11 COUNCILMAN COHEN: And I'll explain
12 further why I said that.

13 And if the School Reform Commission
14 had something do with it, since I'm a constant
15 critic of your having taken -- your existence
16 takes away from the City of Philadelphia the
17 power, in my judgment, the City of Philadelphia
18 ought to have, and that is to make its own
19 decisions, rather than have people from the state,
20 who don't live in Philadelphia, who are not
21 Philadelphians, who are not responsible to
22 anybody.

23 We don't welcome, at least I don't,
24 and the body of people I speak for don't welcome
25 outside control. We think Philadelphia ought to

00139

1 03/24/03 - Committee of the Whole
2 be Mr. Vallas's boss and not a State School Reform
3 Commission.

4 And from that burden, and as I've
5 explained to Mr. Nevels, it's not intended to be
6 personal at all to him or any member of the
7 Commission.

8 It's just that it offends me, and I
9 think it offends people who are concerned about
10 sound municipal government, that a City the size
11 of Philadelphia is deemed to be incapable of
12 running a School Board, while people from outside
13 the state who have had practically no contact with
14 the school before, suddenly are brought in as
15 experts.

16 So from that point of view, did the
17 School Reform Commission discover Mr. Vallas? How
18 does he come to be our superintendent? If you
19 deserve credit, I want to give it. I want to be
20 able to say, School Reform Commission, you did one
21 good thing.

22 MR. NEVELS: And I'm trying to take
23 it, Councilman. I'm trying to take the credit.

24 There was a search committee that
25 was formed. And on that search committee it was

00140

1 03/24/03 - Committee of the Whole
2 headed by Commissioner James Gallagher, the
3 President of Philadelphia University, and my
4 colleague, Sandra Dungee Glenn.
5 And they coordinated that search.
6 It was a national search. Hydrogen Struggles, the
7 international search firm, was involved. And a
8 number of candidates were interviewed. The
9 candidate list was narrowed.
10 The cream clearly rose to the top.
11 And we've had the good fortune for a little over
12 seven months to have Mr. Vallas on board. So,
13 believe me, on behalf of the SRC, thank you for
14 the compliment.
15 MR. VALLAS: And I would hope that
16 you feel the same way a year from now, Councilman.
17 Thank you.
18 MR. NEVELS: At least two, three,
19 four, five years from now.
20 COUNCILMAN COHEN: Well, at least
21 there's one thing I can say happened to benefit
22 the school system, because Mr. Vallas is unlike a
23 number of other school superintendents, some of
24 whom I thought did a good job and some of whom I
25 thought did not. But Mr. Vallas has appeared to

00141

1 03/24/03 - Committee of the Whole
2 me to be both a man of vision and a planner, and
3 combines both, and an activist. He does things.
4 For example, let me give you an
5 illustration of why I became a convert. And that
6 was because the Central High School athletic field
7 at Summerville and Ogontz Avenue for years have
8 been plagued by a heating problem.

9 And twice a year I would call plenty
10 of time before an election, and say, what's with
11 the heater, because May can be cold. Sometimes
12 you don't need the heater. November can be very
13 cold sometimes. Sometimes you don't need the
14 heater. It might be warm. What's the situation
15 going to be?

16 And they've always promised me
17 they're going to do their best, and they would
18 arrange some patchwork, which never worked. When
19 the heat was needed, it wasn't there. I got all
20 kinds of complaints and we lost voters, who just
21 wouldn't come, and we lost election workers who
22 couldn't stand the cold.

23 I called Mr. Vallas, assuming that I
24 was going to meet the same kind of nonsense.
25 Mr. Vallas didn't believe the story, I think, when

00142

1 03/24/03 - Committee of the Whole
2 he first heard it, because he couldn't imagine it
3 existed.

4 But he said, the heat will be
5 restored. It will be there. It will be done
6 permanently.

7 Now, that was just about a week
8 before the election. I poo-pooed it. I wrote in
9 my note, among the promises not to be kept. I
10 wrote that.

11 Well, you know, the next morning
12 there were three trucks in front of Central High
13 School, and they stayed there for the day, almost
14 to election day.

15 You know what? We got permanent
16 correction of the heating situation and saving the
17 School District lots of money, instead of twice a
18 year expending a lot of money for temporary
19 purposes. It's a permanent employment.

20 I began to believe him on that, so I
21 raised a few other questions. And on all
22 questions, whenever he's promised something, he's
23 followed through.

24 Now, I'm not used to that. I'm used
25 to even good people, people whose whole heart

00143

1 03/24/03 - Committee of the Whole
2 seemed to be in developing good schools always had
3 good intentions. And I don't know why they
4 weren't able to do what he did.

5 For example, he's coming in and he's
6 developing a Capital Program. And he means it.
7 And I didn't believe it when I first heard it. I
8 said, the man's out of his mind.

9 Because why is it that he could
10 think of how to get it done, but nobody else was
11 able to do it, even though we've had a number of
12 visionaries, and well-intentioned superintendents.

13 So I want to pay that respect. Of
14 course, there will be criticism later down the
15 road for Mr. Vallas, so we shouldn't think that
16 everything's going to be glory.

17 COUNCILMAN RIZZO: Get that heater
18 working.

19 COUNCILMAN COHEN: But I did want --
20 Yes, the heaters coming up in May. You have two
21 months. But it's working fine. And, you know,
22 it's improved the condition for the sports teams.

23 Central High sports teams suffered
24 terribly, and they could never do anything. But
25 he apparently has the knack of making principals

00144

1 03/24/03 - Committee of the Whole
2 and other administrative officials really feeling
3 responsible for results; not only good ideas, but
4 they've got to produce some and they've got to
5 work at them. And I think that's probably the key
6 to his success.
7 So, Mr. Vallas, we welcome you,
8 based upon your record. And if the School Reform
9 Commission is in any way responsible for your
10 being here, we thank them, but say to them, it's
11 time for them to leave, having done the one good
12 thing.
13 Now, you don't have to comment,
14 Mr. Vallas.
15 MR. NEVELS: I'd love to. I'd love
16 to. I'd love to. Can I go home?
17 COUNCILMAN COHEN: Now I have a
18 question for Mr. Nevels again.
19 COUNCILWOMAN MILLER: Excuse me,
20 Councilman Cohen. Your time is up.
21 COUNCILMAN COHEN: All right. I'll
22 hold the rest for the second round.
23 MR. NEVELS: I'm going home.
24 COUNCILMAN COHEN: Thank you, Madam
25 Chair.

00145

1 03/24/03 - Committee of the Whole
2 COUNCILWOMAN MILLER: Thank you.
3 MR. NEVELS: I won't be here. I'm
4 going home.
5 COUNCILWOMAN MILLER: Councilman
6 Clarke.
7 COUNCILMAN CLARKE: Thank you, Madam
8 Chair.
9 Good afternoon, gentlemen.
10 MR. NEVELS: Good afternoon.
11 MR. HARRIS: Good afternoon.
12 MR. VALLAS: Good afternoon.
13 COUNCILMAN CLARKE: Actually, what
14 I'm going to do, I'm going to get around the
15 five-minute rule. I'm going to get all my
16 questions in and let you guys take up the time
17 with the answers.
18 First of all, let's go down the list
19 here. You earlier referenced the Masterman
20 School. I know that -- It's my understanding that
21 Masterman at some point in time had submitted an
22 expansion plan. And I was talking to the
23 principal, Miss Braverman, about working with her
24 last year about that, so I'd like to get a
25 response from that.

00146

1 03/24/03 - Committee of the Whole
2 Did you first get the expansion
3 plan --
4 MR. VALLAS: Yes.
5 COUNCILMAN CLARKE: -- and review
6 it --
7 MR. VALLAS: Yes.
8 COUNCILMAN CLARKE: -- and then your
9 subsequent attempts to --
10 MR. VALLAS: Yes.
11 COUNCILMAN CLARKE: -- look at
12 another school to possibly --
13 MR. VALLAS: Yes.
14 COUNCILMAN CLARKE: -- achieve some
15 of those goals?
16 MR. VALLAS: Yes.
17 COUNCILMAN CLARKE: The issue with
18 respect to the minority participation on...
19 MR. VALLAS: Mm-hmm.
20 COUNCILMAN CLARKE: ...school
21 expansion, capital programs and purchases, I'd
22 really like to get a sense of where we're going to
23 go with that.
24 MR. VALLAS: Mm-hmm.
25 COUNCILMAN CLARKE: And one other

00147

1 03/24/03 - Committee of the Whole
2 issue that's been brought up on two or three
3 occasions during the course of the hearings today,
4 both in terms of questions and responses.
5 I'm still not clear in terms of the
6 responses on the BRT issue.
7 MR. VALLAS: Mm-hmm.
8 COUNCILMAN CLARKE: And actually,
9 the Parking Authority issue. And I'm getting a
10 sense that your preference is that we talk about
11 that at a later time or date, maybe not on the
12 record, given the potential sensitivity of some of
13 that.
14 But my concern is that the time line
15 in that discussion, do we have that --
16 MR. VALLAS: Yes.
17 COUNCILMAN CLARKE: -- before we're
18 asked to pass --
19 MR. VALLAS: Yes.
20 COUNCILMAN CLARKE: -- the tax
21 bills --
22 MR. VALLAS: Yes.
23 COUNCILMAN CLARKE: -- or after? So
24 we get to commit --
25 MR. VALLAS: Yes.

00148

1 03/24/03 - Committee of the Whole
2 COUNCILMAN CLARKE: We will have
3 that discussion prior to... Okay.
4 MR. VALLAS: Well, let me respond to
5 all four of your questions.
6 First of all, let me take the last
7 ones first. We will have time to talk about both.
8 This is not where the discussion will end on this
9 budget. Then we'll have time to talk both
10 privately and publicly, if need be, on the BRT
11 issue, as well as the Parking Authority issue.
12 Let me point out that if there is --
13 When there is a change in the state budget
14 relative to the Governor's original budget on
15 education, we will come before this Council to
16 publicly discuss our recommendations for changes.
17 So we will have this process again.
18 So if it's passed in June or July,
19 and then we're going to make changes in mid July,
20 we will come back, at this Council's call, to
21 discuss those changes before we pass those --
22 approve those changes. And Mr. Nevels has --
23 That's our commitment as a team here to you that
24 we will do that. So, this is not the end of the
25 process.

00149

1 03/24/03 - Committee of the Whole

2 And so -- And obviously, any final
3 issue regarding the BRT and the Parking Authority
4 will be discussed with the Council.

5 I will point out that my motivation
6 with the Parking Authority was to address this
7 issue of the money that was committed to the
8 School District, knowing full well that the
9 Parking Authority doesn't have \$40 million to give
10 to the School District. It just doesn't happen.

11 COUNCILMAN CLARKE: Right.

12 MR. VALLAS: So the feeling here is,
13 if we could get a small revenue stream, we could
14 get then do a financing to do the massive one-time
15 or up-front new textbook and curriculum
16 instructional material purchases that we're going
17 to need to move this system forward.

18 We were thinking of doing the
19 financing ourselves, but obviously rather than the
20 ear-marked \$2 million or \$3 million out of our \$20
21 million school books -- school textbook bond to
22 finance that, certainly if we're able to secure
23 the money from the Parking Authority to do that,
24 then obviously that means I don't have to touch
25 the regular line.

00150

1 03/24/03 - Committee of the Whole
2 COUNCILMAN CLARKE: I understand
3 conceptually your game plan.
4 MR. VALLAS: So we'll be back.
5 COUNCILMAN CLARKE: I understand the
6 political realities of the Parking Authority, and
7 the uncertainties of the Parking Authority, as we
8 move ahead.
9 MR. VALLAS: But I just want to show
10 you, you won't be reading in the paper about what
11 we're doing. Any final agreement we reach will be
12 before you.
13 Regarding MBE-WBE, I will provide
14 the Committee with an outline of our MBE-WBE
15 strategy, along with the material concerning our
16 diversity curriculum. I have those materials with
17 me. I will get it to the Committee before the end
18 of the day.
19 And Kim Sancton is here to talk
20 about that. When we reconvene tomorrow, I'll
21 certainly allot her or you can allot her time to
22 talk at length about that initiative.
23 But I will tell you this: Not only
24 are we going to be very aggressive about MBE-WBE;
25 in Chicago our MBE-WBE targets were over 50

00151

1 03/24/03 - Committee of the Whole
2 percent.

3 And it took us a number of years to
4 achieve that, but by the time we were done, close
5 to 55 percent of all our school construction
6 dollars had gone to minority and women-owned
7 businesses, not to mention the work hours
8 performed. But obviously, we're going to set
9 realistic goals, but those goals will be achieved.

10 But they will also include outreach.
11 They'll include monitoring of vendor assistance,
12 to make sure that when someone is entering into a
13 contract with us if and they've committed to
14 certain MBE-WBE numbers, those numbers are
15 achieved.

16 And it's also going to include
17 working with contractors, both general and subs,
18 so that we can get them to form partnerships
19 before the bid process begins and --

20 COUNCILMAN CLARKE: Mr. Vallas, let
21 me ask you, before my time runs out.

22 MR. VALLAS: Yes.

23 COUNCILMAN CLARKE: With respect to
24 what you did in Chicago, in your attempts to
25 achieve lofty goals, such as you've indicated, did

00152

1 03/24/03 - Committee of the Whole
2 you run into any legal impediments during the
3 course of --

4 MR. VALLAS: No. We had three
5 goals. Goal number one was to do targets. First
6 of all, we did mandate them. Okay. These were
7 targets, and we exceeded those targets, number
8 one.

9 Number two, the second thing we did
10 was we worked really aggressively to make sure
11 that the workplace was a diverse workplace. And
12 we actively recruited. We had jobs fairs. We did
13 a number of things.

14 We monitored our own work sites. We
15 had assist agencies. And I don't think one of --
16 You know, I think rarely if ever did we ever have
17 a protest.

18 And over 50 percent of the hours
19 that were performed on the job sites were
20 performed by minority workers. This is all
21 documented.

22 COUNCILMAN CLARKE: If you can pull
23 that off in Philadelphia, that will be a minor
24 miracle, not to have a protest at a construction
25 site.

00153

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: We have plenty of
3 protests out there, but usually they are
4 protesting, you know, the park district site.

5 COUNCILMAN CLARKE: It doesn't
6 matter. It's going to one side or the other.

7 MR. VALLAS: It will happen.

8 But the third thing that we did
9 which was very helpful is, we did things like, we
10 did wrap-around insurance so that fledgling
11 minority companies could do the work but didn't
12 have the resources or couldn't get the insurance
13 were able to get insured.

14 We also did things like quick pay,
15 accelerated pay so that we would pay our
16 contractors and subcontractors in a timely manner.

17 And the contracts we would negotiate
18 would always require that the generals pay the
19 subs within something like 60 days or 30 days of
20 getting paid by us themselves. So we're going to
21 bring all those traits.

22 Now, clearly, you know, having
23 numbers that high are maybe too ambitious. But
24 there's no reason why can't have a legitimate
25 quality at the outset 25-5 MBE-WBE program and hit

00154

1 03/24/03 - Committee of the Whole
2 those numbers.

3 And I will cite once again the
4 Commission's recent approval of the prime
5 contractor who's going to oversee our Capital
6 Plan, and the fact that 43 percent of that
7 contract is going to minority and women-owned
8 businesses.

9 And this is a tremendous contractor
10 who has done this and has experience, and the
11 minority participants are legitimate minority
12 participants.

13 I will make a final comment about
14 Masterman. The problem with Masterman is, if you
15 look at Masterman, where are they going to build
16 that additional building, on the only parking
17 space that that has? That will only wreak havoc
18 in the school, but it will wreak havoc in the
19 community.

20 What I suggested to them is, first
21 of all, I said, why should I build an addition for
22 Masterman when I can build a new Masterman, when I
23 can build a second Masterman?

24 So rather than just adding an
25 addition to Masterman, let me build a new magnet

00155

1 03/24/03 - Committee of the Whole
2 high school.

3 And if there's a question of
4 overcrowding at Masterman, the Franklin Learning
5 Center will soon be vacant, and the Franklin
6 Learning Center is three to four blocks away from
7 Masterman.

8 COUNCILMAN CLARKE: Right.

9 MR. VALLAS: So, Masterman's a great
10 school.

11 COUNCILMAN CLARKE: I think the
12 thought was in maintaining the atmosphere of
13 Masterman at that location, sometimes there's a
14 certain synergy about a location --

15 MR. VALLAS: Yes.

16 COUNCILMAN CLARKE: -- the people
17 involved in that location.

18 MR. VALLAS: Yes.

19 COUNCILMAN CLARKE: And that was the
20 thinking, you know, if you have a satellite
21 Masterman, so to speak, then you may not be able
22 to recapture the same type of atmosphere that's
23 there at that school.

24 MR. VALLAS: My thinking here was to
25 have -- If we're going to open up new magnet

00156

1 03/24/03 - Committee of the Whole
2 schools, they should be like Cappa or like
3 Masterman. They should be modeled after those
4 schools. So it's not so much a satellite of
5 Masterman as is -- it's another Carver or Cappa,
6 Central magnet school.

7 But one solution, and, you know,
8 it's going to take some convincing, is if
9 Masterman itself needs additional space, the new
10 high school construction aside, the Franklin
11 Learning Center which will be moving to a new high
12 school when that high school is constructed,
13 offers a building that is an excellent building
14 within walking distance of Masterman.

15 So you could easily -- You could
16 easily relieve some of the space by perhaps having
17 part of the middle grades program at that school.
18 It's within walking distance.

19 But I think I'm meeting with the
20 Masterman community meeting this week, and I'll be
21 more than happy to keep you informed.

22 COUNCILMAN CLARKE: Thank you.

23 COUNCIL PRESIDENT VERNA:

24 Councilman, your time is up. Do you mind waiting
25 for the second go around? Thank you.

00157

1 03/24/03 - Committee of the Whole
2 The Chair at this time recognizes
3 Councilman Goode.

4 COUNCILMAN GOODE: Thank you, Madam
5 President. Good afternoon.

6 I'm going to skip all the budget
7 issues, because even after tomorrow we still won't
8 know what the budget can --

9 MR. VALLAS: Yes.

10 COUNCILMAN GOODE: -- will look
11 like. I also will skip some of the programmatic
12 issues, because I've looked at your framework for
13 what you can work with the budget as you've
14 proposed so far.

15 I want to deal more so with the
16 implementation of your reform strategy, and the
17 fact that I have a lot of confidence in the work
18 that you've done, and Mr. Nevels, and your team
19 that you've assembled, who I've met with.

20 But there are no principals and no
21 teachers here. And so, there's a whole 'nother
22 layer of implementation here that really is a case
23 of where the rubber meets the road.

24 So I want to start with, what is the
25 role of principals under your reform strategy? Is

00158

1 03/24/03 - Committee of the Whole
2 it an increasing role or a decreasing role?

3 MR. VALLAS: Well, it's an
4 increasing role, because as we move towards a more
5 structured standardized curriculum, that's going
6 to necessitate greater familiarity on the part of
7 the principals with those new curriculum and
8 instructional models.

9 You know, as we -- as we refine our
10 Capital -- not our Capital Program -- our public
11 safety program, that's going to put additional
12 burdens on the principal, because obviously this
13 is a Zero Tolerance Policy that has to be followed
14 and has to be adhered to. Obviously, we also have
15 to support our principals consistently.

16 As we move to do system wide class
17 size reduction -- and I can't diminish the
18 opportunity that we have to really significantly
19 reduce class size -- you know, the budgetary
20 templates that we're going to be providing to the
21 principals is something that they're going to have
22 to be trained on.

23 Because I have a lot of schools in
24 this District -- we do -- that have very small
25 class sizes. And then we have schools five blocks

00159

1 03/24/03 - Committee of the Whole
2 away that have 33 kids in every classroom.

3 So as we present them with the
4 model, we're going to be able to give them the
5 resources to reduce class size through the third
6 grade, but they're going to have to help us get
7 the numbers down through fourth and eighth grade.
8 That's going to put additional burden on the
9 principals. But that said and done, we're going
10 to have to provide them with support.

11 COUNCILMAN GOODE: So that role is
12 expanding --

13 MR. VALLAS: Yes.

14 COUNCILMAN GOODE: -- in a number of
15 ways because you've raised the bar in terms of
16 reform. But do you view the system as being more
17 centralized or decentralized, in terms of
18 administration?

19 MR. VALLAS: I think in some ways
20 it's going to be more centralized, because we're
21 going to require a standardized curriculum, we're
22 going to -- obviously, as we provide more support
23 to schools when it comes to the school discipline
24 policy, that naturally centralizes the system.

25 We're going to be more aggressive

00160

1 03/24/03 - Committee of the Whole
2 about working with the schools to show them how to
3 allocate their resources, particularly their
4 Federal Title One resources. So it is going to be
5 more centralized.

6 But then on the other hand, in
7 certain ways we're going to do more
8 decentralization. Our goal is to make sure that
9 all of the schools have parent councils, to make
10 sure that there are parent outreach programs in
11 all of the schools, that there are what we call
12 parent help desks, that the councils that are at
13 those schools have some input when it comes to --
14 when it comes to how the schools supplement their
15 curriculum or what supplemental programs they
16 provide.

17 So while it is going to be more
18 centralized in the areas where it needs to be
19 centralized, to maintain standards and quality
20 control, we are going to really work very hard to
21 establish greater parental representation and
22 community representation in local governance.

23 COUNCILMAN GOODE: I guess you know
24 where I'm going is, in terms of accountability,
25 how do you expect, in the context of what you just

00161

1 03/24/03 - Committee of the Whole
2 said, to hold principals accountable for academic
3 performance? I mean, what real responsibility and
4 authorities do they have individually?

5 MR. VALLAS: Well, you know, we
6 realize that to a certain extent many principals
7 have one arm tied behind their back, because, you
8 know, they don't have site selection. They don't
9 have total control over the resources in their
10 schools.

11 There are a lot of obstacles that
12 principals face. But look, on the operations
13 side, we're deferring more to principals when it
14 comes to decisions or when it comes to
15 recommendations.

16 You now have an operations side
17 that's not going to ignore a principal when that
18 principal calls complaining about custodians or an
19 engineer or what have you. There is going to be
20 more receptiveness.

21 Plus, our move towards working out
22 an arrangement so that we close the window on
23 teacher movement for seniority purposes --

24 COUNCILMAN GOODE: Mr. Vallas?

25 MR. VALLAS: Yes.

00162

1 03/24/03 - Committee of the Whole

2 COUNCILMAN GOODE: Can you
3 specifically address how you're empowering
4 principals, in terms of the reform process. Tell
5 me what powers and authority and responsibility
6 they will have, under your reform strategy, that
7 they didn't have before.

8 MR. VALLAS: I believe, from a
9 school maintenance standpoint, a school operations
10 standpoint, principals are going to have more
11 control. So in other words, this whole idea that
12 schools close after 3:30 is gone.

13 COUNCILMAN GOODE: But in terms
14 of --

15 MR. VALLAS: So if their after
16 school extended day programs and supplemental
17 programs are --

18 COUNCILMAN GOODE: In terms of
19 academic performance.

20 MR. VALLAS: In terms of academic
21 performance, we're going -- because we're going to
22 be providing these structured curriculum models,
23 because we're going to be standardizing
24 professional development, obviously, we're going
25 to expect the principals to implement our reform

00163

1 03/24/03 - Committee of the Whole
2 initiatives. And those reform initiatives are
3 initiatives that have to be followed.

4 So to the degree to which principals
5 work to implement those initiatives and the degree
6 to which those initiatives are resisted by
7 individuals within those schools, that would be
8 grounds for taking disciplinary action against
9 those individuals.

10 COUNCILMAN GOODE: But there are no
11 new powers, in terms of empowering principals, in
12 terms of academic performance?

13 MR. VALLAS: You know, there's no
14 new statutory powers. We do have the power to
15 dictate curriculum. We do have the power to
16 dictate professional development.

17 So the degree to which we use our
18 powers to mandate certain things, and we exercise
19 those powers through our principals, to that
20 degree the principal's authority is going to be
21 enhanced.

22 COUNCILMAN GOODE: So it is
23 centralized.

24 MR. VALLAS: Yeah, it is
25 centralized.

00164

1 03/24/03 - Committee of the Whole
2 COUNCILMAN GOODE: Okay. Thank you.
3 Thank you, Madam Chair.

4 COUNCIL PRESIDENT VERNA: The Chair
5 recognizes Councilman Kenney.

6 COUNCILMAN KENNEY: Thank you, Madam
7 President.

8 Mr. Vallas, we've had discussions
9 before about the varying degrees of needs of
10 children when it comes to their education choices
11 and the diversity of the District.

12 One of the things I guess we're all
13 hoping is, that if after moving through our school
14 system a student has the ability to choose to go
15 on to a college and to ultimately get a good job
16 so they could raise a family and be good taxpayers
17 in the City.

18 MR. VALLAS: Mm-hmm.

19 COUNCILMAN KENNEY: I think one of
20 the things that was lacking recently was attention
21 to vocational education. And I would you to speak
22 a little bit about how we get our kids involved
23 who want to choose that course or path in life,
24 the voc ed course.

25 When I was younger, voc ed was not

00165

1 03/24/03 - Committee of the Whole
2 looked upon as a very terrific choice for a young
3 person in the public school system.

4 I disagree with that theory and
5 concept. I think that dignified work can be done
6 with the hands as well as your head.

7 And I want to know what you're
8 looking to do to enhance the image of voc ed as a
9 choice for kids, and also how we can determine
10 which kids make more sense in moving in one
11 direction or another, either the college --
12 Everybody that wants to go to college should have
13 the ability to go, if they desire.

14 But some young people would like to
15 build, you now, beautiful cabinetry and be able to
16 stick their head inside of the electronic ignition
17 of a car, and other kinds of things that can make
18 good livings and provide dignified work. Could
19 you talk a little bit about that?

20 MR. VALLAS: Yes, absolutely. And I
21 know Craig Williams is here, and he can certainly
22 articulate the details much better than me.

23 But let me summarize what we are
24 going to do. In a nutshell, the first thing we're
25 going to do is, just as we're reviewing our

00166

1 03/24/03 - Committee of the Whole
2 college preparatory curriculum courses, the
3 courses that are being offered in the schools that
4 are of the college preparatory nature, we're also
5 reviewing all of our vocational education courses.

6 The idea -- The goal in mind of
7 jettisoning that stuff which is -- which are
8 courses in name only and not in substance, in
9 upgrading the legitimate courses that are out
10 there, that's number one.

11 And obviously, Paul Betelman's
12 committee, his task force on business school
13 partnerships and the provision of that task force
14 that talked about setting up these business
15 councils, to help set standards and to help guide
16 our career to work programs is obviously something
17 that's going to be part of that. So, first of
18 all, it's cleaning up what's there.

19 Secondly, it's working with the
20 academies to jettison the academy programs that
21 are just academy programs in name only, and to
22 expand those academy programs that are legitimate
23 academy programs.

24 Because we can be doing much more in
25 terms of electronics and automotives, et cetera,

00167

1 03/24/03 - Committee of the Whole
2 if we simply clean up what's there and support the
3 academies, because in the past the academies have
4 been -- It's like many things that the School
5 District has done.

6 You've got programs in there but
7 they atrophy. No one supports them. Even if
8 they're good programs, they never really get the
9 support.

10 I mean, not a day goes by that the
11 robotics people don't contact me asking for
12 minimal School District support for their robotics
13 clubs.

14 The third thing we're going to do
15 is, we are going to expand the number of
16 vocational educational program offerings by in
17 effect going off site.

18 We've been negotiating with City
19 colleges, community colleges with Devrie, with a
20 number of public and private technical training
21 institutes so that we can enroll our kids in
22 off-campus job training programs as part of their
23 high school experience.

24 So what will happen will be, after
25 year two in high school, the year three and four,

00168

1 03/24/03 - Committee of the Whole
2 the day will be spent taking your college -- your
3 courses required for graduation.

4 And the afternoon will be spent at
5 city colleges or community colleges enrolled in a
6 vocational/technical education program. That is
7 the third thing.

8 The fourth thing we're going to do
9 is, part of our agreement, the support that we
10 receive from the unions in getting the four-part
11 bidding contract waiver, was that we sign a
12 project labor agreement with the unions, which
13 we're happy to sign.

14 And that agreement which will in
15 effect say, if you're working on a school project
16 from Philadelphia, you've got to hire union labor,
17 and you've got to pay them union scale. Part of
18 that includes an apprenticeship program.

19 So all the unions have communicated
20 to us an eagerness to ensure that we establish an
21 apprenticeship program as part of the project
22 labor agreement that is legitimate.

23 And we hope within the next month or
24 so to finalize the project labor agreement so that
25 we have a legitimate apprenticeship program.

00169

1 03/24/03 - Committee of the Whole

2 And then finally fifth. The fifth
3 thing that we're going to do is, we are going to
4 begin forming what we call student businesses.
5 So, students that are in vocational ed, whether
6 it's the culinary arts, whether it's automotive
7 engineering, whether it's computers, technology,
8 whatever, they will be allowed to form little
9 student business clusters. So we will in effect
10 give them work in the School District.

11 One of the things in -- if you ever
12 look at the wrought iron fencing that's done in
13 many of the schools in Chicago, that fencing was
14 done by private companies in Simeon High School,
15 because the Simeon High School students were part
16 of a fencing contract.

17 Well, we're going to do the same
18 thing with culinary arts. We're going to do the
19 same thing with landscaping. We are going to do
20 the same thing with computer clubs.

21 So the idea in mind is to identify
22 these students who are in this vocation, but then
23 to give them some work over the summer. This will
24 allow us to partner them with companies that are
25 doing business with the schools, or contractors

00170

1 03/24/03 - Committee of the Whole
2 that are building our schools.

3 So if we can accomplish those five
4 basic things in the next couple years, I think we
5 can go a long way towards repairing the damage
6 that's been done for years of neglect.

7 I will close by just making one
8 final comment. The struggle that we face in
9 vocational ed is also the reality that for many
10 children to get into the legitimate well-paid
11 vocational technical education jobs that are out
12 there, they've got to have a 10th or 11th grade
13 reading or math level or they're just not going to
14 cut it.

15 So there's no substitution for us
16 providing them a quality education, as you well
17 know, in the basics.

18 So those are our five areas that
19 we're approaching. But I'll make sure that my
20 staff provides the Committee with a summary of the
21 high school component, as it applies to vocational
22 ed.

23 COUNCILMAN KENNEY: Thank you very
24 much. Thank you, Madam President.

25 COUNCIL PRESIDENT VERA: You're

00171

1 03/24/03 - Committee of the Whole
2 welcome. The Chair recognizes Councilman Ortiz.
3 MR. NEVELS: President Verna, but
4 prior to the Councilman speaking, I just want to
5 bootstrap on a comment that was made by the CEO in
6 connection with Councilman Kenney's remark.

7 I would like you to keep in mind as
8 Council people the following scenario: We've got
9 a five-year Capital Program that's about to be
10 initiated.

11 In probably each of your Districts
12 there is an eighth grader who, by virtue of the
13 project labor agreement, and so on, who could be
14 laying brick, and doing any number of trade
15 functions, in terms of the completion of schools
16 and the construction of schools five years out
17 from now.

18 I think that's really exciting. I
19 mean, just think about that. The largest
20 non-stadia construction project in the city's
21 history, and our children, a child in eighth grade
22 right now, has an opportunity to learn a trade as
23 a result of this incredible opportunity. Sandra
24 Glenn and I have talked about it at length. This
25 is a commission that is committed to it.

00172

1 03/24/03 - Committee of the Whole

2 And of course, as we look at our
3 existing Dobbins and Bok schools as well, we're
4 committed to this. Work is honorable, and we're
5 committed to it.

6 Thank you for the indulgence,
7 Council President.

8 COUNCILWOMAN MILLER: Mr. Nevels,
9 just as a follow-up to your remarks, because I was
10 actually going to ask a question concerning your
11 vocational education in the area of trades.

12 It's my understanding that the --
13 Well, I'll just speak for Bok, Bok in
14 particular... has a real problem with getting the
15 young people that are coming out of the training
16 in the building trades to connect them with
17 employment and apprenticeship opportunities in the
18 trade unions.

19 Do you have any information
20 available on that today, just to see just how
21 much -- We were -- I was still in recruiting once,
22 to try and get people interested, minorities in
23 particular, in signing up for some of the
24 apprenticeship programs through the building trade
25 unions.

00173

1 03/24/03 - Committee of the Whole
2 And the response that I got back
3 from Bok through another party was that they've
4 tried it; it doesn't work; they're not able to get
5 their young people in the building trades here in
6 Philadelphia.

7 So I was going to ask that question.
8 But since Mr. Nevels raised the issue, I'd like to
9 know if there's some communication that needs to
10 take place with the trade unions to find out
11 whether that's true, the response that I received.
12 What is it we need to do?

13 MR. VALLAS: I'm sure it's true. It
14 was certainly true where I came from, and it's
15 been true nationally. It's difficult for many
16 individuals to get into the trades.

17 But let me tell you, it's a two-part
18 problem. Part number one is, we're not giving the
19 young people the skills that they need to even
20 give them a chance to get in. Okay? But part
21 number one is the fact that the vocational
22 education programs have been shells of what they
23 should be. So you know what? We almost create an
24 excuse for not allowing the young people in
25 because they're not taught the skills.

00174

1 03/24/03 - Committee of the Whole

2 Now, we're going to eliminate that.

3 We're going to eliminate that because we're going
4 to teach them the skills. And one of the reasons
5 that we're eager to form like our student
6 businesses is so that we can give them the
7 experience, too. That's number one.

8 Number two, is the second part of
9 the problem, the fact that many of the trades and
10 apprenticeships are either in reality or the
11 perception is that they are closed. And of course
12 we can all draw our own conclusions. And I think
13 we probably share the same conclusions.

14 But the bottom line is the project
15 labor agreement and the \$1.5 billion that we'll
16 spend on school construction is designed to be --
17 to serve as kind of a battering ram to knock down
18 that door so that our young people can have those
19 opportunities.

20 But we got to train them. You got
21 to train them. Because if we don't do a good job
22 training them -- You know, go to our vocational ed
23 gems, Dobbins and Bok.

24 You know, you walk in and you don't
25 see, you know, electrical engineering. You don't

00175

1 03/24/03 - Committee of the Whole
2 see, you know, refrigeration and air conditioning.
3 You don't see automotive training going on in
4 those schools.

5 So the bottom line here is, we're
6 going to make sure that we're training them so
7 that they have the skills for those
8 apprenticeships and internships that they open up.

9 And then the second thing we're
10 going to do is, we're going to use things like the
11 Project Labor Agreement as a way to open those
12 doors. And the Council's going to have an
13 opportunity to monitor us.

14 I will also make a final point in
15 that both -- We will build a new Dobbins
16 high-tech, state-of-the-art, vocational
17 educational high school. We're looking at
18 national models. Dobbins is one of the
19 replacement schools we have planned.

20 We're also very eager, if we're able
21 to secure additional money down the road -- once
22 again, the Rendell second budget -- to do a new
23 Bok Vocational and Technical Education School.

24 And when we do them, we will attempt
25 to build those schools and to partner those

00176

1 03/24/03 - Committee of the Whole
2 schools with the trades on the outset so that they
3 become vocational technical education centers that
4 the unions have a vested interest in.

5 So we think we'll make progress.
6 And obviously the Council is going to be able to
7 hold me accountable in the next year.

8 COUNCILWOMAN MILLER: Okay. Thank
9 you.

10 Councilman Ortiz.

11 COUNCILMAN ORTIZ: Thank you. I
12 loved that last statement, that the unions have a
13 vested interest in. Been asking for four years
14 for the unions to have a vested interest in this
15 City, four years.

16 Let me say at the outset,
17 Mr. Nevels, Mr. Vallas, I've sat at this chair now
18 for 18 years. I've seen stuff come before us, in
19 terms of the Board of Ed. And it's always been a
20 woe and us. It's always been about the negatives,
21 in terms of the public education system. It's
22 always been about the things that they cannot do
23 because they don't have the money.

24 And Irv Davis, may he rest,
25 always -- always...

00177

1 03/24/03 - Committee of the Whole
2 (Laughter.)
3 COUNCILMAN ORTIZ: No. He's
4 retired. He's retired.
5 UNIDENTIFIED VOICE: He's resting.
6 COUNCILMAN ORTIZ: No. He's
7 retired.
8 UNIDENTIFIED VOICE: He's resting.
9 COUNCILMAN ORTIZ: No, but he rests.
10 I didn't say he rest in peace, did I? I didn't
11 say rest in peace.
12 (Laughter.)
13 COUNCILMAN ORTIZ: I said rest,
14 because he's retired. But he always viewed how to
15 structure a budget so that the true figures would
16 never show.
17 And Mr. Nevels, I've been one of the
18 harshest critics about the state takeover of this
19 City of the Board of Education.
20 But I have to give you credit. The
21 first hurdle, in terms of us going forward, is to
22 give hope to people that things can change.
23 I think between the appointment of
24 Mr. Vallas and the policies that have been
25 pursued, there is a certain sense of hope within

00178

1 03/24/03 - Committee of the Whole
2 parents across the City.

3 Because I visit the schools. I have
4 two kids in public schools that I go to, and I
5 take them every morning. And now that my wife is
6 traveling to Harrisburg every day, I got to get up
7 and take them to school and stand there with the
8 parents. Yes, Blondell, I do that.

9 But there is hope. And Mr. Nevels,
10 I got to give you, as I criticized before and I
11 kept on. Because we needed that. And we still
12 have those privatization companies out there that
13 I would hope we can phase out, and I think
14 Mr. Vallas hopes the same thing.

15 I think the first hurdle has been
16 achieved, which is hope. There's a relationship
17 now between yourselves and the PFT which we never
18 had before.

19 You're the first individual that has
20 come before this Council in 18 years and said, I'm
21 going to achieve new buildings, smaller classes,
22 more teachers, and better training, and we're
23 going to raise those averages, and we're going to
24 cooperate and bring the teachers into the process.
25 That message has never before been said to this

00179

1 03/24/03 - Committee of the Whole
2 Council in that way.

3 Other people brought things,
4 policies. Children Achieving was a nice slogan,
5 but it was also tied into the fact that we don't
6 have it. We don't have the resources.

7 You're coming in, you say, look, I
8 have a certain amount of resources. I'm going to
9 do certain things. Hopefully, the Governor will
10 act upon what he has said he's going to act upon.
11 But I have to salute you, Mr. Nevels, and salute
12 you for the hiring of Mr. Vallas.

13 MR. NEVELS: Thank you, Councilman.

14 COUNCILMAN ORTIZ: My friends in
15 Chicago speak very highly of him. And they're all
16 very much, in terms of education, Congressman
17 Guiterrez is one of the persons that really told
18 me -- In fact, he called me up, he says, you stole
19 Mr. Vallas from us and we want him back.

20 And I don't think we're going to
21 give you back. Not unless this thing doesn't
22 work. If this thing doesn't work, then we'll send
23 you back.

24 But, you know, in terms of the
25 building -- And I want to get into -- you spoke

00180

1 03/24/03 - Committee of the Whole
2 to, because I want to get you on the record.

3 MR. VALLAS: Sure.

4 COUNCILMAN ORTIZ: I'm going to come
5 back to education. But in terms of, I mean, 1.5
6 in terms of construction that is going to go on.

7 I want a time line. And I want to
8 know how blacks, women, Latinos, how the
9 contractors of this City, minority contractors of
10 this City are going to be able to get the
11 opportunity to be part and parcel not only of the
12 subcontracts but the prime contracts and all of
13 the other stuff that goes down.

14 And then, I think Wilson Goode asked
15 a question the other day, because we were having
16 hearings about contractors and building in this
17 City.

18 And it really doesn't translate that
19 if you hire a black contractor or Latino
20 contractor, that means that you're going to hire
21 black people, Latinos, and so on, to do the work
22 that needs to be done.

23 It means, do you have a black
24 contractor? It means, do you have a Latino
25 contractor? But the workers are non-minority.

00181

1 03/24/03 - Committee of the Whole

2 And we would like from you -- I

3 would like -- if it is going to be minority

4 contractors I want minority workers, and not

5 just -- And laborers are very good, and they earn

6 a lot of money and they are terrific.

7 But I want electricians, plasterers,

8 roofers, floor layers, bricklayers. I want us

9 represented in each and every one of those

10 schools.

11 If those schools are going to be

12 built in our neighborhood, God darn it, let it be

13 built by our hands. Okay. And Philadelphians.

14 People from Philadelphia. And I want to hear you

15 say on the record that that is going to happen.

16 MR. VALLAS: Well, let me respond by

17 saying, yes, on the record, that will happen. And

18 I like to think that -- that we have a track

19 record.

20 I certainly -- Karen Burke, who runs

21 operations was chief of staff for me in Chicago

22 who ran the operations program that built 76 new

23 school buildings and renovated 500, and had the

24 MBE-WBE set-asides. I don't even want to even

25 call them -- We'll just call them set asides.

00182

1 03/24/03 - Committee of the Whole

2 Targets.

3 COUNCILMAN ORTIZ: I don't want
4 set-asides. I want a commitment, not set-asides.
5 These -- These -- I want -- You say these things
6 are going to happen, and they're going to happen.
7 You're going to make it happen. You and
8 Mr. Nevels are going to make it happen.

9 MR. VALLAS: They are going to
10 happen. They are going to happen. It's a
11 priority of the Reform Commission.

12 COUNCILMAN ORTIZ: And tell me how,
13 and tell me what it is that's going to happen so I
14 can come back with a record and say to you: Paul,
15 you didn't do this.

16 MR. VALLAS: A couple ways that you
17 make it happen. And once again, let me take you
18 through about four or five things.

19 The first way you make it happen is
20 by -- is by adopting a board policy, an
21 anti-discrimination policy which stakes out what
22 your goals are going to be. And the Commission
23 has already taken steps to do that.

24 That puts everyone on notice in this
25 \$1.8 billion agency that a priority of ours is

00183

1 03/24/03 - Committee of the Whole
2 equal opportunity. Because I see this as an
3 economic development issue, not as a quota or
4 set-aside issue. I've always defined it in
5 economic development terms. That's the first
6 thing you do.
7 The second thing that you do is, you
8 do aggressive outreach. That means you reach out
9 to providers. You reach out to contractors, to
10 vendors, to professional companies, to
11 professional services, so that you're putting a
12 list together of eligible companies, be they
13 professional companies, accounting companies,
14 auditing companies, be they contractors, general
15 contractors, be they providers, so that you know
16 that they are out there. And if you do outreach,
17 you can communicate to them what's available and
18 what the opportunities are.
19 The third way you do that is by
20 requiring in your contracts that there be MBE-WBE
21 goals. And that means -- And that means if you've
22 done the outreach, if you have the assist
23 agencies, if you've identified other providers and
24 you're notifying the providers of those
25 opportunities, and you're organizing job fairs and

00184

1 03/24/03 - Committee of the Whole
2 contractor fares and professional service fairs so
3 providers can get together, both majority and
4 minority providers, to form partnerships, then
5 you're going to get the reaction that you need.

6 And then the fourth thing that you
7 need is, you need to be prepared to get into the
8 business of assisting minority companies,
9 legitimate minority companies, because many
10 minority companies are not able to compete for
11 some of the larger contracts.

12 I'm not talking about just being
13 minority -- the minority vendor. I'm talking
14 about being the majority vendor. But, by
15 assisting --

16 COUNCILMAN ORTIZ: I want to
17 eliminate that word minority out of the language.

18 MR. VALLAS: But by assisting them,
19 you assist them in the following: You assist them
20 by doing wrap-around insurance so that they don't
21 have to go out and shop around to get the
22 insurance, which is sometimes cost prohibitive.

23 You do it by setting up a process so
24 that the contractors can get their compensation in
25 a timely manner, because many companies,

00185

1 03/24/03 - Committee of the Whole
2 particularly new companies, minority and
3 women-owned businesses that are fledgling
4 businesses that have the ability to get the job
5 done, they don't have the capital, they don't have
6 the capital resources. They can't afford to wait
7 180 days to get paid. Okay.

8 And the third thing that you do is
9 you -- The third thing that you do on the
10 compensation side is, sometimes you can work with
11 financial institutions to provide them with some
12 assistance on big projects or you can put
13 contractors together on specific projects.

14 So those are things that I feel that
15 we have done before, and we know how to do it, and
16 we are going to do here.

17 Now, when you set goals -- When you
18 set goals -- When you set targets or goals for
19 minority and women-owned business opportunities,
20 you also give the school -- give the providers
21 goals when it comes to the hiring, so that they do
22 have a diversified work force. And if you set the
23 goals, and if people know that their ability to
24 get additional contracts --

25 COUNCILMAN ORTIZ: What happens if

00186

1 03/24/03 - Committee of the Whole
2 they don't meet it?

3 MR. VALLAS: All the contracts have
4 provisions in them, basically penalty provisions,
5 where you can take action or you can fine or you
6 can basically punish a company or take the
7 contract away or fine that company or for that
8 matter bar that company from bidding on future
9 contracts.

10 And you've got have a monitoring
11 device. Just this last board meeting we
12 introduced -- we introduced a proposal to set up a
13 monitoring mechanism to monitor our MBE-WBE
14 programs.

15 And the individuals or the groups
16 that are participating in this monitoring program
17 are going to be prominent assist agencies that
18 you're familiar with.

19 COUNCILMAN ORTIZ: I'd like to speak
20 to you about that monitoring, because the
21 monitoring processes that we've had so far --

22 MR. VALLAS: Yes.

23 COUNCILMAN ORTIZ: Have not
24 functioned --

25 MR. VALLAS: Yes.

00187

1 03/24/03 - Committee of the Whole
2 COUNCILMAN ORTIZ: -- have failed.
3 And we've had that testimony here.
4 So what I would like -- and I see
5 Bill is here, Bill Miller. And what I would like
6 is, I will contact -- I would like to set up a
7 meeting with the African-American round table
8 contractors.
9 MR. VALLAS: Mm-hmm.
10 COUNCILMAN ORTIZ: I would like to
11 bring in the Latino contractors and females and
12 have a very serious conversation along these
13 lines, because Blondell Reynolds and I have -- and
14 other folks, Michael Nutter, and other folks in
15 this Council, I think we have reached the
16 threshold in which we are on the way of making a
17 reality, I think the will to make this happen.
18 It's taken 40 years, taken 40 years to get this
19 done.
20 I think we are at the point, and I
21 believe that you and you, Mr. Nevels, are two
22 individuals that are serious about this. Because
23 of your track record in Chicago I have a certain
24 level of trust because my friends -- my friends
25 have said that. Okay. I would like to set up

00188

1 03/24/03 - Committee of the Whole
2 this meeting.

3 MR. VALLAS: Absolutely.

4 COUNCILMAN ORTIZ: I would like to
5 get into a real discussion before this \$1.5
6 billion is spent, contracted out, and done; and
7 before the huge companies, the huge developers,
8 the huge contractors can come in and say: We got
9 this contract, and then let them dictate how it is
10 going to be -- how it's going to happen.

11 MR. VALLAS: I will set that up.
12 Tim Spritzer in my office, and I will make sure we
13 have our capital people there. And we'll be more
14 than happy to have a dialogue on just how we can
15 make this work.

16 COUNCILMAN ORTIZ: This is the
17 beginning of making that work. If we can -- if we
18 can get Philadelphians to build the Philadelphia
19 schools, I think you would have done more than you
20 would ever believe. Okay. Thank you, Madam
21 Chair. I think I'm through with my five minutes.

22 MR. NEVELS: Councilman, thank you.

23 COUNCIL PRESIDENT VERNA: Long
24 overdue.

25 MR. NEVELS: And thank you again for

00189

1 03/24/03 - Committee of the Whole
2 your support.

3 COUNCIL PRESIDENT VERNA: Councilman
4 Nutter.

5 COUNCILMAN NUTTER: Thank you, Madam
6 Chair.

7 Mr. Vallas, let me finish up one
8 area that I was talking about earlier, and then
9 I'd like to go into a new area with Mr. Harris.
10 It will be difficult to keep track on this record,
11 but we talked a little while ago about the Board
12 of Revision of Taxes issue and the staff.

13 Let me first, before my time runs
14 out, say that based on the information I have and
15 my understanding, at least, of how the Board of
16 Revision of Taxes functions and operates, that
17 without additional information, but also
18 respecting your budgetary process and the need to
19 look for savings everywhere you can, that is not a
20 particular action that I could support at this
21 time, given the fact that we are, one, finishing
22 up the appeals process at the BRT; two, before you
23 know it we will be back in the assessment process
24 over there; three, I have no idea at the moment --
25 and maybe you can share with us -- how you would

00190

1 03/24/03 - Committee of the Whole
2 propose that the funding be made available to
3 support these positions and the potentially
4 devastating impact that the deletion of funding
5 for those individuals would have on the Board of
6 Revision of Taxes entity in itself; and secondly,
7 quite honestly, the impact that it would
8 potentially have on the School District and the
9 City of Philadelphia.

10 Again, it is certainly my
11 understanding -- and I've been over to the BRT a
12 fair number of times to know and understand --
13 that the end result of the work of these
14 individuals is the assessment of properties,
15 evaluation of those properties, and after you go
16 through all the mathematical gymnastics, results
17 in the numbers that you have in your book and the
18 numbers that are in the City's book.

19 And so, I don't know who you think
20 is going to do this work. And we can certainly
21 have a philosophical debate about whose payroll
22 they should be on.

23 But if the end result is... I think
24 in your big book is the anticipated receipt of
25 \$447 million in real estate tax for the School

00191

1 03/24/03 - Committee of the Whole
2 District's Budget, I think somebody needs to
3 perform this particular function. And if there
4 are questions about what the people do or how they
5 do it, those issues need to be addressed.

6 And in subsequent discussions, maybe
7 we can figure out a better way to do this or a
8 different formula or something like that. But I'm
9 going to strongly encourage you at the moment here
10 not to lock yourself into that kind of position,
11 because at the moment, again, just speaking for
12 myself, and understanding the nature of their
13 operation and the importance to the School
14 District and the City, I don't think that it's a
15 particularly viable solution at the moment.

16 Now, I do need to ask you a couple
17 questions about that. Have you had an opportunity
18 to talk with the Chair of the Board of Revision of
19 Taxes, Mr. Glancey, about its operations or the
20 function of the 85 employees?

21 MR. VALLAS: No. No. I haven't
22 talked to him personally, but I will --

23 COUNCILMAN NUTTER: Okay. Have you
24 had an opportunity to talk to any of the workers
25 over there about what they do and how they do it?

00192

1 03/24/03 - Committee of the Whole
2 MR. VALLAS: Publicly or privately?
3 COUNCILMAN NUTTER: Either.
4 MR. VALLAS: Privately, yes.
5 COUNCILMAN NUTTER: You talked to
6 his staff?
7 MR. VALLAS: I've talked to
8 individuals who are involved at the institution.
9 COUNCILMAN NUTTER: Is there a
10 functioning either memorandum of understanding or
11 a cooperation agreement between the School
12 District and the BRT about what those individuals
13 do and how they do it?
14 You raised some concerns about the
15 nature of their work, or whether they work hard,
16 or whether they come to work, or how they do what
17 they do. I mean, how does this all function?
18 MR. VALLAS: Well, let me respond to
19 that. I've been reluctant to characterize their
20 work in any form at this point. I've just pointed
21 out that it is a function that the School District
22 does not perform. It's a function that another
23 institution performs --
24 COUNCILMAN NUTTER: I'm sorry. Can
25 you pull that microphone either a little closer --

00193

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: Oh, sure.

3 COUNCILMAN NUTTER: Or can we get a
4 little more volume on that? I'm having trouble
5 hearing you.

6 MR. VALLAS: I've been reluctant to
7 really generalize about anyone's performance,
8 other than to say that if we're downsizing our
9 budget and we're eliminating things that don't
10 impact the classroom, these positions, the need to
11 be included among other positions that we're going
12 to be eliminating. Now, that said and done --

13 COUNCILMAN NUTTER: Well, I think if
14 you don't have any money, it's probably going
15 impact the classroom.

16 MR. VALLAS: Well, you know, we
17 could debate whether or not the assistant
18 assessors in their elimination or the elimination
19 of some of them would in any way impact the
20 property tax collections.

21 But, you know, we're not
22 closed-minded on any proposal that is before us.
23 And one of the reasons that we come to the Council
24 is not with the finished budget, with the state --
25 with the gauntlet, in throwing that gauntlet down,

00194

1 03/24/03 - Committee of the Whole
2 and saying: This is our budget; take it or leave
3 it.

4 We'll certainly take suggestions or
5 recommendations from the Council and touch base
6 with Council Members before any final budget
7 proposals move forward.

8 But again, we're -- You know, we're
9 laying out a proposal, as we see it, that I think
10 is responsible within the parameters of what I've
11 established, which is to eliminate things that
12 don't impact on the classroom.

13 I could -- We could probably engage
14 in a long debate on what these individuals do.
15 But I certainly wouldn't want to have that
16 discussion, at least publicly, at least not
17 initially.

18 But we'll be more than happy --
19 We'll be more than happy to have -- We're not
20 locked on anything here. We haven't finalized
21 this budget. It's more or less of a -- This is
22 our proposed budget, and we'll be making -- we'll
23 be making -- I'm sure we'll be making some changes
24 as we go along.

25 COUNCILMAN NUTTER: Okay. Well, I'm

00195

1 03/24/03 - Committee of the Whole
2 glad to hear that.

3 MR. NEVELS: Councilman, if I might
4 be responsive to an observation made earlier, this
5 is a budget that was prepared against a backdrop.
6 And that backdrop, again, is the fiscal and
7 financial realities that we confront, a Harrisburg
8 situation, and so on; and an economic, I dare say
9 a war-time recession that we are in.

10 We would be remiss as budgeteers and
11 as reformers to not put on the table the tightest
12 budget that we possibly could. And being a great
13 respecter, as I know you are, and I am, of a solid
14 budgetary process that is iterative, and I
15 underline that again, it is iterative, that we
16 would look at every... every line item.

17 A year ago you said to me, in order
18 to get \$45 million you're going to have to do some
19 things that are responsible. And we did those.
20 We cannot come to you in the second year not
21 having looked at that.

22 Now, you know and I know that there
23 are different ways in which to perform a given
24 function and to vest the responsibility for that
25 function in wherever the supervisory role should

1 03/24/03 - Committee of the Whole
2 be. If you would like us to supervise those
3 individuals, that's something that we can do. And
4 we're willing to be open to that.

5 But with that comes the ability to
6 establish the accountability measures. Part of
7 those accountability measures could also include,
8 perhaps, even outsourcing, that if the School
9 District is responsible for it.

10 Otherwise, there is also the
11 possibility of moving the responsibility and the
12 fiscal responsibility for that group of
13 individuals to another place.

14 We're willing to discuss that. But
15 again, we cannot be remiss and bring you a budget
16 that is not responsible. And that's what this
17 reform is about, in part, fiscal responsibility,
18 which ultimately redounds to the benefit of the
19 children.

20 COUNCILMAN NUTTER: Thank you. And
21 I do appreciate that. And I would only encourage
22 you to have continued discussions with Chairman
23 Glancey and the people over there, and just get a
24 better understanding of what's going on.

25 MR. VALLAS: Absolutely.

00197

1 03/24/03 - Committee of the Whole
2 COUNCILMAN NUTTER: I do want to ask
3 in that same area -- And this is from Page 3101.
4 While I did notice the elimination of the 85
5 positions from the Board of Revision of Taxes, I
6 notice that you have maintained funding support
7 for the ten positions over at the City
8 Controller's Office. Can you explain to us the
9 difference?

10 MR. VALLAS: Yes. Right now they do
11 provide us with auditing services. And our
12 feeling was, it was cheaper to have those auditors
13 there providing us with services directly, rather
14 than providing the services -- rather than
15 outsourcing those services. So in looking at
16 those positions, those positions do have a direct
17 impact.

18 There are a number of auditing
19 functions that we're required to perform. And
20 since we have ten working auditors who at least
21 have some familiarity with the system available to
22 us, that we would put together an auditing
23 schedule that would help accommodate our needs.

24 MR. HARRIS: Councilman, I would
25 also add that under the Home Rule Charter, it's

00198

1 03/24/03 - Committee of the Whole
2 our understanding, obviously, that the City
3 Controller has the responsibility and the duty to
4 be our auditor. So to that degree that they have
5 that official role, we felt that --

6 COUNCILMAN NUTTER: I understand.
7 I'm clear on the Controller's role.

8 Mr. Vallas and Mr. Harris,
9 unfortunately for you, the Chair is going to allow
10 me a fair amount of leeway for a few other
11 questions that I have.

12 Fortunately for you, after I ask
13 those questions, I'm going to leave. I will come
14 back, and if you're, unfortunately, still here,
15 I'll ask you some more questions.

16 Mr. Harris, let me ask you in the
17 big book on Page VI-2.

18 MR. HARRIS: VI-2.

19 COUNCILMAN NUTTER: Yeah, or I guess
20 in the front. I guess technically that's Roman
21 Numeral VI-2.

22 You have in the first line item
23 there estimated 2002, 2003 for real estate tax
24 current, \$447.9 million; is that correct?

25 MR. HARRIS: Yes.

00199

1 03/24/03 - Committee of the Whole

2 COUNCILMAN NUTTER: Okay. And is
3 that what you're still anticipating receiving in
4 the current fiscal year?

5 MR. HARRIS: That is our current --
6 Yes, that is the most updated understanding we
7 have that we will get both -- It's consistent with
8 what we -- the information we have from the City
9 who we rely on for these estimates.

10 COUNCILMAN NUTTER: Okay. Do you
11 know what the impact of this year's round of
12 appeals from the real estate assessments will have
13 on that particular figure?

14 MR. HARRIS: I don't -- We do not
15 have that information, no, sir.

16 COUNCILMAN NUTTER: Okay. You're
17 anticipating a \$12.7 million increase in revenue
18 from the real estate tax --

19 MR. HARRIS: Correct.

20 COUNCILMAN NUTTER: -- is that
21 correct?

22 MR. HARRIS: Correct.

23 COUNCILMAN NUTTER: Okay. And that
24 represents a 2.8 percent increase over the current
25 fiscal year.

00200

1 03/24/03 - Committee of the Whole

2 MR. HARRIS: That's correct. And
3 again, Councilman, that's -- the information is
4 garnered from and consistent with what the City
5 has provided us.

6 COUNCILMAN NUTTER: Okay. Well, the
7 reason I wanted to ask you about that is that on
8 the City's budget and brief book on Page 14, the
9 City is estimating that real estate revenues or
10 revenues from the real estate tax will grow by 2.4
11 percent. Can you tell me why you're estimating at
12 2.8 and the City is estimating at 2.4?

13 MR. HARRIS: Oh, this is --
14 contains -- This is off of current and delinquent.

15 COUNCILMAN NUTTER: I'm sorry.

16 MR. HARRIS: If you'll give me a
17 moment.

18 COUNCILMAN NUTTER: Your delinquent
19 line is zero.

20 MR. HARRIS: Councilman, I'm being
21 informed that this reflects the actual receipts
22 that we have in hand.

23 And we will go back and look at the
24 five-year plan. But my understanding is that this
25 is consistent with what the City has put forth.

00201

1 03/24/03 - Committee of the Whole
2 And that was the information when we put it in the
3 book. But I will go back and over the evening
4 we'll look at it.

5 COUNCILMAN NUTTER: Okay. Well,
6 when you say consistent with what the City has put
7 forward, from what document are we talking about?

8 MR. HARRIS: We were talking from
9 the City's budget document, but also I think it's
10 informed by conversations that my staff has on an
11 ongoing basis with members of the City's Revenue
12 Department and Budget Office. And I will confirm
13 that for you as soon as I can.

14 COUNCILMAN NUTTER: Okay. Well,
15 again, I would... At least from the document that
16 I'm reading, which is the City's operating budget
17 and brief, if you go to Page 14, you're going to
18 find the City operating those revenues at 2.4
19 percent growth. So I'm just trying to understand
20 the difference between.

21 MR. HARRIS: I will find that for
22 you. But I assure you we're not intentionally
23 inflating, because we don't have the -- we're not
24 privy to the information of what has gone on in
25 the real estate tax.

00202

1 03/24/03 - Committee of the Whole

2 I mean, we have to rely and
3 historically rely on what's happening at the City
4 and the Revenue Department.

5 MR. VALLAS: Also, when we make our
6 estimates, they're not finite estimates. We have
7 conversations with finance people. We have
8 conversations with the revenue collecting
9 agencies. So we are going to make adjustments.

10 A 2.8 versus 2.4 discrepancy is --
11 Well, it's not -- You know, it's not that
12 significant a discrepancy.

13 But a lot of times what we will do
14 is, we are updating our five-year numbers
15 consistently, based on new information we get on
16 Federal grants, new information we may get on
17 actual property tax revenues, new information we
18 get about perhaps lawsuits or litigation that is
19 being brought against the City.

20 So a lot of times while we will base
21 our estimates on a specific document, those
22 estimates may be fine-tuned and modified along the
23 way.

24 In the event that revenues increased
25 at 2.4 percent, as opposed to -- as compared to

00203

1 03/24/03 - Committee of the Whole
2 2.8 percent, the minimal impact on their budget
3 obviously would be absorbed, because it just means
4 you would take a slightly, slightly larger amount
5 from the deficit financing bond reserves.

6 So obviously, it wouldn't have any
7 significant -- any major -- any significant impact
8 on this year's budget. But obviously the way it
9 plays out three or four years down the road is
10 obviously of concern. That's why we budget in
11 five-year cycles, as opposed to just simply coming
12 out with a single-year budget document.

13 COUNCILMAN NUTTER: I understand. I
14 just want to make sure that we're accurate on our
15 numbers. They become important as, you know, we
16 enter into discussions about tax rates, tax
17 revenues, and tax receipts, and tax caps, and a
18 whole host of other things.

19 And so, I also want to make sure
20 that the number in the book -- And we can clear up
21 the 2.4 versus the 2.8 percent discrepancy. But
22 you're building a budget around the expected
23 receipt of presently \$460,724,000, is that
24 correct, from real estate taxes?

25 MR. HARRIS: \$460,724,000?

00204

1 03/24/03 - Committee of the Whole

2 COUNCILMAN NUTTER: Yes.

3 MR. HARRIS: Yes, Councilman.

4 COUNCILMAN NUTTER: And that's what
5 you're expecting in the next fiscal year; is that
6 correct?

7 MR. HARRIS: That is what we
8 currently have as projections at the time this
9 book was printed.

10 COUNCILMAN NUTTER: And that is
11 notwithstanding appeals and a whole host of other
12 issues. That's what you would like to receive,
13 and that's what you've built a budget around; is
14 that correct?

15 MR. HARRIS: That is correct.

16 COUNCILMAN NUTTER: Okay. And do
17 you have any expectation to receive more than that
18 in real estate taxes?

19 MR. HARRIS: Again, I think we need
20 to go back and look at the information and make
21 sure that we have the most accurate information.
22 And certainly the proposed budget -- And by the
23 time, as Paul said, by the time we have a final
24 budget approved, this number may change, so I
25 cannot say today that I know exactly the

00205

1 03/24/03 - Committee of the Whole
2 \$460,724,000 will be the number that will be in
3 the final budget that gets presented to the SRC.
4 We will continue to refine the
5 numbers, both on the expenditure side and the
6 revenue side, over the next seven weeks.
7 COUNCILMAN NUTTER: Well, the reason
8 I ask is... I mean, obviously, as you can
9 imagine, it is important for us to know what the
10 actual number either is or ultimately will be, as
11 the City has multiple responsibilities, as it
12 relates to taxes, and the impact of tax rates, and
13 tax assessments, and any ability that we might
14 have to maintain the population we have and not
15 drive people out of the City because of excessive,
16 exorbitant, outrageous assessment increases.
17 Now, the School District and the
18 City, to some extent, have been the beneficiaries
19 of the fact that the City of Philadelphia has not
20 changed its tax rates in the last eleven years.
21 And so, you give us a budget which
22 we don't approve, we reauthorize the taxes, you
23 pass your budget, the assessments get done in the
24 summer. Actually, some of that work is done by
25 the assistant assessors that you're now proposing

00206

1 03/24/03 - Committee of the Whole
2 to eliminate. The numbers come back, and you
3 actually get more than you budgeted.
4 And then, at least in our most
5 recent experience, we then have to fight about:
6 You're trying to get the extra that comes as a
7 result of an assessment process that you have
8 nothing to do with; and the citizens end up paying
9 more because we don't change the tax rates.
10 And we have in the most recent
11 situation a fight about what most of us would
12 refer to as a windfall that the School District
13 and the City enjoy the benefit of, while the
14 taxpayers have no one to turn to because we never
15 changed their tax rates.
16 So now I want to ask you: We have a
17 certain tax rate, City and School District. And
18 let's say that next summer the assessments come in
19 at whatever they come in.
20 And if the rates are adjusted to
21 reflect the assessment amount times the rate, and
22 that generates \$460,724,000, are you going to be
23 satisfied to get what you put in the book?
24 MR. VALLAS: Well, let me respond by
25 saying that obviously when you're facing a \$65

00207

1 03/24/03 - Committee of the Whole
2 million reduction based on anticipated budget
3 receipts, and while it's uncertain just what
4 course Harrisburg is going to pursue, you're
5 always reluctant to -- You know, you try to budget
6 conservatively.

7 But obviously, if there's more
8 revenue available, that will certainly give you
9 additional options on perhaps restoring some of
10 the things that you've identified as perhaps being
11 controversial.

12 The bottom line here is, we think
13 that we've, you know, estimated conservatively
14 what our revenues are going to be. And we think
15 that we're certainly cutting -- You know, this is
16 a School District that from now until since last
17 year has eliminated over 1,000 positions. And by
18 this time next year we'll be 1400 positions down
19 from where we were two years ago.

20 So we certainly think that we're
21 budgeting conservatively. And we certainly think
22 that we're doing all that we can to downsize the
23 District --

24 COUNCILMAN NUTTER: I understand
25 that.

00208

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: At a time that we're
3 also trying to invest. Okay.

4 COUNCILMAN NUTTER: I understand
5 that. I'm not questioning that. What we're
6 talking about --

7 MR. VALLAS: So why be satisfied --

8 COUNCILMAN NUTTER: -- is the nature
9 of the relationship between the taxing entity,
10 which is us.

11 MR. VALLAS: Mm-hmm.

12 COUNCILMAN NUTTER: And the people
13 who have to pay the tab.

14 Now, if you need additional funding,
15 the question is, are you asking us for an increase
16 in tax rates?

17 Because that's the way that you
18 provide additional funding, not by way of a
19 back-door tax increase by never touching the rates
20 and taking advantage of increasing assessments
21 that people can't necessarily pay just because the
22 value of their home went up. So are you asking us
23 to change the tax rates upward to generate more
24 revenue?

25 MR. VALLAS: No, we're not.

00209

1 03/24/03 - Committee of the Whole

2 COUNCILMAN NUTTER: Okay. That's
3 the way that you generate more revenue.

4 MR. VALLAS: Right.

5 COUNCILMAN NUTTER: Not by taking
6 advantage of a system that is broken and never
7 changing the tax rates.

8 So you're saying that you have a
9 deficit, but you're not asking us to increase the
10 tax rates; is that correct?

11 MR. VALLAS: No, we're not asking
12 that the tax rates be increased. We need to live
13 with what the assessment base generates in
14 additional income.

15 COUNCILMAN NUTTER: Okay. If the
16 assessment base is reflective of the budget that
17 you put forward.

18 MR. VALLAS: Yes. And if it's not
19 and if it generates less money, then we will make
20 the appropriate additional adjustments that need
21 to be made.

22 COUNCILMAN NUTTER: All right. I
23 understand that. And we would have some
24 responsibility to deal with that ourselves. But
25 what you've said to us is, what, four sixty-seven

00210

1 03/24/03 - Committee of the Whole
2 twenty-four is the number, or it might be some
3 other number, based on what happens in Harrisburg.
4 You understand that I am now on a
5 mission to eliminate the back-door tax increase,
6 that you get what you ask for, and not then seek
7 to get extra that no one planned for.

8 You pass a budget, we pass rates,
9 the whole assessment process takes place after the
10 fact, and then there's this scramble --

11 MR. VALLAS: Right.

12 COUNCILMAN NUTTER: -- to get the
13 extra that no one budgeted for that, that no one
14 approved, that no one voted for. Now, that's
15 wrong.

16 And it's not a true representation
17 to the taxpayers of this City, that when we
18 approved the budget for a certain amount, the
19 assessments went up, which they had noting to do
20 with, which you had nothing to do with, none of
21 the numbers changed, and everyone gets to be the
22 beneficiary, while the rest of us sit around and
23 say: Well, it wasn't us; it was somebody else
24 that did it.

25 If you need more revenue, come and

00211

1 03/24/03 - Committee of the Whole
2 ask us for more revenue, but don't get it in the
3 back door. That's not personally directed at you.
4 It's a system issue. It's been here for a long
5 time. Some of us believe that it is wrong.

6 I just want to make sure that we
7 give you what you ask for but no one is getting
8 over on the taxpayers to get a little more because
9 of quirks in the system or refusal to step up to
10 the plate and say: They need more; let's give
11 them more; and do it up front. That's the issue.

12 MR. VALLAS: Understand. Accept
13 that.

14 COUNCILMAN NUTTER: So whatever the
15 number is, I want to make sure that that's the
16 number. I don't want to hear another number later
17 on.

18 I don't want to have this fight
19 again during either the fall or next spring about
20 what the true needs are, and that -- and you to
21 say, we'll we have had this conversation -- that,
22 you know, pencils are going to be taken out of our
23 kids' hands; and lunch is going to be cancelled;
24 and no more recess; and, you know, books, you
25 know, won't be able to go home because: Oh, my

00212

1 03/24/03 - Committee of the Whole
2 God, they're actually trying to exercise budget
3 restraint and not tax people out of their houses.
4 MR. VALLAS: All right. And let me
5 point out that I have never said that, nor will I
6 ever say that.

7 COUNCILMAN NUTTER: I know.

8 MR. VALLAS: My one reservation
9 about -- or my two reservations about these type
10 of initiatives -- And I'll be honest: We've been
11 very low key in laying out our position on these
12 issues. But I've had two reservations.

13 And that is, first of all, I feel
14 that the whole issue of property tax reform is a
15 comprehensive issue that hopefully the Rendell
16 Administration will begin to address, because it
17 when it comes to education, it is a -- you know,
18 it is a product of, you know, our tax funding
19 formula that is far too dependent on local
20 property taxes.

21 So we want to be in a position to
22 help move Governor Rendell's initiatives along.
23 But I also have a concern, and I -- And I need to
24 point this out. Our concern is always when we go
25 to rating agencies, for a School District that has

00213

1 03/24/03 - Committee of the Whole
2 no bond rating, but -- from one agency and doesn't
3 have an investment grade bond by another, and we
4 lay out our plan to issue school construction
5 bonds and to restore credibility to the system,
6 believe me when I tell you -- And once again, you
7 know as well as I do that these rated agencies
8 always look at issues: Property tax caps,
9 proposals to limit property tax growth, proposals
10 to freeze property taxes. It is a constant issue.

11 So for us to take a position of
12 support on an issue like this, at the same time
13 that we're trying to restore public confidence or
14 I should say financial institution confidence in
15 the credibility of this system's financial plan,
16 puts us at a disadvantage.

17 COUNCILMAN NUTTER: Look, I'm not
18 expecting you to host a parade or declare a
19 holiday about it. I think it's a partnership
20 issue.

21 I mean, I want the School District
22 to be as fully funded as the next person.

23 MR. VALLAS: Yes.

24 COUNCILMAN NUTTER: I want it to
25 function and operate. You know I have a child in

00214

1 03/24/03 - Committee of the Whole
2 the system. I'm not doing anything that
3 negatively impacts what goes on in the School
4 District.

5 MR. VALLAS: Yes.

6 COUNCILMAN NUTTER: All we're asking
7 or some of us, at least, are asking is there are
8 multiple constituents.

9 MR. VALLAS: Yes. Yes.

10 COUNCILMAN NUTTER: As we care about
11 the children in these schools, we also have to
12 respond to their parents, and many other people
13 who for whatever reason, either their kids are
14 grown or whatever their status in life is, who
15 don't have kids in the system, but who are paying
16 the tab, are trying to figure out: How do I do
17 this. I want to support public education as well.
18 I'd still like to live in my house.

19 So therein lies the balancing act.
20 And I think through true partnership and the
21 spirit of cooperation that you have demonstrated,
22 we'd like to come to some rational conclusion
23 about this.

24 And as far as the Governor's plan is
25 concerned, which I support, I think the property

00215

1 03/24/03 - Committee of the Whole
2 tax issue at the moment will not necessarily touch
3 Philadelphia.

4 We have an even worse circumstance
5 in tax, which is the Wage Tax...

6 MR. VALLAS: Right.

7 COUNCILMAN NUTTER: Which is far
8 more onerous in Philadelphia than the property tax
9 is, especially compared to the other 66 counties
10 in the Commonwealth of Pennsylvania.

11 Because they have been doing what we
12 refused to do, which is they actually have changed
13 their tax rates upward, and they're driving their
14 constituents out of their minds. They don't have
15 a wage tax or anywhere near the kind of tax that
16 we have here.

17 And so I believe the Governor's plan
18 is the right plan. We should be taking those
19 additional dollars and reducing the Wage Tax.

20 But that doesn't help us on the
21 property tax side, which is a local issue, which I
22 believe we have local solutions to that particular
23 problem. But we don't want to do it in a vacuum
24 against the interests of the School District.

25 MR. VALLAS: Right.

00216

1 03/24/03 - Committee of the Whole
2 COUNCILMAN NUTTER: I want you to be
3 able to float as many bonds as you want. I want
4 you to be able to convince Fitch and S & P, and
5 whoever else you have to talk to, this is what we
6 have; it's secure; we know what we're doing; it's
7 not, you know, the wild west down here and that
8 everybody's running around doing whatever they
9 want to do.

10 But that comes from the partnership
11 and the conversations --

12 MR. VALLAS: Yes.

13 COUNCILMAN NUTTER: -- and the kinds
14 of things that Mr. Nevels was talking about that
15 we did last year.

16 We were very surprised that we were
17 able to do what we did last year on the deficit
18 financing and get it done in a way that, in
19 essence, one question was asked. It saved the
20 School District \$248 million in debt service
21 payments, because the original deal was \$300
22 million for 30 years, \$750 million total cost.

23 We asked one question: Can't you
24 cut the length of time for the payback?

25 And Mr. Nevels and the attorneys and

00217

1 03/24/03 - Committee of the Whole
2 other people worked on that total cost I believe
3 is \$502 million. That was one question, \$248
4 million. That ain't bad for a day's work.

5 I think if we work on these kinds of
6 things together, we'd actually be able to get some
7 stuff done to not only help the kids, but not
8 drive either their parents or other taxpayers out
9 of the City.

10 Two last questions. If you can get
11 to us a complete list of the details on either
12 capital improvements, new construction, and
13 rehabilitation for all of the buildings, and for
14 most of us I think it will be helpful if it's done
15 in a district...

16 MR. VALLAS: District by district.

17 COUNCILMAN NUTTER: District by
18 district, so we can understand it, and naturally
19 the entire list is made available for all of our
20 colleagues who are Members-at-Large.

21 MR. VALLAS: That list will be
22 specific for really the first two years, but more
23 generally --

24 COUNCILMAN NUTTER: I understand.

25 Last question: Act 46, and I believe it's either

00218

1 03/24/03 - Committee of the Whole
2 a cousin or a nearby relative, I believe is, was
3 that Act 87?

4 MR. VALLAS: 88.

5 COUNCILMAN NUTTER: 88. Okay. I
6 was close. I'm not sure what 88 was.

7 In the current environment, and I
8 think most of us are now willing to acknowledge
9 that actually Act 46 resulted from some decisions
10 that were made a number of years ago about how the
11 District was going to function and operate and
12 basically run it, until it ran out of the money.

13 And the legislature responded to
14 that, and Governor Ridge at the time, as a result
15 of which is Act 46, subsequently Act 88 which --

16 MR. VALLAS: Right.

17 COUNCILMAN NUTTER: -- the result of
18 which, I think, is many of you sitting at the
19 table today, passed in an environment where people
20 were not really talking at all, seemingly, with
21 each other, but at each other.

22 There were questions about the
23 fiscal sanity of the Philadelphia environment and
24 how all of this was functioning and operating, but
25 also placed significant restraints, I believe, in

00219

1 03/24/03 - Committee of the Whole
2 our ability, as one of the taxing authorities
3 responsible for the School District, to do some
4 things similar to what we talked about with regard
5 to property taxes or other taxes because of Act 46
6 constraints.

7 Do you have any opinion at the
8 moment, given the changed political environment
9 and a little bit of the changed fiscal
10 environment, especially with Governor Rendell's
11 proposals, about the need for Act 46 or some of
12 its constraints in the current environment?

13 MR. VALLAS: Well, let me respond by
14 saying, when we've made our quiet case for our
15 reasons why we're concerned about, obviously,
16 legislation, particularly with the tax base, we've
17 really never evoked or used a reference to Act 46.

18 I certainly think, given the
19 environment that -- you know, I -- you know, I
20 would -- you know, I would not see Act 46 as an
21 obstacle. Maybe other people would. But I would
22 not see that as an obstacle.

23 The only time I've -- The only time
24 I've cautioned restraint is because, obviously, of
25 some of the larger capital and bond rating, you

00220

1 03/24/03 - Committee of the Whole

2 know, issues more than anything else; but, no,
3 it's never been a big issue for us.

4 You know, we've always felt that
5 there's a way to get around Act 46 if a -- you
6 know, if a compromise is reached with all parties
7 on some sort of property tax limitation.

8 Because again, you know, Act 46
9 focuses on the base number, not the initial -- The
10 proposals that have been put out have been
11 proposals that have talked about increases and
12 extensions.

13 So I don't see where Act 46 would
14 have any applicability to any of the proposals
15 that you've been putting forward. I certainly
16 don't see Act 46 as an obstacle to any of your
17 initiatives, Councilman.

18 COUNCILMAN NUTTER: Mr. Vallas, it
19 may come up as a part of the conversation with
20 regard to the Governor's proposal on property tax
21 revenues or property tax relief from the
22 legislature, winding its way through the system
23 and somehow coming over to us. I don't think we
24 know all the details of that yet.

25 MR. VALLAS: No.

00221

1 03/24/03 - Committee of the Whole
2 COUNCILMAN NUTTER: But if the issue
3 of millage rates becomes a subject of discussion,
4 in terms of transferring property tax relief
5 dollars back over to the City for Wage Tax
6 reduction, we may potentially run into an Act 46
7 issue.

8 MR. VALLAS: Yes. Yes.

9 COUNCILMAN NUTTER: I'd just like to
10 put that on the radar screen for the moment.
11 Again --

12 MR. VALLAS: Definitely.

13 COUNCILMAN NUTTER: -- I would say
14 in the current environment there's probably not
15 necessarily a need for Act 46, given the fact that
16 I think we have resumed, from a public policy
17 standpoint and a fiscal standpoint, some enhanced
18 level of sanity about how the system is going run
19 and what --

20 MR. VALLAS: Yes.

21 COUNCILMAN NUTTER: -- and whose
22 going to fund what, and who's going to do what,
23 and who's not going to do what. But on that
24 particular issue I am concerned about Act 46.

25 MR. VALLAS: Okay.

00222

1 03/24/03 - Committee of the Whole

2 COUNCILMAN NUTTER: Thank you.

3 Thank you, Madam Chair.

4 COUNCIL PRESIDENT VERNA: You're

5 welcome.

6 The Chair recognizes Councilman

7 Rizzo.

8 COUNCILMAN RIZZO: Thank you, Madam

9 Chair.

10 Mr. Vallas, I'd like to go back to
11 the Zero Tolerance Policy. So I understand, a
12 student is a discipline problem in a particular
13 high school.

14 In your testimony it says, to date
15 the District has placed more than 850 students in
16 alternative schools -- in alternative school
17 placements as a result of discipline
18 re-assignments.

19 And I mentioned to you that I've
20 gotten calls and also from teachers that are
21 telling me that kids are winding up leaving one
22 school and not going to an alternative
23 environment, but going to another high school.
24 And they find out when this student arrives at
25 this other high school that this particular

00223

1 03/24/03 - Committee of the Whole
2 student had a very serious problem at another
3 building.
4 MR. VALLAS: Right.
5 COUNCILMAN RIZZO: My question is --
6 And you indicated that parents go to another
7 school and get them enrolled without the knowledge
8 of the principal.
9 How could that be? I mean, don't
10 you have communications within your
11 organization --
12 MR. VALLAS: Yes.
13 COUNCILMAN RIZZO: -- that when a
14 student goes to another school, that before that
15 child is admitted, you know that's -- that's --
16 that's the red flag that I heard in your
17 testimony.
18 But why would they even be going?
19 Why would they be placed in another school, rather
20 than -- you mentioned bursting at the seams of the
21 alternative environment.
22 MR. VALLAS: Right.
23 COUNCILMAN RIZZO: So I'd like to
24 know why the perception is out there --
25 MR. VALLAS: Right.

00224

1 03/24/03 - Committee of the Whole
2 COUNCILMAN RIZZO: -- that kids --
3 MR. VALLAS: Right.
4 COUNCILMAN RIZZO: -- are being
5 moved from one high school to another and not to
6 an --
7 MR. VALLAS: Right.
8 COUNCILMAN RIZZO: -- alternative
9 education.
10 MR. VALLAS: Well, I think my
11 response -- Again, let me restate the point -- is
12 that we've expelled more kids than any other
13 School District in the country.
14 COUNCILMAN RIZZO: That's not my
15 question --
16 MR. VALLAS: Not to mention --
17 COUNCILMAN RIZZO: -- Mr. Vallas.
18 MR. VALLAS: I just want to point
19 that out.
20 COUNCILMAN RIZZO: Right.
21 MR. VALLAS: But let me also respond
22 by saying, these are the exceptions, not the rule.
23 In a system this large a system that is just
24 getting used to a tough discipline policy,
25 sometimes certain kids are going to fall through

00225

1 03/24/03 - Committee of the Whole
2 the cracks.

3 And as I mentioned the first time --
4 the first time you -- you asked me these same
5 questions, what we -- what we -- As a matter of
6 policy, we do not want intra-school district
7 transfers.

8 And when they occur and when parents
9 bring them to our attention or when principals
10 bring them to our attention, we take the
11 appropriate action.

12 Now, let me tell you: Just the
13 other day it was about -- actually about two weeks
14 ago, I got a call from a reporter who said that
15 kids are being transferred from one school to
16 another, and they cited four cases. Okay?

17 So I had all four cases
18 investigated. In at least three of the four cases
19 there was a rational explanation. In one case,
20 the student who returned to her school had been
21 adjudicated as -- by the hearing officer as
22 basically not committing an offense that could
23 justify the expulsion.

24 In the second case the student was,
25 in fact, the victim

00226

1 03/24/03 - Committee of the Whole

2 In the third case it involved a
3 student who had actually -- who had gotten in a
4 fight with students, who had been disruptive,
5 because the student in effect was -- was -- had
6 certain problems. He was -- Believe it or not,
7 the student was a bed-wetter, and kids are
8 harassing him and hassling him.

9 But in the fourth case, there was a
10 gray area. This involved a student who was
11 expelled because through the Zero Tolerance Policy
12 it was discovered that the student had a nail
13 filing object, a sharp object.

14 And the student made the case -- had
15 made the case to the principal that -- that -- and
16 the parent had made the case that -- In this case
17 the student -- This was the sister's backpack or
18 whatever. And the student had decided that to
19 readmit the student.

20 So a lot of times when we get these
21 cases, usually in the majority of cases there's a
22 rational explanation.

23 Now, that doesn't mean that things
24 don't fall through the cracks. That doesn't mean
25 that there aren't exceptions to the rules.

00227

1 03/24/03 - Committee of the Whole

2 I've asked Gwen Morris, who monitors
3 our programs and responds to these issues and
4 initiatives, to articulate what the process is.

5 But generally, what we tell
6 principals is if there are concerns about students
7 who are showing up at their doorstep asking to be
8 transferred and they communicate it to the regions
9 or through us, we will take appropriate action;
10 and that when in doubt, don't allow the student to
11 transfer.

12 And I've been more forceful in that
13 the last five or six weeks, because -- because
14 this has been a concern that perhaps some of the
15 intra-district transferring is still going on.

16 But what we also do is, obviously,
17 working through the Safe Schools Advocate, who
18 sends me e-mails constantly, and working through
19 our own Bully Hot Line, you know, we get calls
20 with regularity about parents who are concerned
21 about disruptive kids. And what those calls --
22 Those calls are processed. And we respond to
23 every single one of these calls.

24 I'm going to ask staff to provide
25 you and the Committee tomorrow with a breakdown in

00228

1 03/24/03 - Committee of the Whole
2 detail of all the disciplinary actions, and just
3 with kind of a standard procedure; just, for
4 example, what we did last month, in terms of
5 expulsions and responding to calls that we
6 received, such as the calls that -- that -- that
7 you've raised about parents who have concerns.
8 But I would say one thing, and it's
9 really important to say, too, is: In this
10 environment of much tougher discipline policy,
11 look. I mean, I met with... You know, Arnold
12 Schwarzenegger came to our schools the other day.
13 And they were referring to us as the two
14 kindergarten cops. Okay?
15 So it's not like -- It's not like --
16 We've gotten hit on both sides for being too
17 aggressive and not being aggressive enough.
18 But in this day and age, in a lot of
19 circles, the assumption here is that we're going
20 to have automatic expulsion. Automatic expulsion.
21 A kid's a problem, let's -- The
22 kid's got to get out of school. Find another
23 school for that student to attend.
24 Part of this problem is going to be
25 addressed by us making sure that we have tougher

00229

1 03/24/03 - Committee of the Whole
2 in-school discipline policies, and that schools
3 are dealing with the students at hand.

4 Because one of the things that's
5 emerging very clear in many of the high schools
6 is, number one, the old district never wanted to
7 expel anybody; but also, number two, there was
8 always this eagerness to simply transfer the
9 problem somewhere else.

10 So we're going to have to cope more
11 effectively with the students in the schools, too,
12 because we simply can't transfer everybody. But
13 let me ask Gwen to take you through the process.

14 MS. MORRIS: Gwendolyn Morris,
15 Executive Director of Alternative Education.

16 The one thing I do need to clarify.
17 We have expelled over 800 youngsters, not the Act
18 88 youngsters this year.

19 And quite often some of those cases
20 that are referred from high schools are cases that
21 do not rise to the level of what we consider Level
22 2 or an Act 26 offense.

23 So, upon review and by our Office of
24 General Counsel, we sometimes do return some of
25 those to the same school because it is an incident

00230

1 03/24/03 - Committee of the Whole
2 that does not rise to the level of dangerous.
3 Sometimes youngsters misbehave.
4 Sometimes youngsters may commit infractions. But
5 remember, Act 26 speaks specifically to dangerous
6 behavior, weapons, drug possession, and so forth,
7 and so on.

8 And as Mr. Vallas said, we do
9 respond immediately to occasions where youngsters
10 have been moved.

11 When Mr. Vallas came, he said: No
12 lateral transfers. And to my knowledge -- to my
13 knowledge, those have not occurred.

14 However, we do have some individuals
15 who, within their own schools, move kids from
16 school to school. And when we discover that, we
17 typically respond to that appropriately.

18 The system does allow youngsters to
19 move from school to school outside of the regular
20 transfer process, youngsters may have created a
21 problem in a previous school.

22 When the receiving teacher
23 recognizes that this youngster has been moved for
24 disciplinary reasons, they typically will put us
25 on notice, either through a letter to Mr. Vallas,

00231

1 03/24/03 - Committee of the Whole
2 quite often, or to myself, or to Dexter Green, our
3 Chief Safety Officer. We try to respond
4 immediately to those particular issues.

5 We did have a number of requests
6 From high schools that, upon review by Office of
7 General Counsel, those youngsters offenses did not
8 rise to that level. And those youngsters were
9 assigned to the Saturday Detention Program.

10 So in that case that youngster will
11 remain in that particular school and will be
12 assigned to the eight-week Saturday Detention
13 Program, along with their parents' involvement.

14 So there are a number of ways
15 youngsters are moved. But typically in terms of
16 the expulsions, those serious offenses, serious
17 assaults, guns, knives, those kind of things,
18 those youngsters are moved.

19 COUNCILMAN RIZZO: Thank you. Thank
20 you.

21 Mr. Vallas, Just one other
22 observation. The Truancy Program...

23 MR. VALLAS: Mm-hmm.

24 COUNCILMAN RIZZO: Your Chief,
25 Dexter Green, does a great job and... But I would

00232

1 03/24/03 - Committee of the Whole
2 like to understand better the role of the School
3 District Police.

4 I've had the -- I've had the Police
5 District Commanders tell me that on occasion
6 they've seen kids congregating in a particular
7 area. School District car go by. Just keep
8 going.

9 MR. VALLAS: Mm-hmm.

10 COUNCILMAN RIZZO: Are we making
11 these observations -- Are the School District
12 Police that are mobile making these observations?
13 And if they're not, they should be, and taking an
14 action when they see kids on the street that
15 should be in school.

16 MR. VALLAS: Okay.

17 COUNCILMAN RIZZO: And another
18 issue, Mr. Vallas, and it's just a housekeeping
19 issue --

20 MR. VALLAS: Sure.

21 COUNCILMAN RIZZO: -- and I'll say
22 it all in one breath. There's a lot of confusion
23 about the school safety signs, the yellow flashing
24 lights, whose responsibility. I've recently
25 called a particular school, and the principal's

00233

1 03/24/03 - Committee of the Whole
2 office, assistant principal, weren't aware of who
3 is responsible for the maintenance of those
4 lights, especially if there's a power interruption
5 and the timers need to be reset.
6 Couldn't the School District
7 Police -- Couldn't the School District Police also
8 be responsible if they see these things
9 malfunctioning, not to have the parents of the
10 students have to call a Council Office to say that
11 lights are on at 10 o'clock in the morning instead
12 of 8 o'clock in the morning?
13 Couldn't some of these observations
14 of deficiencies be noted by the School District
15 Police and dealt with? And I think you need to
16 communicate to the principals who's responsible
17 for what.
18 I mean, if they believe that PECO
19 Energy is the responsible party to get a timer
20 changed at a school area -- at a school, obviously
21 they don't know, especially when it's at the
22 principal's -- that's the response from the
23 principal's office.
24 MR. VALLAS: Fine.
25 COUNCILMAN RIZZO: So I'd appreciate

00234

1 03/24/03 - Committee of the Whole
2 maybe communicating --

3 MR. VALLAS: Sure.

4 COUNCILMAN RIZZO: -- that
5 information and having the School District Police,
6 when they see these lights not functioning
7 properly...

8 MR. VALLAS: Mm-hmm.

9 COUNCILMAN RIZZO: The City spent,
10 School District spent, Archdiocese spent a lot of
11 money in installing these lights. And if they're
12 not performing at the appropriate time, we might
13 as well -- we shouldn't have even put them up.

14 MR. VALLAS: Well, let me respond
15 by -- All good points.

16 Let me point out that the security
17 personnel are supposed to, any time they identify
18 kids congregating, they're supposed to take the
19 appropriate action or make the appropriate
20 notification.

21 Any time signs are out or is there
22 is a safety issue, they're supposed to report
23 that. Some are more aggressive than others at
24 doing that. So, the Safety and Security as a rule
25 are supposed to report those things.

00235

1 03/24/03 - Committee of the Whole

2 That doesn't mean that we get
3 everybody reporting in an aggressive way. We'll
4 make sure that we remind Safety and Security what
5 their functions are, what their responsibilities
6 are.

7 But once again, as always, we get --
8 For example, we get inquiries about Crossing
9 Guards on a daily basis. Even though we're not
10 responsible for the Crossing Guards, we will
11 contact the Police Department and try to get
12 Crossing Guards shifted around.

13 We get inquiries about the absence
14 of stop signs at certain corners. What we'll do
15 is, we just won't say that's not our
16 responsibility. We'll contact the appropriate
17 Street Department, and sometimes we'll try to
18 negotiate or get a stop sign installed.

19 It's the same thing with these
20 signs. Even though the signs are on school or
21 around school grounds, and even though I think
22 Streets and Sanitation has the responsibility to
23 maintain them, it's still incumbent upon us.

24 (Inaudible voice from the audience.)

25 MR. VALLAS: They're not? We are.

00236

1 03/24/03 - Committee of the Whole
2 Okay. So you do it. Then how many requests do
3 you get a day to do or a week?
4 (Inaudible voice from the audience.)
5 MR. VALLAS: Okay. All right.
6 Well, I've just been corrected. Basically, it is
7 our responsibility.
8 And what I'm being told by our
9 operations people is, we get inquiries regularly
10 from priests -- from priests -- from Council
11 people and principals.
12 But we'll make sure -- We'll get a
13 directive out to all of our Safety and Security
14 personnel as well as the principals just reminding
15 them what the process is for funneling those
16 complaints, so that there's no confusion over who
17 has responsibility.
18 COUNCILMAN RIZZO: Well, that's
19 great to hear. And thank you, because you are,
20 and I describe you as, a very -- You're a nuts and
21 bolts guy. And I like the fact that you --
22 MR. VALLAS: We'll get that done.
23 That's a nuts and bolts issue.
24 COUNCILMAN RIZZO: Yes. And like
25 Daylight Savings Time, I guess, is a few weeks

00237

1 03/24/03 - Committee of the Whole
2 away?
3 MR. VALLAS: Mm-hmm.
4 COUNCILMAN RIZZO: Well, a lot of
5 the principals say that the schools' closed by the
6 time they get the lights adjusted to compensate
7 for the hour of change.
8 MR. VALLAS: Good point. Good
9 point.
10 COUNCILMAN RIZZO: It would be a
11 tragedy to see -- It would be a tragedy to see an
12 accident occur.
13 MR. VALLAS: We'll make sure --
14 We'll make sure we make the adjustments.
15 COUNCILMAN RIZZO: And it's not your
16 school maintenance people's fault.
17 MR. VALLAS: Yeah.
18 COUNCILMAN RIZZO: In many cases
19 there's power interruptions that...
20 MR. VALLAS: Mm-hmm. Okay.
21 COUNCILMAN RIZZO: There's power
22 interruptions that throw these timers off. So my
23 point being, that when you call a principal's
24 office --
25 MR. VALLAS: Be more --

00238

1 03/24/03 - Committee of the Whole
2 COUNCILMAN RIZZO: -- and they don't
3 know what they're supposed to do, that's kind of
4 discouraging.
5 MR. VALLAS: We'll make sure they're
6 well informed. Okay?
7 COUNCILMAN RIZZO: Thank you.
8 And --
9 MR. VALLAS: The same thing on the
10 discipline policy. I will once again reiterate,
11 through the schools and regions, about what the
12 intra-school transfer policy is, so that there's
13 no confusion.
14 I did it earlier. I think it was
15 about a month and a half ago, when I had concerns
16 that there were still -- Well, after the -- after
17 the inquiry by a number of people in the media
18 about intra-school transfers, even though most of
19 the complaints were not validated, I said we need
20 to remind the regions and the principals that if a
21 student is just jumping into their school, they
22 need to have -- and they feel that that student is
23 being transferred for disciplinary reasons, we
24 need to take the appropriate action.
25 It's in our interests to limit the

00239

1 03/24/03 - Committee of the Whole
2 number of intra-school transfers anyway. The
3 bottom line is, we want to slow down and reduce
4 this mobility rate, and -- But we'll make sure
5 that we send another directive out, clearly
6 stating about the prohibition of transferring
7 students for disciplinary reasons.

8 COUNCILMAN RIZZO: My last comment,
9 question, is the parent truant officers. Do they
10 report to the principal or do they have any
11 interaction with the school police?

12 MR. VALLAS: They have interaction
13 with the school police and the principals,
14 although they are assigned by region.

15 Now, some of the regions have
16 elected to designate certain parent truant
17 officers to work with individual schools.

18 Now, the reason that they're working
19 at a regional level is, there aren't a lot of
20 them. I mean, 250 parent truant officers, but 264
21 schools.

22 We're hoping to double the size of
23 the program next year, and then we will begin
24 assigning them to individual schools.

25 Let me make one more point. In

00240

1 03/24/03 - Committee of the Whole
2 hiring the parent truant officers, we elected not
3 hire them directly ourselves, but to go through
4 community based organizations.

5 The reason being was, many community
6 based organizations, like PAN? PAN and others
7 were already in this business and doing these
8 things.

9 But those community based
10 organizations work out of the regions. But in
11 some cases, like with esprit, for example, their
12 parent truant officers are almost assigned to
13 individual schools.

14 So we're refining the program. And
15 we hope that as we expand the number of parent
16 truant officers through -- and we're looking at
17 expanding the number of community based
18 organizations who do it, the parent truant
19 officers will spend more time working with
20 individual schools, as we move forward.

21 COUNCILMAN RIZZO: I'd just like to
22 follow up for 30 more seconds, Madam President.

23 I'd like to ask Dexter Green... We
24 on occasion -- I on occasion get complaints about
25 vehicles speeding through the school zone when the

00241

1 03/24/03 - Committee of the Whole
2 lights are flashing.

3 Are the School District Police, the
4 Police Districts are spread pretty thin right now
5 with Operation Safe Streets and other commitments.

6 Are your police allowed to enforce
7 speeding through the school zones, like perfect
8 example: Saul School on Henry Avenue.

9 There's signs there, 15 miles an
10 hour. Well, to many of the motorists, that means
11 35, instead of 55. And it's a posted 35 area.

12 Could the School District Police go
13 out there and at least make a presence? Just show
14 your car or show the police, to maybe slow these
15 folks down?

16 MR. GREEN: We can make a presence.
17 Currently, we're not able to write the tickets.
18 But that's something that --

19 COUNCILMAN RIZZO: You are not
20 allowed to write the tickets?

21 MR. GREEN: We're not allowed to
22 write the tickets, but that's something that could
23 change. I mean, we have -- My folks have police
24 powers, but that's not one of the powers that we
25 went after.

00242

1 03/24/03 - Committee of the Whole
2 COUNCILMAN RIZZO: I think even
3 your -- If I requested a presence to have a car
4 during the school --
5 MR. GREEN: We could do that.
6 COUNCILMAN RIZZO: -- morning, I
7 think that even -- Forget the tickets.
8 MR. GREEN: That we could do.
9 COUNCILMAN RIZZO: Just your
10 presence alone. You know, they put the empty
11 police car on the Atlantic City Expressway.
12 MR. GREEN: That's correct. That's
13 what they do.
14 COUNCILMAN RIZZO: And that's a
15 fact, right?
16 MR. GREEN: We could do that.
17 MR. VALLAS: We'll find some empty
18 cars, too. Just joking.
19 COUNCILMAN RIZZO: There's a lot of
20 Explorers.
21 MR. VALLAS: That's right. We'll
22 put the little dummies in the cars, the little
23 crash dummies in the cars.
24 COUNCILMAN RIZZO: They work.
25 MR. VALLAS: All good ideas.

00243

1 03/24/03 - Committee of the Whole
2 And -- And -- And -- And -- And I
3 will tell you, we have taken the initiative.
4 We're going to try to step it up to another level
5 next year, of actually closing off critical
6 streets that students have to cross, with the
7 horses.
8 And it's really something we want to
9 do on a much more massive scale, particularly
10 during the times that schools are opening up and
11 schools are closing.
12 Because you're right: A lot of our
13 schools have no campuses, and the kids have to
14 walk. You know, there's a lot of traffic in front
15 of the buildings. Obviously, we won't close off
16 Broadway --
17 COUNCILMAN RIZZO: Thank you.
18 MR. VALLAS: -- or Spring or any of
19 those.
20 COUNCILMAN RIZZO: All right.
21 COUNCIL PRESIDENT Verna: All right.
22 The 30 seconds has been up a long time ago.
23 MR. VALLAS: I ruined it for him.
24 COUNCIL PRESIDENT Verna: Thank you.
25 I don't know whether it's Councilman

00244

1 03/24/03 - Committee of the Whole
2 Cohen or Councilman DiCicco who wants to be
3 recognized. Who is that? Is that Councilman
4 Cohen?

5 COUNCILMAN COHEN: I'm glad I look
6 like Councilman DiCicco.

7 COUNCIL PRESIDENT Verna: Those
8 lights are on. You have your light on and you
9 have Councilman DiCicco's light on.

10 COUNCILMAN COHEN: Yeah. Well, the
11 reason I'm sitting here is that hearing at that
12 end is a bit difficult, and hearing here is much
13 better. And that's the reason I switched my seat
14 in DiCicco's absence. Also, it's nice to be
15 thought of as maybe looking like him, since he's
16 maybe two years younger than I am.

17 (Laughter.)

18 COUNCILMAN COHEN: First to
19 Mr. Nevels again, I always try to bring you in to
20 make sure that you're fully occupied.

21 Tell me, sir, how would you define
22 the role that the School Reform Commission plays,
23 in a way which would tell us why it's necessary to
24 take away control locally from the people of
25 Philadelphia.

00245

1 03/24/03 - Committee of the Whole

2 What does the School Reform

3 Commission do that a School Board composed from

4 Philadelphians and appointed, say, by the Mayor in

5 the usual fashion... What can you do that the old

6 School Board couldn't do?

7 As you see it. You've seen them in

8 action. You replaced them. Tell us what you

9 offer the people of Philadelphia.

10 MR. NEVELS: I believe what the

11 School Reform Commission offers, Councilman, is

12 the enumerated powers -- the exercise of the

13 enumerated powers under the law.

14 And that includes the ability to

15 have -- the ability in the past to have terminated

16 some contracts, to have made some of the sweeping

17 changes that you and I talked about last year.

18 I know that there were some concern

19 and some questions as to the efficacy of the

20 School Reform Commission doing that. But that's

21 one of the -- But those powers that are set forth

22 in that legislation makes for a more powerful, if

23 you will, body to serve the City of Philadelphia

24 and to serve its children.

25 COUNCILMAN COHEN: But was there

00246

1 03/24/03 - Committee of the Whole
2 anything inherent in the lack of powers of the old
3 Philadelphia School Board to prevent them from
4 having done it? They issued contracts. They made
5 decisions the same way you did.

6 MR. NEVELS: I think that there was
7 a slight difference, I think that the --

8 COUNCILMAN COHEN: Could you speak,
9 sir, directly into the microphone?

10 MR. NEVELS: Sure. I believe that
11 the prior School Board did the best job that it
12 possibly could.

13 But I think that one of the things
14 to keep in mind is that there was a partnership
15 between the Mayor, the Governor, and the General
16 Assembly, that believed that the creation of the
17 SRC with its staggered terms, with the --
18 appointed by -- the use of the appointed powers of
19 the Mayor and the Governor to have five
20 individuals who were independent is, in fact,
21 something that allows -- and a being a smaller
22 body, as well, allowed us to be in a position to
23 be a little bit more managerially nimble than the
24 larger School Board. But I would defer to Sandra
25 Glenn, who has served on both bodies.

00247

1 03/24/03 - Committee of the Whole

2 I mean, the other thing is --

3 COUNCILMAN COHEN: All right. I

4 just wanted to make clear that in my judgment --

5 and the case is now before the Pennsylvania

6 Supreme Court -- I regard as absolutely essential

7 to a Democracy the right of the local community to

8 make the final decisions with respect to the kind

9 of education their children should have and who

10 should have the responsibility.

11 And for that reason, I will be

12 continuing my efforts to displace you, unless

13 you're named by the Mayor as a member. I would

14 have no objection to that.

15 But I do have objection to the State

16 claiming to be better able to run the Philadelphia

17 School System than Philadelphians.

18 So I understand your position. I

19 know it's difficult. And I do commend you, as I

20 did before, on the selection of Mr. Vallas.

21 That's the one action I know that you did that was

22 very good.

23 But I thought Mark Shed was very

24 good, but somehow he didn't seem to have the

25 ability that Mr. Vallas has to put everything

00248

1 03/24/03 - Committee of the Whole
2 together.

3 And I thought we've had a good line
4 of Superintendents since the days of Richardson
5 Dillworth, when he took it on, and we all thought
6 he was crazy after he was Mayor, to take on that
7 job. And he did it very effectively, but still
8 was not able to put the pieces together in the
9 same fashion as Mr. Vallas has. But I appreciate
10 your position.

11 Mr. Vallas, tell me, in all the
12 debates recently about public education, I believe
13 we're living kind of in a surreal world. We no
14 longer talk about the importance of income to a
15 family.

16 We no longer talk about the
17 supportive family structure. We don't talk about
18 the fact that low income people, where the kids
19 may not be able to get a breakfast in the
20 morning -- We expect everybody to perform at the
21 same level and to respond equally to the fine
22 efforts of the teachers and school systems, even
23 though they begin at such different points of
24 view.

25 Tell me in your judgment, is it that

1 03/24/03 - Committee of the Whole
2 the winds of repression and conservatism have so
3 enveloped the situation that nobody in recent
4 years has ever discussed, well, you know, we ask
5 the schools to do impossible things. We ask the
6 schools to educate --

7 MR. VALLAS: We do.

8 COUNCILMAN COHEN: -- just as well
9 the child of an impoverished single mother, who
10 maybe lives on welfare, and who may not even have
11 enough money for food and often can't send the kid
12 to school, because you know in Philadelphia you
13 have to pay transportation costs.

14 And SEPTA, even though it's a public
15 agency, doesn't care at all about the fact that
16 families often have to decide that this week
17 Johnny goes to school, next week Mary will go to
18 school because we can't afford to buy two tokens,
19 you know, to send them both to school at the same
20 time. Nobody even mentions that.

21 Nobody mentions the fact of the huge
22 unemployment that exists in the minority
23 community, and how difficult it is for parents to
24 give supportive services to their children, with
25 respect to the school activities, when they're

00250

1 03/24/03 - Committee of the Whole
2 worried about managing to put enough food on the
3 table. And sometimes they don't get enough food
4 to put on the table.
5 Tell me: What has happened in the
6 world? Do we really think we can develop a school
7 system that through its own services can equalize
8 those conditions? I'm wondering about that.
9 Or am I wondering, am I the only
10 what I call Roosevelt Democrat left in the world?
11 Nobody -- You know, so few people talk about these
12 economic conditions.
13 And yet it seems to me we expect
14 from the school system something that cannot be
15 achieved; that, in addition to the fine things
16 you're talking about doing -- and I think they all
17 deserve support -- I think we've got to talk in
18 terms of how do we get more employment.
19 And along that line, I think we have
20 a very practical approach. We've had testimony in
21 other hearings here about the building trades.
22 Seems to me the construction
23 industry offers the potential for many jobs to the
24 minority community. We talk about vocational
25 schools and their importance. We talk about

00251

1 03/24/03 - Committee of the Whole
2 training them for real jobs. We have all that in
3 the construction industry.

4 We spent years in the construction
5 boom, and the number of minority members in the
6 union that get work are about the same level when
7 I fought in support of the Philadelphia Plan 35
8 years ago, and nothing much has happened.

9 The same terribly low rate of
10 minority employment exists today as existed then.
11 So why doesn't the school system say, the real
12 people who ought to operate these apprentice
13 schools, that the... building trades unions,
14 various kinds: Cement masons, sheet metal
15 workers, builders, carpenters, electricians, at
16 least those four. There may be many more
17 apprentice schools, all supported by government
18 funds.

19 Why shouldn't that be run by the
20 school system? Because then you would have real
21 training. And then there would be a democratic
22 way of movement from training education, into an
23 apprenticeship program, into membership in the
24 union.

25 And then we would begin dealing with

00252

1 03/24/03 - Committee of the Whole
2 the problems that will make the whole school
3 system work. What would your thought be about
4 that? And how can we begin provoking discussion
5 saying: Look, we're limited in the school system
6 until we correct the housing, until we correct the
7 economic situation. We're limited in what we can
8 do. Because seems to me otherwise we're just kind
9 of smoking pot. Maybe we're doing it legally.

10 But aren't we living in a world of
11 imagination if we say it doesn't matter whether
12 you're poor, whether you eat or don't eat, or
13 whether your parents can afford to send you to
14 school. The schools are going to perform
15 miracles. What's your thought about that, sir?

16 MR. VALLAS: Well, let me respond by
17 saying that my job has been to come here and not
18 make excuses. And in other words, to not come
19 here before the City Council and to say: Woe is
20 me; I can't do anything unless Harrisburg gives me
21 more resources.

22 I mean, I'm absolutely -- I'm
23 genetically programmed not to do that. I can't
24 help it. There's a genetic chip malfunction
25 somewhere. But if there's a problem, we fix it.

00253

1 03/24/03 - Committee of the Whole

2 Now, there's no one who's worked
3 more aggressively, both at the local level and at
4 the national stage, for school funding reform.

5 Many of the reforms we instituted in
6 Chicago changed the whole dynamic about inner city
7 schools.

8 If you remember in 1989, 1990 Bill
9 Bennett coming through Chicago and saying, it was
10 the worst school in the nation. Let's voucher the
11 entire school system, public school system
12 nationally.

13 And then in '96 he showed up saying
14 that many things in Chicago, that we were doing in
15 Chicago, could be a model for the rest of the
16 nation.

17 I mean, six, seven years ago they
18 were debating whether or not a department of
19 education at the federal level should even exist.

20 Now in the last Presidential
21 election, Gore and Bush were trying to outdo each
22 other on who was more pro on education.

23 Now, am disappointed that the
24 education budget equals the cost of maybe two
25 aircraft carrier groups? Yes, absolutely. I

00254

1 03/24/03 - Committee of the Whole
2 mean, we don't invest as much in education. And
3 it's the greatest civil rights violation that this
4 country has experienced, the fact that it does not
5 provide all children with equal opportunities to
6 education.

7 And we're going to be as aggressive
8 as anyone, both lobbying both the State and
9 Federal Government, to get them to do more.

10 And when the Governor presents his
11 ambitious program for it, and he moves forward
12 with his initiatives, we're going to be as
13 aggressive as anyone lobbying for those
14 initiatives.

15 But that said and done, there are
16 two schools of thought. One school of thought is,
17 you cry poor and you ask for more. But that's
18 like crying wolf, because after a while everybody
19 says: Well, you've done it before; you've done it
20 before. What do you have to show for it.

21 And then there's another school of
22 thought that says you establish legitimacy, you
23 establish credibility, you demonstrate that you
24 can get the most of our your buck.

25 Because then when you ask for more,

00255

1 03/24/03 - Committee of the Whole
2 and then when you ask for more support, you're
3 speaking from a position of strength. You're
4 speaking from a position of credibility.

5 I subscribe to the second strategy,
6 which is to get this fiscal house in order; for us
7 to move forward educationally, for us not to make
8 excuses, for to us say: The schools are going to
9 get safer, and we're going to improve the
10 condition of the schools, and we're going to do
11 early childhood and after-school and summer school
12 and class size reduction, and retrain our work
13 force, and we're going to coordinate and with City
14 agencies and State agencies, to provide those
15 wrap-around services that many of our children and
16 their families need because they are economically
17 disadvantaged.

18 But I truly believe that by doing
19 that, we set the stage. We can make an even
20 stronger case when we go to Harrisburg. That when
21 people are voting on the Governor's ambitious
22 education agenda, as I'm sure it will be, people
23 are just -- people are going to vote for it,
24 knowing that when those education initiatives are
25 passed, and the money comes to this District, it's

00256

1 03/24/03 - Committee of the Whole
2 not going to go to pay patronage workers, it's not
3 going to go to fund positions that are not
4 impacting the classroom.

5 It's going to go into the classroom.
6 It's going to go for support services. It's going
7 to go so that we can have every child at risk in
8 early childhood programs. It's going to go in
9 extended day and extended school year, which is
10 critical to children who don't have the support at
11 home. It's critical that those children are
12 engaged in constructive supervisory activities?
13 You see what I mean?

14 So our whole approach toward this
15 has been to move our agenda forward, based on the
16 most conservative budget assumptions possible.

17 And the Governor, Governor Rendell's
18 first budget has afforded us an opportunity to do
19 that, but then to set the stage, to tell you:
20 This is how much we're going to do just with the
21 resources we have.

22 But when the Governor's initiatives
23 are successful or even partially successful, we're
24 going to do so much more, because we're going to
25 be able to tell people honestly and directly that

1 03/24/03 - Committee of the Whole
2 if you vote, if you vote for a school funding
3 reform package in Harrisburg, that money is going
4 to go to the kids, that money is going to go into
5 the schools where there's the greatest need, that
6 money is going to make a difference.
7 That's what this exercise is about.
8 That's what these tough decisions in this budget
9 is about. It's to set the stage.
10 I think that we make a clearer case
11 for the Governor's package, and we make a stronger
12 case for that package, and we become more of a
13 potent force for lobbying for that package by
14 being able to say: Our house is in order; we're
15 moving forward; but if the Governor is successful,
16 we're going to be able to move even that much
17 faster.
18 And I think that's the strategy that
19 we're taking. And it's not going to solve
20 everything, not until the Federal Government wakes
21 up and realizes that -- you know, that education
22 is indeed not only the great civil rights issue of
23 the 21st Century, but the great national security
24 issue of the 21st Century, because the competition
25 that we really face internationally is economic.

00258

1 03/24/03 - Committee of the Whole

2 And they're getting there, and
3 they're getting there slow. But I truly believe
4 that what we have done here, along with what the
5 Governor hopefully will be able to do at the State
6 level, will be able to take this school system to
7 another level.

8 Because we can talk about high
9 property taxes and wage taxes. But the thing that
10 drives parents out of this system quicker than
11 anything else or out of the City quicker than
12 anything else is poor quality schools.

13 And ultimately, for those who think
14 that this is just a strategy or program to make
15 our schools more attractive for those who would
16 leave, it's a rising tide lifts all boats.

17 If we expand the number of
18 opportunities so children and families don't have
19 to look elsewhere for quality education, then at
20 the same time we've improved the quality of
21 educational opportunities for those families and
22 those children who will never have an option to go
23 anywhere else.

24 COUNCILMAN COHEN: Well, I salute
25 you for your stubbornness in believing that you

00259

1 03/24/03 - Committee of the Whole
2 can do wonders, and you do do wonders.

3 And I salute all the teachers who I
4 think have really the toughest job in society,
5 because they're asked to take the children --

6 MR. VALLAS: Absolutely.

7 COUNCILMAN COHEN: -- as they exist
8 real life circumstances and develop people who are
9 going to be independent, who will be able to raise
10 their own families at a much better level than
11 current members of families can because of
12 economic conditions.

13 But I do think, in fairness to all
14 people involved in education, that more of us
15 outside of the education field ought to make clear
16 the enormous burden we're asking you to assume.

17 Now, I'd like to ask you one other
18 question. You're going to have a great deal of
19 construction work to do --

20 MR. VALLAS: Yes.

21 COUNCILMAN COHEN: -- under the
22 program that you have.

23 We're convinced -- I think a
24 majority of City Council is probably convinced
25 that unless some drastic action is taken, there's

00260

1 03/24/03 - Committee of the Whole
2 going to be no improvement on minority employment
3 picture.

4 I'm not talking about entrepreneurs.
5 I'm talking about the working people that perform
6 the work: The laborers, the electricians, the
7 carpenters, the cement mixers, all of the actual
8 work.

9 Nothing will happen unless there's a
10 changed policy. By changed policy we mean not
11 permitting people just to hire a contractor and
12 holding the contractor responsible.

13 Because contractors call the union.
14 And the union says, we have so many workers. How
15 many do you need? They will often say, well, we
16 don't have that many. We'll send you what we
17 have.

18 And we think there has to be a way
19 for government, in this case the School District,
20 to ensure there are representative minority
21 employment.

22 I think it ought to be much more
23 than the current numbers, that indicate the
24 diversity of Philadelphia --

25 MR. VALLAS: Yes.

00261

1 03/24/03 - Committee of the Whole
2 COUNCILMAN COHEN: -- because I
3 think there's a big bill that's owed for past
4 misconduct in limiting employment of minorities.
5 But I don't know whether you want to use the word
6 reparations or not. Some people get very
7 concerned about that word, and they have very
8 technical explanations.

9 But I think we ought to have goals
10 on many jobs of 50 to 75 percent, not just
11 representing for today, because minorities have
12 been denied so long. And by minorities, I mean
13 the usual minorities: African Americans, Asians,
14 Hispanic, women, all the groups that have been
15 barred.

16 But I would like to know: How are
17 you going to learn from the mistakes of the past?
18 Because the City is supposed to have had for a
19 number of years very specific programs.

20 MR. VALLAS: Mm-hmm.

21 COUNCILMAN COHEN: And we have
22 panels that will come before us and say --

23 MR. VALLAS: Yes.

24 COUNCILMAN COHEN: -- how they check
25 it out. And their results are vastly different

00262

1 03/24/03 - Committee of the Whole
2 than the results that seem to exist in real life.
3 And we'd like to know how --
4 MR. VALLAS: Sure.
5 COUNCILMAN COHEN: -- you're going
6 to deal with real life application.
7 Councilman Ortiz put a Bill in City
8 Council --
9 MR. VALLAS: Yes.
10 COUNCILMAN COHEN: -- some time ago.
11 And we're struggling with that.
12 And how do we get that kind of
13 protection so that everybody in Philadelphia
14 really feels that employment is open?
15 And when we go to minority
16 communities, there ought to be no more people
17 hanging around unemployed than there are in other
18 communities. But today that's not the case.
19 MR. VALLAS: Yes.
20 COUNCILMAN COHEN: What mechanism
21 will you put into place that will demand, say --
22 that demands adequate representation?
23 Will you be able to use your
24 vocational education people?
25 MR. VALLAS: Mm-hmm.

00263

1 03/24/03 - Committee of the Whole

2 COUNCILMAN COHEN: Or are you going
3 to demand some action for participation in the
4 apprenticeship programs?

5 MR. VALLAS: Well, let me respond by
6 saying, first of all, we will learn from the
7 mistakes of the past by taking the best practices
8 that we've used in the past with great success.

9 And as Councilman Ortiz has pointed
10 out -- and he certainly has checked me out with
11 people that he knows in Chicago -- the MBE-WBE
12 program in Chicago not only produced over 50
13 percent MBE-WBE contracts but over 50 percent of
14 individuals who worked on the construction sites
15 were minority workers.

16 In fact, 47 percent of the -- of the
17 skilled workers were hours -- This is based on
18 hours -- audited hours performed by minority
19 workers.

20 And over half the residents, because
21 we couldn't go beyond 50 percent because of
22 Constitutional limitations, were City residents.
23 So we've done this before.

24 Karen Burke and Chris Harris managed
25 these programs for me before in Chicago. And we

00264

1 03/24/03 - Committee of the Whole
2 will work to hit numbers that have not been hit
3 before. And you can take that to the bank.
4 But I will make -- I will provide a
5 copy of our -- a summary of our MBE-WBE strategy
6 and approach that -- among four or five things
7 that the Council has requested to all the members
8 tomorrow, so you will see that we do have a
9 strategy and a program in place. We've done this
10 before. We know how to do this.
11 You know, the biggest --
12 COUNCILMAN COHEN: Do you know how
13 do you deal with the numbers game when it's played
14 by the other side? Which is to have certain
15 selected groups that go from job to job so that
16 the number of hours worked may seem halfway
17 decent?
18 MR. VALLAS: Yes.
19 COUNCILMAN COHEN: But actually, the
20 employment is limited to a relatively small group
21 of people.
22 MR. VALLAS: Well, that works when
23 you only have a few jobs going on. But when you
24 have as many jobs as we have going on, believe me,
25 there's going to be a need.

00265

1 03/24/03 - Committee of the Whole
2 But we're going to audit. We're
3 going to audit job sites. We're going to -- And
4 all contracts will have provisions in them giving
5 us the ability to go in and to take appropriate
6 action. And we will be aggressive on this.
7 That's my commitment to you.

8 COUNCILMAN COHEN: Do you agree,
9 Mr. Vallas, to permit a Council Committee to meet
10 regularly with you to check on --

11 MR. VALLAS: Sure. Absolutely.

12 COUNCILMAN COHEN: -- to check on
13 the progress?

14 MR. VALLAS: Yes. Absolutely.
15 Alderman Ortiz is going to convene a meeting. We
16 will use that as an opportunity to --

17 COUNCILMAN ORTIZ: Alderman?

18 MR. VALLAS: Councilman.
19 I'm still saying the West Side, you
20 know, or the South Side. I apologize for that.

21 MR. NEVELS: It's his only
22 shortcoming.

23 MR. VALLAS: All right. Sorry about
24 that. I apologize. Almost. I almost got through
25 the whole day without -- You know, I'm still

00266

1 03/24/03 - Committee of the Whole
2 saying pop instead of soda. You know, I'm
3 struggling.

4 COUNCILMAN COHEN: Every time you
5 refer to Chicago, I have mixed feelings.

6 MR. VALLAS: I know; I know.

7 COUNCILMAN COHEN: Because I was in
8 the Convention in 1968, and I was among --

9 MR. VALLAS: I was in high school.
10 I was in high school in 1968. So -- But I will
11 tell you this --

12 COUNCILMAN COHEN: Maybe Chicago has
13 also reformed.

14 MR. VALLAS: I make reference to the
15 MBE-WBE, because we really had a startling record
16 of success there.

17 COUNCILMAN COHEN: Well, then, you
18 can lead the way because --

19 MR. VALLAS: Yeah. I think you'll
20 be very pleased.

21 COUNCILMAN COHEN: All right. Thank
22 you.

23 MR. VALLAS: But we'll be -- We'll
24 be meeting with the Councilman on his call. And
25 we'll be more than happy to subordinate ourselves

00267

1 03/24/03 - Committee of the Whole
2 to any Council oversight as you see fit.
3 COUNCILMAN COHEN: Thank you. Thank
4 you, Madam President.
5 COUNCIL PRESIDENT VERNA: Welcome.
6 The chair recognizes Councilman
7 Ortiz.
8 COUNCILMAN ORTIZ: Thank you, Madam
9 President.
10 I have to be sure because my wife
11 now is working in Harrisburg, and I have to go
12 pick up the kids from the Afterschool Program.
13 MR. VALLAS: Sorry.
14 COUNCILMAN ORTIZ: It ends at 5:00.
15 And I have to be there, because they each have
16 their things to do.
17 One goes horseback riding, one has
18 to walk Nilsa's dogs.
19 (Laughter.)
20 MR. VALLAS: Nilsa thought she was
21 going to get away without that.
22 COUNCILMAN ORTIZ: She is employed
23 by one of your staff person, one of the elite
24 persons in your organization. But I'm very glad
25 that both Nilsa and Tomas are in the places where

00268

1 03/24/03 - Committee of the Whole
2 they're at.
3 But you know, the thing is that I
4 believe you. Okay? I believe you.
5 How fast -- Give me -- I don't know
6 if they asked this.
7 MR. VALLAS: Yes.
8 COUNCILMAN ORTIZ: But a time line,
9 of the K to 3, and in terms of when do we expect
10 to see the class sizes in K to 3 drop --
11 MR. VALLAS: Yes.
12 COUNCILMAN ORTIZ: And then 4 to 8
13 drop down?
14 MR. VALLAS: Next year.
15 COUNCILMAN ORTIZ: Next year?
16 MR. VALLAS: Yes, next year.
17 In fact, in a couple weeks all the
18 School Districts will receive budget templates,
19 showing them how to consolidate resources and to
20 do class size reduction.
21 We've identified a number of schools
22 that have done it, and they're the model schools.
23 In fact, we're presenting all of our principals
24 with three or four class size reduction models.
25 COUNCILMAN ORTIZ: This will mean a

00269

1 03/24/03 - Committee of the Whole
2 huge influx of brand new teachers.

3 MR. VALLAS: Yes.

4 COUNCILMAN ORTIZ: And you know that
5 we've had quite a problem, in terms of the
6 recruitment aspect of teachers.

7 And what is the process that is
8 going to make -- Besides having somebody as
9 energetic and bright and together as Tomas Hanna
10 leading the charge, what are the things -- what
11 are the tools that Tomas is going to have, that is
12 going to make this recruitment effort as
13 successful as you want it to be, and that we are
14 not going to be here next March talking about,
15 well, you know, we had it but we couldn't recruit
16 the teachers; so therefore, 4 to 8 is not at the
17 level we wanted in terms of class size, and high
18 schools are not at the level we want in class
19 size.

20 MR. VALLAS: Well, fortunately for
21 us, through the leadership of Sandra Dungee Glenn
22 and through the leadership of Rosemary Grecco, who
23 co-chaired the --

24 COUNCILMAN ORTIZ: Oh, you got
25 three.

00270

1 03/24/03 - Committee of the Whole
2 MR. VALLAS: That's right.
3 COUNCILMAN ORTIZ: Rosemary is AN
4 incredible person.
5 MR. VALLAS: We came out with an
6 unbelievable. Of course, Tomas is tasked with
7 making sure that plan is implemented.
8 But let me ask Tomas to take you
9 through some of this.
10 COUNCILMAN ORTIZ: This was all
11 planned. I wanted him to get up here. That was
12 my next.
13 MR. HANNA: Councilman Ortiz, thanks
14 for asking. We think --
15 COUNCIL PRESIDENT VERNA: Please
16 identify yourself for the record.
17 MR. HANNA: Tomas Hanna, School
18 District of Philadelphia.
19 COUNCILMAN ORTIZ: Spell the last
20 name, please.
21 MR. HANNA: H-a-n-n-a. First name
22 T-o-m-a-s, accent on the a, if you're able.
23 What we're expecting, and frankly,
24 is the excitement that Mr. Vallas has brought to
25 the District, to say: We're going to provide

00271

1 03/24/03 - Committee of the Whole
2 reduced class size, is an instrument that will
3 also attract other folks.

4 Folks, there's also a sense of
5 mission to come to the District to follow a
6 reformer such as Paul Vallas, and what we're
7 attempting to do.

8 Those are two issues that don't cost
9 a cent. Well, reduced class size costs a cent,
10 but the notion, in terms of the outreach, doesn't
11 cost a cent.

12 What we're also expecting to do is
13 support teachers as they subsidize -- as we
14 subsidize their professional education. It's not
15 just coming into the District and saying, here's a
16 class, it's reduced class size, good luck.

17 It's about superior curriculum
18 materials that we rolled out last week. It's
19 about strong teacher support.

20 We're expecting to -- We will
21 implement what we call new teacher coaches. At a
22 10 to 1 ratio, new teachers are going to be
23 supported by an experienced coach.

24 One of the complaints that teachers
25 give us is, they walk out the door is, you didn't

00272

1 03/24/03 - Committee of the Whole
2 support me. You didn't help me in my classroom
3 when I needed that support.
4 This is an area that we're looking
5 to expand upon. And as we mention this, as our
6 recruiters go out and are talking to potential
7 teachers, what they're saying is, I've never heard
8 this level of support before. Huh. Okay. I need
9 to think about Philadelphia again as a district of
10 choice, not as a district of last resort.
11 Another issue that we're very
12 excited about is mandatory pre-service.
13 The other issue that comes to
14 mind --
15 COUNCILMAN ORTIZ: What does that
16 mean?
17 MR. HANNA: Mandatory pre-service is
18 that if Angel Ortiz -- if Councilman Ortiz is --
19 COUNCILMAN ORTIZ: You know me long
20 enough.
21 MR. HANNA: If Angel is going to be
22 a teacher at Shepherd Elementary School and he may
23 be coming from, you know, business, and wants to
24 become a teacher in the District, we have
25 historically secured emergency permits for Angel

00273

1 03/24/03 - Committee of the Whole
2 come in and teach, no background, no training
3 whatsoever.

4 Basically, it's pre-service training
5 for teachers, so that you have an expectation of
6 what to expect when you come into the classroom,
7 how to deal with issues of classroom management,
8 how to deal with the minutia of school operations
9 which, while important, are issues that many times
10 our teachers don't know how to negotiate this.

11 And we propose to do this this
12 summer, tie it to extend the day to summer school
13 programs, where new teachers will come in and be
14 paired up with a teacher in the summer.

15 In the afternoon this teacher would
16 go and work with these new teacher coaches,
17 preparing them in a course, as it were, so that
18 when September rolls around they're not
19 overwhelmed and we don't have that look in deer in
20 headlights when teachers come on board. And
21 that's something we get all the time.

22 So, in essence, summer training
23 support when they're in their classroom so that
24 they really get it, you know, in a wrap-around
25 fashion.

00274

1 03/24/03 - Committee of the Whole

2 COUNCILMAN ORTIZ: What's the cost?

3 And is there going to be any financial incentive,
4 in terms of the recruitment?

5 Because I like Paul's enthusiasm and
6 energy, too. But if I'm -- I'm at college in New
7 Jersey or NYU School of Education, or even Temple,
8 and I get an offer from Bryn Mawr.

9 And Bryn Mawr says to me: You have
10 training. You're going to have all of this:
11 You're going to have a brand new school. It's
12 going to be air conditioned. You're going to have
13 a football field, baseball field, all of that, and
14 you're going to have that support, plus you're
15 going to have this money here.

16 MR. HANNA: Mm-hmm.

17 COUNCILMAN ORTIZ: It puts a balance
18 there.

19 MR. VALLAS: Yeah. You know, there
20 are -- Let's face it: There are some districts
21 that are not going to be able to compete salary
22 wise, although I'll tell you, the budget that
23 we've laid out does provide for a salary increase
24 for our teachers that will at least exceed the
25 rate of inflation. So we have factored in some

00275

1 03/24/03 - Committee of the Whole
2 compensation increases.

3 It also does not -- It also holds
4 the line on health care costs to our teachers,
5 because an incentive that we can offer our teachers
6 is: We pay decent salaries but we still provide
7 you with health care -- we still provide you with
8 free health care. Okay?

9 Although we certainly try to manage
10 the utilization to make sure that there's
11 responsible utilization.

12 But there are going to be some
13 districts that are going to pay more than us.
14 There are also going to be some districts
15 surrounding this City and in the State that pay a
16 heck of a lot less.

17 We feel that if the teachers come
18 in, and we can subsidize their professional
19 development, we can put them in with mentors, we
20 can reduce their class size, and provide them with
21 that support, we're going to do a heck of a better
22 job retaining those teachers.

23 But we also feel --

24 COUNCILMAN ORTIZ: How do you deal
25 with the residency requirement?

00276

1 03/24/03 - Committee of the Whole

2 MR. VALLAS: No longer. It's no

3 longer required. Big obstacle removed.

4 COUNCILMAN ORTIZ: Right.

5 MR. VALLAS: But we're also going to

6 be doing national recruitment.

7 Right now we have the Teach America,

8 contract with Teach America, the National Teachers

9 Project.

10 In addition, we've just embarked

11 upon a program called The Ambassadors Program,

12 where we turn every single teacher in the school

13 system into a recruiter. We actually pay the

14 teachers a stipend for every teacher that they

15 recruit to this system.

16 But I'll tell you: On top of all

17 those things, the removal of the -- The changing

18 of the window for senior teachers to transfer, the

19 closing of that window June 30th, so that we can

20 tell new teachers what school they're going to go

21 and what class they're going to teach and what

22 subject they're going to teach, after June 30th,

23 and the elimination of leveling, which creates

24 some certainty in the school system for any new

25 teacher, because if you have -- If you don't have

00277

1 03/24/03 - Committee of the Whole
2 enough kids and you're going to lose the position,
3 guess who gets laid off first?

4 Those two provisions are going to
5 eliminate the second reason, the second most
6 important reason why teachers say they don't come
7 to our system. And that is, uncertainly as to
8 what school they're going to go to.

9 So, we think these things in
10 combination will allow us to fill these vacancies.
11 Because as I pointed out, we're going to need
12 three hundred and... and what is it 74? 374
13 additional teachers next year on top of the 500 to
14 600 we normally have to hire to fill existing
15 vacancies.

16 COUNCILMAN ORTIZ: How are we going
17 to make sure --

18 COUNCIL PRESIDENT Verna: Excuse me.
19 How many teachers presently do we have, and what
20 type of a shortage exists?

21 MR. VALLAS: You know, we always
22 carry probably about a hundred vacancies during
23 the year. Teachers leave every month. I mean,
24 there's always an exodus in and an exodus out. So
25 among the -- What's our total headcount?

00278

1 03/24/03 - Committee of the Whole

2 Among... There's currently 11,891
3 teachers in the system. And so, we carry about a
4 hundred vacancies.

5 But the larger issue for us is, we
6 also carry a much greater number of uncertified
7 teachers or teachers who have not completed their
8 certification.

9 Now, every year we need to
10 replace -- We have about five percent vacancies.
11 So every year we have between 500 to 600 positions
12 that we have to fill.

13 Next year when we proceed with our
14 class size reduction initiative, we will need
15 12,255 teachers. In other words, 364 additional
16 teacher positions will be opening.

17 So you can add that 364 to the 500
18 or 600 vacancies that we have. And we're going to
19 have to hire close to 900 teachers next year.
20 It's going to be a task. It's my challenge.

21 It's a challenge that I'm going to
22 have to meet, and you're going to be able to hold
23 me accountable for. But we think we've got the
24 mechanism in place to come close to hitting that
25 number.

00279

1 03/24/03 - Committee of the Whole
2 I'll also tell you one final thing.
3 COUNCILMAN ORTIZ: One thing.

4 Before I go, because I have to leave. How do we
5 make sure that teachers move into schools like
6 Shepherd, that we just don't get just the green
7 teachers, and that we maintain a certain amount of
8 competency, seniority, so that the poor school --
9 the school -- not the poor school -- the schools
10 in those areas that are not economically as well
11 off as others get a certain percentage of those
12 teachers that really are the top of the line?

13 MR. VALLAS: Well, two things.
14 First of all, alternative certification does give
15 us some flexibility to steer teachers to certain
16 schools, number one.

17 Number two, we're going to continue
18 to modify the bonus program which provides
19 financial incentives for teachers to locate in
20 certain neighborhood schools.

21 And then number three, the fact that
22 after June 30th there's going to be stability, in
23 terms of the identification of vacancies that
24 teachers can fill. I think that's also going to
25 help us recruit additional teachers.

00280

1 03/24/03 - Committee of the Whole

2 I will tell you this: You know,
3 clearly, the more experienced the teachers, the
4 greater the likelihood that the school's going to
5 be performing better.

6 But you know, not all the teachers
7 who elect to leave a neighborhood school and
8 exercise seniority and to move to maybe a safer or
9 more secure school are -- You know, they're not
10 always the best teachers in the system.

11 Most of the time they are quality
12 teachers, but sometimes, you know -- You know,
13 sometimes those teachers moving on is a positive
14 feature, because you want individuals teaching in
15 those tough neighborhood schools who are
16 committed, who want to be there, not those who
17 feel that they are stuck there.

18 COUNCILMAN ORTIZ: I agree with
19 that. Thank you. I've got to go. Thank you.

20 COUNCIL PRESIDENT VERNA:

21 Mr. Vallas, is this the first year that the
22 teachers are being offered free health care?

23 MR. VALLAS: No. No. We just --
24 Most School Districts have increased the cost of
25 their School District -- of their employee health

00281

1 03/24/03 - Committee of the Whole
2 care, through expanded co-pays and through taking
3 percentages out of their salary.

4 Our strategy is not to do that.
5 While we want to make sure that we're managing
6 utilization costs well, because obviously we have
7 to negotiate with health care providers to get
8 respectable health care rates, we do not plan on
9 going in and asking for a percentage of salary to
10 be dedicated to pay for health insurance.

11 So, we don't want to change -- Right
12 now there is no contribution other than the
13 co-pays. And right now our plan is not to require
14 a contribution. We're going to continue to
15 basically operate with no contribution required,
16 save the co-pays.

17 COUNCIL PRESIDENT VERNA: So that
18 would be for the over 12,000 teachers?

19 MR. VALLAS: Yes. Yes. Yeah.

20 And that allows us to provide a
21 bigger -- You know, I mean, it's -- In this day
22 and age of rising health care costs, it becomes --
23 It's an attraction for recruiting.

24 COUNCIL PRESIDENT VERNA: It's very
25 expensive.

00282

1 03/24/03 - Committee of the Whole
2 MR. VALLAS: It's very expensive.
3 It's very attractive for recruiting.
4 COUNCIL PRESIDENT VERNA: Councilman
5 Cohen, I believe Councilman Nutter has his light
6 on before you.
7 We start at 10:00 tomorrow morning.
8 We will call a break at 12:00, come back at 1:30,
9 and then from 4:30 to 7:00 p.m. we have the public
10 testimony.
11 MR. VALLAS: We'll have
12 representatives here for public testimony.
13 COUNCILMAN COHEN: Would you be
14 present?
15 MR. VALLAS: I sure would, if that's
16 the Council's will.
17 COUNCIL PRESIDENT VERNA: That's the
18 way it works.
19 MR. VALLAS: Okay. Absolutely.
20 COUNCILMAN COHEN: All right.
21 Because I have some questions referring to various
22 stories I've heard about privatization, whether it
23 increased or decreased.
24 MR. VALLAS: Mm-hmm.
25 COUNCILMAN COHEN: I have some

00283

1 03/24/03 - Committee of the Whole
2 questions about ROTC.

3 MR. VALLAS: Yes.

4 COUNCILMAN COHEN: What the plans
5 are. We see some items in the newspaper, but I
6 think we better start tomorrow, rather than
7 getting involved in any of those subjects tonight.

8 MR. VALLAS: We will also have the
9 background material, Madam President, that
10 individuals requested, the MBE-WBE, number one;
11 the information about the Zero Tolerance Policy,
12 number two.

13 We were asked for a more detailed
14 breakdown of the Capital Plan. That will be
15 provided, number three.

16 We have an organizational chart
17 which we can -- Is it in -- We have an
18 organizational chart which we will distribute,
19 number four.

20 I think you, Madam President, or one
21 of the other Councilmen or Women, asked for a
22 breakdown on how we're complying with No Child
23 Left Behind. We also have that.

24 So we will distribute that material.
25 And the fifth thing is, the one thing that

00284

1 03/24/03 - Committee of the Whole
2 Councilman Nutter suggested or recommended, was
3 that was the breakdown of the expenditure
4 reductions by category. And we'll either -- We'll
5 have all that material in a folder for the Council
6 first thing tomorrow morning.

7 COUNCILMAN COHEN: Would you be
8 able, sir, to tell us how easy or how difficult it
9 is for a retired teacher who is willing to respond
10 to the call for more teachers in return of
11 service?

12 Yesterday I had occasion to meet
13 with a fond retired person living in my community
14 for many years, who retired about three years ago,
15 when she pressed me so much, I was meeting with
16 her to fill a Committeeman's post politically.

17 She pressed me so much, I said: How
18 come you're not teaching again?

19 She said: Oh, so much red tape.

20 Now, I don't know whether that's
21 true or not or whether it used to be that way and
22 it's changed.

23 But I'd like tomorrow if somebody
24 could explain what it would take. Because in the
25 community where most of us are active, we may be

00285

1 03/24/03 - Committee of the Whole
2 able to help them recruiting teachers if we knew
3 what circumstances --
4 MR. VALLAS: Yes.
5 COUNCILMAN COHEN: -- we would have
6 to face.

7 Tomas and his team are coming up
8 with brochures for retired teachers.

9 And the goal here is this: As you
10 know, Majority Leader Purcell is pushing
11 legislation to eliminate the penalty, the
12 retirement penalty for teachers who retire and
13 then want to continue to teach.

14 We are going to move even faster
15 than the legislation, to contract out with retired
16 teachers. So, next year, any teacher that is at
17 retirement age and contemplating retirement, we
18 are going to offer an opportunity to continue to
19 teach in the system.

20 And they can take the retirement and
21 we will bring them on contract, and so allowing
22 them to continue to teach in the system. So
23 that's going to help us a long way.

24 But we'll get you the information
25 that you need and the number that you can call so

00286

1 03/24/03 - Committee of the Whole
2 any retired teacher out there that obviously meets
3 our standards and qualifications, because we're
4 just not going to -- You know, there's going to be
5 certainly a screening process for those retired
6 teachers who we allow to remain in the system.

7 But the bottom line is, there's
8 going to be a process. And that's going to help
9 us meet our goal of 900 new teachers. Hopefully,
10 the need will be less, because the top retired
11 teachers will elect to remain another year or two.

12 COUNCILMAN COHEN: Thank you.

13 COUNCIL PRESIDENT VERNA:

14 Mr. Vallas, when does the School Reform Commission
15 going to be meeting regarding the proposal of
16 closing some schools?

17 MR. VALLAS: April 19th. And we
18 have -- Just to give you update obviously we've --
19 We'll probably be finalizing our recommendations
20 within the next week.

21 And while we've already made a
22 decision to close Walton, and we've made a
23 decision to close Ellison, although we're going to
24 phase out that middle school -- Alverson, even
25 though we're going to phase out that school, as

00287

1 03/24/03 - Committee of the Whole
2 opposed to just close it all at once, because that
3 is a middle school. And we just don't want to
4 transfer middle school kids to another middle
5 school.

6 We're still finalizing our decision
7 on Durham and Stanton. And as you may be well
8 aware of, we met with the Stanton community last
9 Saturday at the Marian Anderson Fieldhouse, to
10 basically look at some other options.

11 But within the next week, I'll be
12 making my recommendations. I will communicate
13 those recommendations to you, Madam Chair -- Madam
14 President, before we put anything out publicly.
15 April 9th? April 16th. But April 16th is when
16 the issue has to go before the Reform Commission.

17 COUNCIL PRESIDENT VERNA: Thank you.
18 Yes, Councilman Cohen.

19 COUNCILMAN COHEN: A question,
20 Mr. Nevels. A complaint I get about the School
21 Reform Commission is it's meeting is scheduled in
22 the afternoon instead of the evening.

23 A number of constituents have called
24 said they would like to get to know you, they
25 would like to get to feel as if they know other

00288

1 03/24/03 - Committee of the Whole
2 members of the School Reform Commission, they
3 would like to see you in action. They might want
4 to present issues, but they can't do it because
5 they're working. And 1 o'clock is very
6 inconvenient.

7 And I think in Philadelphia our
8 history and practice has been to hold meetings at
9 the time when the Philadelphia School Board
10 operated mostly in the evenings, to make it
11 possible.

12 So is there anything that can be
13 done to have meetings in the evening? I've never
14 understood and never had a good answer as to why
15 you meet in the afternoon. And I've tried very
16 hard not to say, well, I guess they don't want the
17 public to come.

18 I was trying to preserve a sense of
19 objectivity. So I've always said I'm going to
20 find out. And this is the time.

21 Could we have a change? Could we
22 have some meetings in the evening, maybe every
23 other one? I don't know -- I assume you're doing
24 it because of the convenience for the members of
25 the School Reform Commission.

00289

1 03/24/03 - Committee of the Whole
2 MR. NEVELS: No, not at all. In
3 fact, the tradition of the Philadelphia School
4 District and the old School Board, existing School
5 Board, was to have meetings at the appointed time
6 at 1 o'clock.

7 However, I do -- I am pleased to
8 tell you that there will be a series of meetings,
9 at least once a quarter, in which we will have
10 meetings in the field and in the evenings. So...
11 And, in fact, we -- at schools. So we will be in
12 the field. We'll be accessible. And we'll have
13 those meetings for the public to attend.

14 One thing I want to say to you is
15 that there is a great deal of debate among members
16 of the community that we found last year when we
17 were visiting the 70 schools.

18 Many people said they did not want
19 to have evening meetings, especially parents who
20 had the responsibility of child care in the
21 evening and preparing children for school the next
22 day.

23 So we are going to have a number of
24 meetings in the evening in schools. And the first
25 of those, I believe, will be in May.

00290

1 03/24/03 - Committee of the Whole

2 COUNCILMAN COHEN: All right. I
3 think my feeling would be there ought to be at
4 least once a month in the evening.

5 I think it's very important. I'm
6 now talking in your support and not in opposition.
7 If the School Reform Commission wants to be
8 regarded as a legitimate Philadelphia institution
9 as well as a State institution, I think it's got
10 to make itself much more available.

11 We're used to school members who are
12 not presidents of universities, not presidents of
13 major companies, but ordinary folk who come from
14 the community, and therefore we feel better
15 express the feeling of the community.

16 One way of achieving that with the
17 current membership, because you do have one or two
18 members that fit that regard, perhaps --

19 MR. NEVELS: I'm an ordinary guy.

20 COUNCILMAN COHEN: -- would be to
21 make them more available.

22 MR. NEVELS: Councilman, I'm an
23 ordinary guy.

24 COUNCILMAN COHEN: What's that.

25 MR. NEVELS: I'm an ordinary guy.

00291

1 03/24/03 - Committee of the Whole
2 COUNCILMAN COHEN: Well, I don't
3 know. I think you're responsible for Wall Street
4 thinking so highly of the school bonds.
5 I got a call from a stockbroker the
6 other day, commenting about a statement I had made
7 about business. Business frequently may not like
8 statements I make. And he said something about
9 the school bonds, why don't I buy a school bond?
10 I said, we'll I'll buy a hundred
11 dollars worth of school bonds.
12 He said, you can't. He said, you
13 got to buy at least 5,000; and I'll tell you,
14 you've got to pay a heavy premium.
15 I said, what's the premium?
16 He said, well, it's \$113 for every
17 hundred dollars of face value.
18 I said, well, that's a refreshing
19 change.
20 There was a time when the school
21 bonds were almost worthless in the mind of the
22 public.
23 He said, well, they're very much in
24 demand.
25 So, again, I think that's a tribute

00292

1 03/24/03 - Committee of the Whole
2 probably to you, because they know you're in the
3 finance business, and they feel very comfortable
4 with the way in which the finances are being
5 handled, apparently.

6 MR. NEVELS: You give me too much
7 credit, but I'll take it.

8 COUNCILMAN COHEN: So I want to
9 compliment you on that, too.

10 But I really think to get the -- I
11 think it's important, because I don't know how
12 long our law cases are going to last. I don't
13 know what the ultimate outcome would be.

14 But I'd like to prepare for defeat,
15 as well as victory. And if we lose the law
16 case -- If we win the law case and your School
17 Reform Commission goes out of business, then we'll
18 have a Philadelphia Board.

19 But if we lose the case, you're
20 going to be in for quite a long time, and we ought
21 to get to know you better, and the people of
22 Philadelphia ought to feel more comfortable with
23 you.

24 And that's the reason for my
25 suggestion. I think you've got to find a way to

00293

1 03/24/03 - Committee of the Whole
2 be more available to people and to be more
3 customer friendly, in business terms, because your
4 customers of the people of Philadelphia.
5 And while you're here, and for as
6 long as you're here, we'd like you to do well.
7 And again, I want to salute you for
8 your wisdom in selecting Mr. Vallas. Thank you.
9 MR. VALLAS: For now.
10 (Laughter.)
11 COUNCILMAN COHEN: Thank you.
12 COUNCIL PRESIDENT VERNA: Thank you,
13 Councilman Cohen.
14 MR. NEVELS: Thank you for your
15 support.
16 COUNCIL PRESIDENT VERNA: Thank you.
17 The chair recognizes Councilman
18 Nutter.
19 COUNCILMAN NUTTER: Thank you, Madam
20 Chair.
21 Mr. Vallas, I have four items I
22 would like to ask if you would overnight into
23 tomorrow be prepared to talk about. I do not need
24 responses to these issues at the moment.
25 First, I want to follow up on an

00294

1 03/24/03 - Committee of the Whole
2 item that you and I discussed not too long ago.
3 You made reference to it in your opening comments
4 this morning, but among a number of things. But
5 it certainly deserves more attention than we were
6 able to give it this morning.
7 You talked about summer jobs or jobs
8 in general. I'd like to explore with you the
9 prospect of offering some kind of youth job tax
10 credit to businesses in Philadelphia, to encourage
11 the employment of our young people.
12 We can talk about the age ranges.
13 We can talk about how much might be available,
14 especially in a pilot program for this year, but
15 creating some additional incentive to hire young
16 people in Philadelphia, as an additional
17 alternative to either being out on the streets or
18 just kind of hanging out in general.
19 Secondly, Councilman Cohen mentioned
20 it -- and I'm not sure, although I may have a
21 sense, but I don't want to prejudge where he might
22 be coming from on the issue of ROTC.
23 I saw a story in the paper last
24 week, which I assume was also tied into, to some
25 extent the current war effort. I have my own

1 03/24/03 - Committee of the Whole
2 perspectives on the advantages and opportunities
3 of young people learning about discipline,
4 responsibility, and public service, having nothing
5 to do with war and conflict and battles, and the
6 like.

7 I think that all of those lessons
8 are important for young people to learn,
9 regardless of what they might do in their
10 post-secondary education.

11 Third, there was a bill and a
12 resolution and a ballot question, ultimately
13 approved by the voters of Philadelphia in 1999.
14 This is in the context of when we did have a Board
15 of Education in place.

16 It did a number of things, the most
17 prominent of which was allowing the Mayor to,
18 within a few months of being sworn in, to appoint
19 all the members of the Board of Education, which
20 had never been the case before.

21 One of the not so prominent features
22 of that legislation required two meetings
23 annually, to talk about education issues between
24 the Mayor, the then Board of Education, and the
25 City Council.

00296

1 03/24/03 - Committee of the Whole
2 That opportunity for an education
3 discussion, unlike this discussion which is
4 primarily budget based, not a tremendous amount of
5 education or operation discussion in budget
6 hearings.

7 We have not had the opportunity,
8 actually, to have that meeting or that requirement
9 fulfilled. And so since that time -- And then
10 naturally we had to switch from the Board of
11 Education to the School Reform Commission.

12 I'd like to ask -- This is actually
13 probably more of Mr. Nevels' question -- if the
14 SRC would consider taking up that, quote unquote,
15 requirement. It is not a requirement of the SRC.

16 We cannot require the SRC to do
17 anything. But I think in the spirit of
18 partnership and cooperation, if you would take a
19 look at that and think about how we might take
20 advantage of what I think is a great opportunity
21 for us to work together and not officially see
22 each other once a year at budget time.

23 Lastly --

24 MR. NEVELS: We would welcome that
25 opportunity, Councilman, to sit down with the

00297

1 03/24/03 - Committee of the Whole
2 Council President and you, to discuss how we might
3 go about structuring that.

4 COUNCILMAN NUTTER: Thank you.

5 Lastly, Councilman Cohen raised a
6 question about daytime, nighttime meetings. And
7 there has been that history and tradition in
8 Philadelphia, with -- I believe my recollection
9 is, actually, daytime board meetings, as well as
10 some nighttime board meetings.

11 And whatever the community's
12 response is to either is certainly fine with me.
13 And there will be no one time that is convenient
14 for anyone.

15 What I would like to encourage --
16 and I know that both Mr. Nevels and Mr. Vallas and
17 many of us talk to business people on a regular
18 basis. And whatever time the meetings are, and
19 specifically the daytime meetings of the Board or
20 Home and School Association meetings,
21 parent-teacher conferences, pick up the report
22 card and the like, I think that the business
23 community and our parents would probably benefit
24 from a bit of a push or an encouragement by you,
25 Mr. Nevels, and Mr. Vallas, with encouraging our

00298

1 03/24/03 - Committee of the Whole
2 business community to emphasize and support our
3 parents in their need and interests, to
4 participate in their child's education.

5 And whether that is within reason,
6 the opportunity to either leave work early, to go
7 to various meetings in support of their child --
8 I'm not saying leave work early to go hang out
9 somewhere or, you know, go have a cup of coffee.

10 But if you needed to go to a School
11 District meeting or a board meeting or something
12 else, involving your child, that the businesses
13 actually encourage their workers to go to those
14 meetings, and that it's not a tremendous hassle,
15 that it's not a pain, or you're -- you know, like
16 you're asking to, you know, take a week of
17 unscheduled vacation off.

18 It's usually only for an hour or so
19 to go to these kinds of meetings. And I think if
20 the business community -- And I'm not saying
21 people are onerous about it. But I think if the
22 business community heard from the school community
23 that you want to encourage them to be cooperative
24 with our parents and encourage the parents to
25 participate in these kinds of functions, daytime

00299

1 03/24/03 - Committee of the Whole
2 or nighttime, that this becomes an important
3 business issue, so that we don't have situations
4 where you have 500 kids in the school and, you
5 know, 100 parents show up to get report cards.
6 I mean, I just kind of made those
7 numbers up. But you know what the numbers are.
8 And sometimes they're just not that tremendous.
9 That, you know, it's important to this community
10 that people pay attention to what's going on with
11 their child, and that the business wants to
12 support and encourage it.
13 Not to get into their day-to-day
14 details of their lives. But that as a business
15 community, that they're sending out a different
16 message, that if you need to go to a
17 parent-teacher conference or if there's some
18 burning issue over the School Board, go to the
19 meeting.
20 And, you know, we're not going to,
21 you know, put a bad mark on your personnel record
22 or dock you or all those kinds of things. Because
23 that's what people worry about. Thank you.
24 Thank you, Madam President.
25 MR. VALLAS: Well, let me respond

00300

1 03/24/03 - Committee of the Whole
2 just one... The whole issue of parent report card
3 pick up. Obviously, one of the things that we're
4 going to be looking at doing in this next contract
5 negotiation, if we -- assuming we can't reach an
6 agreement currently, is to try to get a parent
7 report card pick-up date, where, you know, parents
8 can come after work to pick up the report cards.
9 When, you know, you can only come up
10 till 3:00, 3:30 to pick up your child's report
11 card, that places them at a disadvantage.
12 One of the things that we did in our
13 previous life is, our parent report card pick-up
14 dates were always 12:00 to 7:00. So it would be
15 in effect like a open day, but parents could come
16 upwards to 5:30, 6:00, 7:00 to pick up their
17 child's report card and to talk to the teachers.
18 So it's also not only getting the
19 businesses to provide a break or to accommodate
20 parents, but the school is to open the doors so
21 parents can have an opportunity to come. But your
22 points are right on target.
23 COUNCILMAN NUTTER: The 3:00 thing
24 is a bit of a challenge for many of us.
25 MR. VALLAS: But you're right on

00301

1 03/24/03 - Committee of the Whole
2 target.

3 COUNCILMAN NUTTER: You can always
4 tell when report card day is around here because
5 there are a few of us are running out the door out
6 of hearings.

7 But I look forward to talking with
8 you more tomorrow about these issues. And thank
9 you for the information for today. Thank you.

10 Thank you, Madam chair.

11 COUNCIL PRESIDENT VERNA: Thank you
12 all so very much.

13 The Committee will stand in recess
14 until tomorrow morning at 10:00. Thank you.

15 (Hearing concluded at 5:00 p.m.)

16
17
18
19
20
21
22
23
24
25

1

2

CERTIFICATE

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I HEREBY CERTIFY that the proceedings,
evidence and objections are contained fully and
accurately in the stenographic notes taken by me
upon the City Council Hearing taken on March 24,
2003, and that this is a true and correct
transcript of same.

DAVID A. DEIK, RPR and
Commissioner of Deeds

(The foregoing certification of
this transcript does not apply to any
reproduction of the same by any means,
unless under the direct control and/or
supervision of the certifying reporter.)