

WILLIAM C. THOMPSON, JR.
NEW YORK CITY COMPTROLLER

TESTIMONY BEFORE THE EDUCATION COMMITTEE
OF THE NEW YORK STATE ASSEMBLY
REGARDING GOVERNANCE OF
THE NEW YORK CITY SCHOOL DISTRICT

250 BROADWAY, 19th FLOOR
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10:15 – 11:00 AM

Good morning, Chairman Nolan and members of the Education Committee....Thank you for giving me this opportunity to testify today regarding governance of the New York City School District.

I want to make clear at the outset that I have always supported mayoral control....But as the sunset of the law draws near, it is imperative that we review school governance as practiced under the Bloomberg administration.

This is a subject of great concern to me, not only as a New Yorker and a product of the New York City public schools...but because as Comptroller I am mandated to audit all city agencies.

Recent audits conducted by my office have found numerous failures in basic governance at the New York City Department of Education.

In the past two years alone our audits have found that the DOE:

- failed to monitor and track the provision of special education services effectively;
- failed to adopt effective controls to ensure that violent incidents at city high schools are reported to the State Department of Education;
- failed to provide both vision and hearing screenings in accordance with regulations due to lack of oversight;
- failed to exercise necessary controls over universal pre-K payments to non-public schools in Brooklyn and Staten Island; and,
- failed through its Office of Pupil Transportation to effectively record and follow up on school-bus-related complaints

Among my duties as the City's Chief Financial officer, I have also been particularly attentive to fiscal accountability at the Department of Education.

As many of you know, through my office's responsibility for registering City contracts, I play an important role in ensuring that the laws and regulations designed to encourage fair and open competition are followed.

Under the tenure of this Department of Education, however, the use of non-competitively-bid contracts has soared all out of proportion, with a cumulative total of close to 300 million dollars since Mayor Bloomberg entered office.

How did they get to this point? The DOE refuses to adopt a set of formal procurement rules similar to those followed by every other City agency – a process that is open and subject to public comment and accountability.

Contracts at all other City agencies are subject to the rules of the Procurement Policy Board, which takes a deliberative approach to developing policies under which the City procures goods and services....There is discussion, debate, and an open forum through which the public can comment.

This is a process that, while not always perfect, is at least transparent.

By contrast, since the Board of Education became the Department of Education, it has exploited a gray area in the law...one that allows it to treat itself as a State agency whenever it is convenient to do so...and then as a City agency when it is likewise convenient.

The Department has even taken the position that it is not required to register its contracts with my office if it does not want to – a position I obviously disagree with.

That is neither good government nor good public policy, and has led to a number of questionable contracts in recent years.

In May 2004, I recommended State legislation to make the Department subject to the same procurement rules as every other City agency....Rather than pass a new law, elected officials in Albany encouraged the DOE to work in good faith with my office to resolve the problem voluntarily.

And yet despite the best efforts of my office, the DOE has continued to process millions of dollars in contracts outside of the competitive bidding process....As you consider extending mayoral control, I urge you to make the New York City DOE transparent and accountable once and for all.

While there were many areas over which former Mayor Rudy Giuliani and I disagreed when I was President of the Board of Education, one thing we both adamantly pursued was accountability in our public education system.Indeed, such accountability was exactly what I was attempting to bring about when I pushed for a series of reforms in 1996.

As many of you will remember, at that time – some 25 years after the schools were decentralized in 1969 – the system was fragmented....Lines of authority were blurred, there was little accountability for educational failure, and local boards were mired in corruption.

We felt that if the Chancellor was to be held accountable for educational performance, then he or she must be given clearer authority....We stripped individual school boards of the responsibility for day to day operations of schools and gave that power to superintendents.

The Chancellor in turn was given a more direct role in the selection of individual superintendents and gained the authority to intervene in schools that were failing as well as to transfer or remove principals.

We mandated School Leadership Teams in every school – made up equally of parents, teachers and administrators – that injected more accountability at the school level.

In short, we laid the groundwork for a more centralized management of our public school system that helped clear a path towards mayoral control....But in doing so we prioritized two things that are currently missing from the current administration's approach – transparency and parental involvement.

As we look ahead to the sunset of mayoral control we should reauthorize the law, but we must reform and strengthen it.

While Tweed has trumpeted gains in test scores and improvements in city graduation rates, concerns over data manipulation have arisen....For the years 2003 to 2007, National Assessment of Educational Progress, or NAEP, tests have shown no gains in 4th grade reading, 8th grade reading or 8th grade math for black, white, Hispanic and lower-income students.¹

That is why I support using an independent body to audit test scores and graduation rates....If the public is to trust the city's claims of gains, we must remove both the incentive and the opportunity to manipulate results.

At the same time, parents, who have an enormous stake in their children's educational success, MUST have a true voice in the decisions that impact their

¹ And 4th grade math results reflect twice the number of students with accommodations than the administration initially acknowledged.

children's schools. ...Every study indicates that parental involvement equates with student achievement.

The DOE has failed to ensure that School Leadership Teams have an effective role in influencing school policy....Last year, the department's own Office of Family Engagement and Advocacy found that only 51 percent of the schools it surveyed have a functioning leadership team.

Indeed, most parents do not even know what School Leadership Teams and Community Education Councils are....I recommend that State Education Law require that all parents receive a brochure, translated into relevant languages when necessary, at the start of each school year explaining what these bodies do.

I also recommend that State law require that schools post their Comprehensive Education Plan – the school's blueprint for setting its goals and identifying specifically how it will achieve them – online, maintain a copy of the plan in the school's general office, and inform parents by letter where they can review the CEP.

We must also nurture the development of Parent Teacher Associations in our schools.

When the Chancellor's Parent Advisory Council asked the Chancellor in 2005 to publish a monthly account of how many schools have functioning PTAs, it received press coverage in the New York Times, but no response from Chancellor Klein.

It is high time for the DOE to begin publishing monthly tallies.

This failure to involve parents in the education policy process has reinforced a widespread perception that the department is arrogant and out-of-touch.

With its top-down approach, the current administration has sought to avoid debate and public scrutiny, while fundamental decisions regarding education reform have been made by executives with no education background.

The Department of Education has gone through three reorganizations in six years....As chief investment advisor to the New York City pension funds, I would identify a company that had gone through three fundamental reorganizations in six years as a high risk investment.

Let me be clear: mayoral control of the schools, when exercised wisely, is a means of bringing efficiency, transparency and accountability to decision-

making, but it was never intended to be a green light for unchecked executive power.

With greater authority and control also comes greater responsibility – responsibility to parents, responsibility to the taxpayers who help to fund our schools, and finally -- and most importantly -- responsibility to our kids, whose educational achievement and advancement are directly tied to the future economic growth and prosperity of our city.

That is an assignment we cannot, we must not, and – with the leadership and foresight of this committee and others – we *will* not fail.

Thank you very much.