

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON EDUCATION

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March 24, 2010  
Start: 10:17 am  
Recess: 02:23 pm

HELD AT: Council Chambers  
City Hall

B E F O R E:  
ROBERT JACKSON  
Chairperson

COUNCIL MEMBERS:  
Robert Jackson  
Charles Barron  
Lewis A. Fidler  
Helen D. Foster  
Daniel R. Garodnick  
G. Oliver Koppell  
Jessica S. Lappin  
James Vacca  
Albert Vann  
Fernando Cabrera  
Margaret Chin  
Daniel Dromm  
Karen Koslowitz  
Stephen Levin  
Deborah Rose

## A P P E A R A N C E S

## COUNCIL MEMBERS:

Mark Weprin  
Vincent Ignizio  
Eric Ulrich

## A P P E A R A N C E S (CONTINUED)

Joel I. Klein  
Chancellor  
New York City Department of Education

Photeine Anagnostopoulos  
Chief Operating Officer  
New York City Department of Education

Michael Mulgrew  
President  
United Federation of Teachers

Jeffrey Goldstein  
Special Assistant for Budgetary Affairs  
United Federation of Teachers

Ernest Logan  
President  
Council of Supervisors and Administrators

Santos Crespo  
VP  
Local 327

Barbara Edmonds  
Director of Field Services  
District Council 37

James Whiteman  
Member  
SEIU 32BJ

Joel Copperman  
Alternatives to Incarceration Coalition

Catherine LeClaire  
Director of Foundation and Government Relations  
New York City Ballet

## A P P E A R A N C E S (CONTINUED)

Ida Bullock  
Assistant Principal  
Daniel Carter Beard School

Adam Frank  
Science Teacher  
Daniel Carter Beard School

Elisabeth Garrett  
Education Policy Coordinator  
Coalition for Asian American Children and Families

Meg Kayman  
Acting Executive Director  
Young Women's Leadership Network

Kathleen Ponze  
Director of Education  
Young Women's Leadership Network

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2                   CHAIRPERSON JACKSON: Good morning.  
3 Today, the Education Committee will vote on Intro  
4 59-A which will require the Department of  
5 Education to distribute information regarding how  
6 to obtain a library card to students entering  
7 kindergarten, grade six, grade nine and to every  
8 new student entering the Department of Education  
9 for the first time.

10                   Let me introduce the members of the  
11 committee that are present here this morning. In  
12 the front, Fernando Cabrera from the Bronx, Daniel  
13 Dromm from Queens, Dan Garodnick of Manhattan,  
14 Jessica Lappin of Manhattan, Stephen Levin from  
15 Brooklyn and Eric Ulrich from Queens. To my left  
16 up top is Al Vann from Brooklyn, Margaret Chin of  
17 Manhattan. To my right is Charles Barron of  
18 Brooklyn, Karen Koslowitz of Queens and Mark  
19 Weprin of Queens.

20                   The New York Brooklyn and Queens  
21 Borough public libraries offer thousands of  
22 programs every year for children and teenagers,  
23 including after school homework and research  
24 assistance, and arts and crafts.

25                   Exposure to reading and language at

1  
2 a young age is crucial to a child's education and  
3 every child should have access to and be  
4 encouraged to utilize our public libraries.

5           Currently the Queens Borough Public  
6 Library reports that 45% of school aged children  
7 in Queens do not have a library card. While the  
8 New York Public Library reports that it issued  
9 library cards to only 28% of eligible children  
10 under 18 years of age in the five boroughs, the  
11 Department of Education has the capacity to  
12 provide every student with information about their  
13 local libraries.

14           Intro 59 was introduced and  
15 referred to the Committee on Education on February  
16 11, 2010. The committee held a hearing and laid  
17 the bill over on February 23rd, 2010. An  
18 amendment version of this legislation, proposed  
19 Intro 59-A will be considered by the committee  
20 today. We've been joined, on my left, by Deborah  
21 Rose of Staten Island. We've been joined by our  
22 colleague from Staten Island, Vincent Ignizio.

23           This bill was introduced by our  
24 colleague from Queens Jimmy Van Bramer. On the  
25 bill, Chair recommends an aye vote. We ask the

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2 clerk to call the roll.

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WILLIAM MARTIN: William Martin,  
Committee Clerk, roll calling the Committee on  
Education, Introduction 59-A. Council Member  
Jackson?

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CHAIRPERSON JACKSON: I vote aye.

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WILLIAM MARTIN: Barron?

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COUNCIL MEMBER BARRON: I vote aye  
and I request that my name be added to the bill.

11

WILLIAM MARTIN: Vann?

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COUNCIL MEMBER VANN: Aye.

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WILLIAM MARTIN: Garodnick?

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COUNCIL MEMBER GARODNICK: Aye.

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WILLIAM MARTIN: Lappin?

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COUNCIL MEMBER LAPPIN: Aye.

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WILLIAM MARTIN: Cabrera?

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COUNCIL MEMBER CABRERA: Aye.

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WILLIAM MARTIN: Chin?

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COUNCIL MEMBER CHIN: Aye.

21

WILLIAM MARTIN: Dromm?

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COUNCIL MEMBER DROMM: Aye.

23

WILLIAM MARTIN: Koslowitz?

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COUNCIL MEMBER KOSLOWITZ: Aye.

25

WILLIAM MARTIN: Levin?

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COUNCIL MEMBER LEVIN: Aye.

2

WILLIAM MARTIN: Rose?

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COUNCIL MEMBER ROSE: Aye.

4

WILLIAM MARTIN: Weprin?

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COUNCIL MEMBER WEPRIN: Aye.

6

WILLIAM MARTIN: Ignizio.

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COUNCIL MEMBER IGNIZIO: Aye and

8

I'd like to congratulate the sponsor on the bill,  
congratulations.

9  
10

WILLIAM MARTIN: Ulrich?

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COUNCIL MEMBER ULRICH: Aye.

12

WILLIAM MARTIN: Koppell?

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COUNCIL MEMBER KOPPELL: Aye.

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WILLIAM MARTIN: By a vote of 15 in

15

the affirmative, zero in the negative and no  
abstentions, item is adopted. Members please sign  
the committee report. Thank you.

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CHAIRPERSON JACKSON: We're going

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to leave the call open on this particular vote for  
half an hour.

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[Pause]

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CHAIRPERSON JACKSON: We will now

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move into the oversight hearing. Good morning

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everyone and welcome to this hearing on the

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1  
2 Committee on Education. This is our second  
3 hearing on the Mayor's Preliminary Budget for  
4 Fiscal Year 2011.

5 Today, we will review the  
6 Department of Education's \$18.8 billion  
7 preliminary expense budget for Fiscal Year 2011.  
8 Before I begin the rest of my opening statement,  
9 let me introduce my colleagues that are with us  
10 today.

11 Up top and to the right are Mark  
12 Weprin of Queens, Karen Koslowitz of Queens, and  
13 Charles Barron of Brooklyn. In back of me is  
14 Vincent Ignizio of Station Island. To my left is  
15 Margaret Chin of Manhattan and Al Vann of  
16 Brooklyn. In front, to my left, is Fernando  
17 Cabrera of the Bronx, Daniel Dromm of Queens, Dan  
18 Garodnick of Manhattan, Jessica Lappin of  
19 Manhattan, Stephen Levin of Brooklyn, Eric Ulrich  
20 of Queens, Oliver Koppell of the Bronx and Brad  
21 Lander of Brooklyn.

22 As was the case last year when we  
23 reviewed the preliminary budget for Fiscal Year  
24 2010, my emphasis is on the word preliminary. The  
25 budget projection is so uncertain that the

1  
2 administration has even released two versions of  
3 the preliminary budget. I say two because in my  
4 hand is what is considered the bad. And then this  
5 is the horrid here. So we have two versions, the  
6 bad which is pretty thick and the horrid which is  
7 pretty thin.

8           The bad shows the department's  
9 budget creeping up to \$18.8 billion. That's  
10 \$439.9 million or 2.3% more than the adopted  
11 budget for Fiscal Year 2010. Since the budget is  
12 growing, why am I calling it bad? It's bad  
13 because none of the new money is for public  
14 schools.

15           The school budgets have dropped by  
16 \$240 million. This drop isn't related to any new  
17 cuts or PEGs imposed by the city. It comes from a  
18 state move that took federal stimulus money booked  
19 for next year to plug the state's cuts made this  
20 year. The elimination of one year only, \$100  
21 million, city-funded, a boost to school budgets  
22 made at adoption last year and the further  
23 reduction in the estimate of state school aid for  
24 next year.

25           The bad includes a \$316.8 million

1  
2 PEG that rests on the assumption that the City of  
3 New York will reach labor settlements with the  
4 United Federation of Teachers and with the Council  
5 of Supervisors and Administrators that provide an  
6 average wage increase of about 1.8%. This would  
7 allow the Department of Education to avoid  
8 imposing further city budget cuts of schools. The  
9 likelihood of these pattern-breaking settlements  
10 is unclear, as is the Department of Education's  
11 contingency plan for savings.

12 The bad also includes tremendous  
13 spending growth: \$150 million more on charter  
14 schools; \$100 million more on special education-  
15 related services; \$53 million more on questionable  
16 bus contracts; \$134 million more on carter cases  
17 and contract schools; \$75 million more on special  
18 education pre-k programs and \$25 million more on  
19 food. The department cannot control much of this  
20 spending, but the department must ensure that  
21 these growing needs do not pull away resources  
22 from our public schools.

23 Now for the horrid; this is also  
24 known as the contingency plan for proposed state  
25 budget reductions. The horrid is everything that

1  
2 is in the bad plus an additional state budget cut  
3 of approximately \$500 million.

4 A cut of this magnitude could  
5 require schools to eliminate 8,500 teaching  
6 positions and approximately 7,000 by layoffs.  
7 That's about 16% of the basic number of teachers  
8 in our schools. Imagine how that would impact  
9 class sizes in our schools.

10 Unfortunately, it looks at though  
11 our schools cannot plan for the worst and hope for  
12 the best this year. Schools must plan for the  
13 horrid and hope for the bad. It doesn't sound  
14 like a good situation to me. It's been about two  
15 months since Mayor Bloomberg released the January  
16 plan. The administration expects the horrid  
17 scenario to be the absolute worst case scenario  
18 for the city and the Department of Education.

19 Today, I expect to discuss the bad  
20 and the horrid and the Department of Education's  
21 contingency plans. The Department of Education's  
22 operations are vast and education spending at  
23 almost \$23 billion, equal to about one-third of  
24 the city's entire budget.

25 What if the Department of Education

1  
2 loses another \$500 or \$400 or even \$300 million in  
3 state support? Are teaching jobs really the only  
4 place left for the budget cuts? Has the  
5 Department of Education again looked at its  
6 spending on service contracts? Can some cuts be  
7 focused on the Central Administrative Offices? Is  
8 there any way to provide special education  
9 students with the supports they need and contain  
10 spending at the same time or to seek alternative  
11 sources of outside support for mandated programs?

12           These are the tough questions that  
13 we put forward that must be considered. I would  
14 like greater assurance that the Department of  
15 Education is doing absolutely everything it can to  
16 protect schools from the budget axe.

17           Now remember, city and state cuts  
18 took more than one billion dollars out of the  
19 school budgets last year. And thankfully, the  
20 federal ARRA, the stimulus money, the American  
21 Recovery and Reinvestment Act, the funding poured  
22 about \$625 million into our schools. But there  
23 are fewer stimulus dollars left this year and the  
24 state cuts are growing. There has to be a limit  
25 to the cuts that schools can suffer.

1  
2 Does the Department of Education  
3 actually believe that schools can handle an almost  
4 \$500 million cut to student funding? Many schools  
5 are not able to operate on their school budgets  
6 allocated this year. Class sizes climbed  
7 appreciably this year. How big will the  
8 Department of Education let them go? The  
9 Department of Education must look everywhere else  
10 for savings, or for new revenue.

11 It's time even to look at basics  
12 and the untouchables. Can the Department of  
13 Education cut down on food waste in cafeterias?  
14 How much would that save? Can schools safety  
15 agents over time be reduced? Will that jeopardize  
16 the safety of our children? Can bus routing  
17 efficiency be improved without leaving children on  
18 the sidewalk in freezing weather? Can any special  
19 education mandates be relaxed without compromising  
20 services?

21 These are all questions that we  
22 need to consider. As I said, the Department of  
23 Education's budget is huge, more than one-third of  
24 the entire city's budget. But the spending and  
25 saving plan is, as I said in the beginning,

1  
2 preliminary. As we move towards budget adoption  
3 in June, I'd like to start hoping at least for the  
4 better. Let's hope that the Department of  
5 Education's budget outlook can move away from the  
6 horrid, go past the bad and start moving towards  
7 the better, in essence, the sunshine.

8           There's a lot of material to cover  
9 today. I'd like to turn to our chancellor and  
10 welcome him and his staff to the preliminary  
11 budget hearings of 2011. Before we do that,  
12 Chancellor, let me just ask our sergeant of arms  
13 to change the tape for the continue to vote. I  
14 can do it here? I'd like to continue the vote on  
15 Intro 59-A. We've been joined by our colleagues  
16 Helen Diane Foster and Lou Fidler, so we'd like t  
17 ask the clerk to finish calling the roll on Intro  
18 59-A.

19           WILLIAM MARTIN: Fidler?

20           COUNCIL MEMBER FIDLER: Aye.

21           WILLIAM MARTIN: Foster?

22           COUNCIL MEMBER FOSTER: Aye.

23           WILLIAM MARTIN: The vote currently  
24 stands at 17 in the affirmative.

25           CHAIRPERSON JACKSON: Thank you.

1  
2 Now, let's turn to our Chancellor, Joel Klein, to  
3 introduce himself and the other staff members and  
4 begin his testimony on the preliminary budget, the  
5 expense budget for the Department of Education for  
6 2011.

7 JOEL I. KLEIN: Thank you, Mr.  
8 Chairman, and good morning to you and members of  
9 the Education Committee. I appreciate the  
10 opportunity to testify here today about next  
11 year's budget. I'm joined by my Chief Operating  
12 Officer, Photeine Anagnostopoulos.

13 My Chairman, I think you framed the  
14 issues accurately and raised the right questions  
15 and I looked forward to engaging the discussion.

16 Today we, obviously as a city, a  
17 state and a nation, we all face great challenges  
18 that we're mindful of. While our economy has  
19 begun to show signs of improvement, our families  
20 continue to struggle and our City continues to  
21 confront tough choices. I am heartened by the  
22 steady progress our students and schools even in  
23 tough times, and we have had, as you've pointed  
24 out, some real belt tightening over the last  
25 several years.



1  
2 In our elementary and middle  
3 schools, the percentage of City students meeting  
4 or exceeding grade-level standards on our annual  
5 State math and English Language Arts exams has  
6 risen dramatically since 2002 when the Mayor took  
7 over, from 38% to 69% in English and from 41% to  
8 82% in math.

9 Perhaps more important, New York  
10 City's five boroughs have made more progress than  
11 any other county statewide during that period.  
12 When we started, our counties, without exception  
13 were in the bottom. Some of our counties now are  
14 closing in at the top of 62 counties when you  
15 count all of their Math and English Language Arts  
16 scores.

17 The same gains are mirrored at the  
18 high school level. Just two weeks ago, I'm proud  
19 to report, the State of New York announced that  
20 the City's progress in improving graduation rates  
21 had continued unabated, with our four-year  
22 graduation rate reaching a historic high of 6% in  
23 2009. Too low, but significantly better than what  
24 it used to be. After a decade from 1992 to 2002  
25 of stagnation flat at 50%, we've now seen eight

1  
2 consecutive years of growth. Since 2009, the  
3 graduation rate has risen by 12.5 points.

4 That means it's over three points a  
5 year, three points in real numbers, we're talking  
6 about somewhere in the neighborhood of 2,500  
7 students a year and that's reflected by literally  
8 10,000 more kids now going to CUNY than when we  
9 started in 2002. And the dropout rate has been  
10 cut in half.

11 If you compare our graduation rate  
12 to the graduation rates of the rest of the state  
13 over the same four-year period that the state  
14 keeps these numbers or to the other big cities in  
15 New York like Rochester. Buffalo, Yonkers or  
16 Syracuse, while we've gone up 12.5 points, they've  
17 gone up about 2.5 points in the same period. So  
18 we're doing five times better in that respect.

19 Obviously the numbers, while we're  
20 proud of the progress, don't remotely reflect  
21 where we need to be as a city or, indeed, as a  
22 state. We won't be satisfied until every child  
23 graduates from high school, prepared for success  
24 in college and careers. But I want to say to our  
25 principals, teachers, parents, and students,

1  
2 especially those who have really struggled in  
3 these tight times, they deserve great credit for  
4 their progress. It demonstrates that with hard  
5 work, innovation, and careful stewardship, and  
6 focusing on student achievement, it's true that we  
7 can do more with less.

8 Now for the budget situation, the  
9 past few years, as the Chairman said, have been  
10 difficult. And make no mistake; we're facing much  
11 greater challenges now, particularly with respect  
12 to State aid and the federal supports that the  
13 Chairman mentioned.

14 Last year, President Obama and  
15 Congress passed a federal stimulus package that  
16 substantially mitigated the hardships anticipated  
17 in our schools. At that point, we averted as many  
18 as 14,000 teacher layoffs because we were talking  
19 about over a billion dollars in real dollar cuts.

20 Unfortunately, because of our  
21 State's challenges, as the Chairman mentioned, the  
22 funding was front-loaded into the current fiscal  
23 year to plug holes in the State's own budget,  
24 meaning that we can't again depend on the same  
25 degree of federal support to insulate us from

1  
2 other funding shortfalls. And those shortfalls,  
3 no doubt are going to be significant.

4           When you consider the combined  
5 effect of the proposed reductions from the State,  
6 increases in non-controllable, non-discretionary  
7 spending, and a modest bump in City funding to  
8 help us cover a small portion of these mandated  
9 costs, we are looking at a preliminary budget gap  
10 of \$1.2 billion for the coming school year.

11           The Governor's budget effectively  
12 reduces our city nearly \$600 million through a  
13 combination of direct cuts and cost shifts. The  
14 magnitude of this proposed reduction would have a  
15 dire impact on our students. I know that, like  
16 us, many of you have been working to convince  
17 Albany to reconsider this proposal, and I thank  
18 you for that support. The papers are reporting  
19 today that the Assembly will at least begin to  
20 address this and I hope with your continued  
21 support we can close that gap, indeed eliminate  
22 any gaps whatever.

23           Under the Governor's plan, however,  
24 New York City would receive \$442 million less in  
25 State funding compared to this year in real

1  
2 dollars, not including changes in expenditure-  
3 based allocations such as transportation and food,  
4 things that we count on for reimbursement.

5           We are deeply concerned that the  
6 Governor's budget calls for freezing foundation  
7 aid at its current level. That means we won't  
8 receive any new dollars for the 14,000 additional  
9 students who are now attending our public schools  
10 and the more than 600 students who recently  
11 immigrated from Haiti following this year's tragic  
12 earthquake and have enrolled in our schools. That  
13 in essence represents another cut of \$80 million.  
14 We're not getting paid for the new and additional  
15 children in the system even though those children  
16 cost us.

17           The Governor's budget would also  
18 shift some costs for mandated summer school  
19 special education services from the State to the  
20 City. Since our schools are required to provide  
21 those services by federal law, we can't eliminate  
22 them. This will cut the City's education budget  
23 by another \$58 million or so. Earlier this week,  
24 the State Senate passed a budget resolution that  
25 would address that particular cost shift, but

1  
2 unfortunately, the Senate's budget resolution  
3 otherwise mirrors the Governor's plan with respect  
4 to education. So absent the \$58 million, the  
5 other things are essentially the same.

6 We're also, obviously like this  
7 Council, very disappointed that full funding for  
8 student Metro Cards was not restored in the  
9 proposed executive budget. Last year, the State  
10 all but eliminated its contribution to the costs  
11 of funding the Metro Cards, and the Governor only  
12 partially restored it this year. This reduction  
13 in funding could force families to pay thousands  
14 of dollars out of their own pockets toward their  
15 children's school transportation costs.

16 This is unfair, and in fact, the  
17 State provides aid toward student public  
18 transportation in other districts. New York City  
19 is upholding its end of this longstanding  
20 agreement to share the costs of funding and the  
21 state must contribute its full share as well.

22 Finally, the Governor has also  
23 proposed eliminating State revenue sharing  
24 exclusively for this City, while other counties in  
25 our state would experience cuts between one and

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2 five percent. This is utterly unfair.

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Education, as the Chairman has pointed out, makes up 34% of the City's total budget, eliminating revenue sharing, inevitably long-term is going to impact our schools in years to come.

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I have no doubt I can count on this committee and this Council's continued support in reaching out to our colleagues in Albany to seek revisions to the Governor's budget, and I urge you to engage your constituents in this vital effort as well. The State's fiscal challenges are real, but there is no excuse for a budget that treats New York City differently from other communities in our state.

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Here at home, this Council working with the Mayor have worked tirelessly to insulate our schools from cuts to the greatest extent possible, and on behalf of our students, parents and educators, I want to thank all of you.

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In January, Mayor Bloomberg and I identified a combination of new savings in our operating budget that allowed us to absorb a proposed mid-year cut to our agency without having

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2 to reduce school budgets. That was a big thing  
3 because I know the Council was concerned, as were  
4 we, about reductions midyear.

5 We achieved these savings by only  
6 funding one-third of the increase in compensation  
7 for DOE managers and sports staff that weren't  
8 unionized. So that meant we limited the raises,  
9 even in the face of a citywide patterns of 4/4 to  
10 2/2 with a cap of about \$2,800. In other words,  
11 people above \$70,000 were capped.

12 Subsequently, as the Chairman  
13 pointed out, the Mayor proposed that compensation  
14 model, similar to the one that we adopted  
15 internally with the United Federation of Teachers  
16 and the Council of School Supervisors and  
17 Administrators. The savings from that would save  
18 us \$160 million this year alone.

19 That move would also produce  
20 savings of \$357 million for next year, covering  
21 the fiscal year 2011 PEG from the January plan  
22 that would have largely been absorbed. So again,  
23 Mr. Chairman, I underscore that without that 2/2  
24 adjustment we would be down another \$357 million.

25 As in all years, however, we



1  
2 experience annual increases in contract costs and  
3 other mandated expenses such as special education  
4 and related costs, which are increasing rapidly.  
5 Based on preliminary estimates, our costs we  
6 anticipate will rise by \$600 million. This pays  
7 for things like increases in teachers salaries  
8 based on further education, seniority, increases  
9 in special ed costs, the costs of energy, et  
10 cetera, et cetera. That's where you get a total  
11 gap of \$1.2 billion when we combine our \$600  
12 million with approximately \$600 million from the  
13 Governor's budget.

14 In addition, we have pension  
15 obligations alone that have risen \$158 million,  
16 which obviously has to come out of the city's  
17 budget as well.

18 On top of this, we also fully  
19 intend to make further cuts to our central and  
20 field budgets, including a 5% head count that's  
21 planned for the current fiscal year. In other  
22 words, while we didn't cut the schools midyear,  
23 we're continuing to cut at central. This follows  
24 the 8% reduction that we took over the last two  
25 years, for a total administrative head count

1  
2 reduction of 13% since fiscal year 2008. In other  
3 words, we're actually reducing head count by 13%.

4 Let me be clear about that. While  
5 that's obviously a priority, we need to make sure  
6 that our HR staff is in place so that people can  
7 get answers to their questions about pension and  
8 health care. We need to make sure our payroll  
9 people are in check, that our computers are  
10 working, otherwise the system won't operate. So  
11 while we prioritize cutting dollars from outside  
12 the schools, at some point we will damage the  
13 overall work of the schools as well as of our  
14 department if we're imprudent about that.

15 These are consistent with our  
16 longstanding efforts, and I can document this, to  
17 drive money to our classrooms. Even though school  
18 budgets hold the lion's share of our department's  
19 discretionary funding, between 2008 and 2010, the  
20 central office spending was reduced by more than  
21 16%, while school budgets were only reduced by  
22 half as much.

23 This cut of \$116 million at our  
24 central offices followed a five-year effort to  
25 slash administrative spending even though during

1  
2 brighter economic times we had already redirected  
3 \$350 million.

4 All in, I think it's fair to say  
5 we've gone from about \$1.2 billion of central and  
6 field expenditure outside the school and cut that  
7 in half over the course of the last seven or eight  
8 years. We now spend approximately 3% of our total  
9 \$22 billion budget on central and field  
10 expenditures.

11 Half of our \$22 billion budget  
12 can't be reduced because of fixed costs such as  
13 pensions, debt service, mandated special  
14 education, energy, and leases to buildings that we  
15 pay. All in, principals manage approximately \$8  
16 billion dollars of our budget at the school level,  
17 and more than 85% of those dollars are for  
18 compensation costs.

19 That frames the discussion. About  
20 \$11 out of \$22 billion is locked down. It's like  
21 pensions and debt services. I've looked for  
22 relief on special education and other mandates,  
23 but right now federal law and state law are clear  
24 about those things. So \$11 out of \$22, of that,  
25 about \$8 billion goes to the schools and

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2 overwhelming, a little over 85% are for salaries,  
3 largely for teachers.

4

5 So what is the impact of the cuts  
6 on our city? It means that if these State cuts go  
7 through, we will be forced to cut back on core  
8 school operations in order to fill the budget  
9 hole. If the Governor's budget is implemented  
10 without accompanying legislative reforms to blunt  
11 the impact of those cuts, the situation will be  
12 stark indeed.

12

13 And here, I hope we never have to  
14 reach this point, but I am concerned given the  
15 state of the state and the economics of the state  
16 and the other costs I've discussed. I hope you'll  
17 support us on what I think would be necessary  
18 legislative reforms to address and ameliorate, not  
19 eliminate the impact of these large cuts.

19

20 And analysis in January showed  
21 under the current scenario, we anticipate having  
22 to layoff approximately 8,500 teachers.

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23 Yesterday, the Mayor's budget director instructed  
24 that we develop scenarios depending on what the  
25 state budget is when it's ultimately adopted. The  
26 worst case scenario, as the Chairman said, is

1  
2 undeniably severe. We'd be forced to layoff 15%  
3 of our math, English, science, and social studies  
4 teachers. To make the situation even more  
5 devastating, because State law, we would be  
6 required to execute layoffs strictly on the basis  
7 of seniority, without regard to the effectiveness  
8 of individual teachers or to their expertise.

9           This requirement known as last in,  
10 first out, simply fails to recognize school needs  
11 as well as differences in teacher effectiveness  
12 and the real impact that these factors have on the  
13 lives of our students. Instead, and I think this  
14 is a big mistake, last in-first out forces us to  
15 make all staffing decisions based on one factor  
16 alone, seniority.

17           Experience in the classrooms is  
18 certainly important and we value experience when  
19 it translates into real results for our students,  
20 but it's obviously not the only criteria we should  
21 consider. We have to take into account student  
22 achieve and current State law ties our hands from  
23 doing that.

24           In fact, if we were to lay off the  
25 most junior teachers, we'd have to eliminate even

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2 more positions. That would have a bigger impact  
3 on class size, with increases in average class  
4 size that could easily range from two to five  
5 students or more at individual schools.

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Last in, first out also creates the  
potential for downright operational chaos.

Layoffs would trigger a chain reaction of  
seniority-based bumping throughout the city. So  
if you have a junior teacher at P.S. 1 and that  
junior teacher is laid off, she may be more senior  
to a junior teach at P.S. 2. She can bump that  
math teacher if she's a math teacher. So what you  
get is this bumping musical chairs effect which is  
destabilizing across the board.

I would just ask the Council, if  
you were forced to layoff staff in your office, if  
that unfortunate contingency occurred, would you  
make that decision simply based on whoever was the  
most recently hired? What if that person was one  
of your most effective staff members, somebody you  
had indeed been recruiting for a long time? Or  
had expertise in an area that was particularly  
vital to the work that you're doing as a Council  
Member? If the Governor's budget is approved

1  
2 without accompanying reform to State labor laws,  
3 we would have to ignore all of those types of  
4 considerations and that will inevitably be harmful  
5 to our students.

6 Our preliminary analysis shows that  
7 every district and nearly every student and  
8 family-will feel the pain of these proposed  
9 layoffs. Hard-to-staff districts with high  
10 turnover rates and districts that have experienced  
11 significant enrollment growth and have hired many  
12 new teachers in recent years-will suffer the  
13 greatest.

14 As many as 21% of elementary and  
15 middle school teachers in District 7 in the Bronx  
16 could be laid off and, in District 2 on the Upper  
17 East Side, nearly 20% of elementary and middle  
18 school teachers would lose their jobs. That's an  
19 expanding district and we've had significant  
20 recent hiring there. The absurdity of seniority-  
21 based layoff rules spares no neighborhood.  
22 Families from all five boroughs will bear the  
23 brunt.

24 These cuts would bring tremendous  
25 instability to our schools and students. We would

1  
2 be forced to let go of outstanding teachers, some  
3 of whom have been working in our schools for as  
4 long as four years. Instead, we'd be forced to  
5 put longer-serving teachers in the classroom, even  
6 those who haven't had a teaching position in  
7 years. This is just wrong to do to our families  
8 and students who expect us to staff classrooms  
9 with the best possible teachers.

10 We might have to pull a math  
11 teacher who is achieving tremendous results  
12 helping over-age students get back on track and  
13 replace her with a teacher who has no experience  
14 with that population of struggling over-age  
15 students.

16 We might lose one teacher who is  
17 bilingual and plays a critical role in parent  
18 outreach while retaining another who speaks only  
19 English but has a few months more teaching  
20 experience than her colleague. Not only does this  
21 not make sense, it would also have a negative  
22 impact, dangerously so, on student learning.

23 We must, therefore, work together  
24 to change State law to provide school districts  
25 with the authority to establish a process for



1  
2 dealing with employee layoffs and allow  
3 principals, working with their School Leadership  
4 Teams, to determine which personnel are let go  
5 based on assessments of student need, as well as  
6 skills and qualities of the teacher.

7 Further reform of State law is also  
8 needed in the Absent Teacher Reserve Pool. Right  
9 now, when teachers are excessed for any reason,  
10 they are placed in that reserve pool-and remain on  
11 at full salary and benefits forever. Many of  
12 those teachers are very talented and quickly find  
13 jobs elsewhere, but some remain in the pool for  
14 years, literally for years, without being hired,  
15 indeed, often without even applying for a job.

16 On the first day of school this  
17 September, there were more than 1,600 teachers in  
18 the ATR pool and the majority of them remain there  
19 today even with a hiring freeze, for a total  
20 annual cost of more than \$110 million in our  
21 budget. And of those teachers, 500 have been in  
22 the pool for more than two years. This is true  
23 even after a hiring freeze was implemented and New  
24 York City had very few people come from outside  
25 the system, only in chronic shortage areas like

1  
2 special ed. Still, we're paying well over \$100  
3 million for an expenditure that we can hardly  
4 afford at this time.

5 In some cases, principals may have  
6 opted to leave a position vacant rather than  
7 hiring from within the ATR pool because they  
8 believed the available candidates were not well-  
9 matched to their students' needs.

10 In other cases, principals simply  
11 struggled to find candidates willing to apply for  
12 posted positions even though qualified individuals  
13 remained in the pool.

14 A 2008 study conducted by the New  
15 Teacher Project found that half of ATR teachers  
16 hadn't applied for a single vacancy through the  
17 City's online hiring system, even when hundreds of  
18 vacancies were posted. More recently, during the  
19 hiring freeze, I heard from frustrated principals,  
20 who proactively called dozens of qualified  
21 teachers from the ATR pool in an effort to fill  
22 vacancies, only to find that they got no response  
23 for their efforts.

24 We can't continue this. We need to  
25 do what other school districts have done, like

1  
2 Chicago, and put a limit on ATR teachers, on  
3 excess teachers, given them an opportunity to  
4 search for a job, but after a year, they would  
5 have to leave the system.

6           Additionally, in these tough times,  
7 we cannot afford to leave any available funding on  
8 the table. The Chairman mentioned this; we've got  
9 to look for every dollar, federal, state, city,  
10 that's out there. Now there's a "Race to the Top"  
11 going on. And New York State has the opportunity  
12 to get as much as \$700 million.

13           We were one of 16 finalists for  
14 these funds. But being a finalist is not  
15 sufficient. You don't get any money for being a  
16 finalist. We have got to make the most compelling  
17 case possible to support our application and to  
18 position our state and indeed our city to get the  
19 maximum advantage in round 2 if we don't make the  
20 final cut this time around.

21           I hope you'll join me in urging  
22 lawmakers to approve school reform initiatives  
23 that are being advocated by the president and  
24 secretary of education. Lifting the cap on  
25 charter schools, evaluating teachers' base on

1  
2 whether they're helping their students to learn,  
3 making it easier to remove ineffective teachers  
4 and again we'd be forced to lay off teachers,  
5 ensuring those who remain in classrooms are the  
6 very best, not merely the longest serving.

7 I give the president and secretary  
8 great credit for really focusing the nation on  
9 these core issues. We need to make sure that our  
10 city and our state are positioned to get the money  
11 that we need and also to enact the reforms that we  
12 need.

13 One other way to maximize benefits  
14 is for the state to permit us to use a portion of  
15 universal pre-K funds toward the costs of our  
16 current full-day pre-K programs and to open up  
17 additional full-day programs. The Council has  
18 been very supportive on this. We need to get this  
19 change in Albany. Our folks in New York need full  
20 day pre-k, not half day.

21 Last year, because of unused half  
22 day pre-K funds, we left \$20 million on the table.  
23 We need to fix that and get the flexibility,  
24 particularly in tough times, to make sure our  
25 parents have full day pre-k.

1  
2 Let me conclude by saying that it's  
3 absolutely critical that we work together to  
4 protect our students and schools. I know that in  
5 the course of hearing there will be some  
6 disagreements, policy disagreements, disagreements  
7 about funding, but it's really essential, given  
8 the challenges we face, that we work together to  
9 make sure we maximize opportunities for our  
10 children. We all want to shield them from any  
11 real harms. We're counting on your support for  
12 our agenda in Albany to ensure that our cuts, both  
13 direct and indirect, are reduced to the lowest  
14 possible level, and that they're implemented  
15 fairly, relative to other school districts in our  
16 state.

17 We also hope you will back the  
18 reform proposals that would get us additional  
19 monies without incurring costs to the State or the  
20 City. Thank you very much for your patience and I  
21 look forward to your questions.

22 CHAIRPERSON JACKSON: Thank you,  
23 Chancellor. Before we move on to questions, I  
24 want to continue to roll on Intro 59-A. That's  
25 the library. Clerk, conclude the roll.

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WILLIAM MARTIN: Council Member

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Vacca?

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COUNCIL MEMBER VACCA: Thank you,

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Mr. Chair. I vote yes and I ask that my name be

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added to the bill.

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WILLIAM MARTIN: The current vote

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is now at 18.

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CHAIRPERSON JACKSON: With that,

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the hearing and vote on Intro 59-A, concerning

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school libraries, is hereby closed.

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To continue on the preliminary

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budget of the Department of Education, Chancellor,

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as you know the MTA is meeting today in order to

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vote on their proposed budget reductions. But

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clearly we held a joint hearing on the Committees

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of Transportation and the Committee on Education

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along with even Monday the preliminary budget

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hearing held by the Committee on Transportation,

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we questioned the MTA regarding student Metro

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Cards and where we are with that.

22

I heard you in your statement make

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some comments on that. Can you tell us where we

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are with respects to this from the Department of

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Education's point of view? I know that many

1  
2 people have this on their minds, so that's why I'm  
3 asking it so we can just move forward after you  
4 respond to this and move on to other subjects.

5 JOEL I. KLEIN: Sure. Our view,  
6 Mr. Chairman which I think is the view of the  
7 Council on this issue is that our students need  
8 their Metro Cards. It's essential to the way we  
9 transport people in our city. We anticipate that  
10 these issues will be negotiated between the MTA,  
11 the state and the city and that it's going to be  
12 part of a larger and complex negotiation.

13 But from our point of view, it's  
14 absolutely essential that the cards be restored to  
15 our students. I believe the city has been  
16 faithful in paying its portion. The governor  
17 restored a portion to the state. I think he needs  
18 to restore more. But however those negotiations  
19 get worked out, it's essential that our children  
20 have these Metro Cards to get to school in our  
21 city.

22 It's so critical because one of the  
23 things we've done, we have so many schools where  
24 kids have to travel to, particularly in the middle  
25 and high school levels. This is essential. Many

1  
2 of our children are children who are Title 1  
3 children and so forth. So it's not like their  
4 families just have a lot of money sitting around  
5 to pay for the Metro Cards.

6 CHAIRPERSON JACKSON: Well clearly  
7 from the expressions at the joint committee, this  
8 issue was hot and heavy. It is clearly, I would  
9 think unanimous, that members of this City Council  
10 want our children to continue to have their Metro  
11 Cards and free access, knowing that average family  
12 cannot really afford to pay, if in fact that is  
13 the case. So we're going to be involved from the  
14 legislature in this process and we expect that our  
15 children will continue to have freed metro cards  
16 next year and henceforth.

17 I want to thank you and knowing  
18 that we do expect the Department of Education to  
19 do everything it can to push all of the parties  
20 involved in these negotiations to make sure we add  
21 to our goal so our children will continue to have  
22 free access to go to and from school and after  
23 school programs.

24 JOEL I. KLEIN: You have my  
25 commitment. Even if you can't see me because we



1  
2 are having to bob and weave a little bit here, you  
3 have my commitment.

4 CHAIRPERSON JACKSON: Thank you.

5 Let me turn to our colleagues for questions. Our  
6 colleagues, clearly because of the members that  
7 are on this committee, along with any other  
8 members, we're asking members to please within a  
9 five-minute timeframe of questions and response so  
10 that we can get everyone to ask at least a first  
11 round of questions within hopefully an hour and a  
12 half, or two hours. Let's turn to our colleague  
13 Charles Barron from Brooklyn, followed by our  
14 colleague Jessica Lappin from Manhattan.

15 COUNCIL MEMBER BARRON: Thank you  
16 very much, Mr. Chair. As you know, I am not a big  
17 fan of yours, nor the job that you're doing. I  
18 don't believe in the Madoff-mathematics that you  
19 come up with in terms of your statistics.

20 But you have had eight years, you  
21 and the Mayor, neither one of you are educators  
22 but you've had eight years and in those eight  
23 years we've had a sum total of allocating to you  
24 through state and city over \$100 billion. In the  
25 last three or four years, the budget has been over

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2 \$20 billion. When I came I think it was \$13 or  
3 \$14 billion.

4 So you have spent over \$100 billion  
5 easily. Given the responsibility of educating 1.1  
6 million and educatable children, every last one of  
7 them, and as we conclude all of that spending,  
8 we're talking about a graduation rate of 63%.

9 Many of us question that because some feel that  
10 students that don't meet graduation requirements  
11 are given projects so that they can graduate and  
12 it inflates the numbers.

13 Let me ask you this off of the top,  
14 what is the graduation rate of black and Latino  
15 students?

16 JOEL I. KLEIN: For black students  
17 for about four years it's about 58%, with the  
18 noses about 55%. That is up fourteen points from  
19 when we started and that's thousands of kids.

20 CHAIRPERSON JACKSON: What is the  
21 achievement gap? This is where there are some  
22 differences on numbers. There are many studies  
23 that say over the eight years the gap between  
24 blacks and Latinos and whites has not improved.  
25 That the achievement gap has been 20-22% according

1  
2 to independent studies. That after spending over  
3 \$100 billion there has been no movement on the  
4 achievement gap.

5 JOEL I. KLEIN: First of all, as  
6 you know, this is something I've talked about a  
7 great deal both locally and nationally. We saw  
8 each other at the National Action Network talking  
9 about this very issue. It is, to me, the civil  
10 rights issue of our time and it has long been an  
11 issue in America. In New York City, we haven't  
12 eliminated the achievement gap, we have closed it.

13 From 2005 to 2009, during that time  
14 when white nation increased by 10% African  
15 American and Latino increased by 14%. Now I would  
16 advise you, because I think these baselines  
17 matter, to take a look at the achievement gaps in  
18 other cities because I study them throughout the  
19 nation.

20 For example, there is no place  
21 right now you could point to where African-  
22 American and Latino graduation rates have gone up  
23 more than New York City in the last several years.  
24 I understand you want to dispute the numbers and  
25 we agree to disagree on that. Kids have to take

1  
2 the Regents, pass the test, take the exams,  
3 whenever you get good numbers people always tried  
4 to throw a little question.

5 But there is no question that from  
6 2002 to 2009 They are approximately 10,000  
7 additional from sixteen to over 25,000 kids going  
8 from graduating New York City to the CUNY schools.  
9 Of that 10,000, somewhere over 6,000 are African  
10 American and let me know. So their growth rates  
11 going to CUNY have gone up somewhere around 40 to  
12 60 or 70%. Those are real changes.

13 Now, I'm going to be clear with  
14 you. I am not remotely happy with where we are  
15 right now but I am proud of the progress.

16 CHAIRPERSON JACKSON: Well I am not  
17 remotely accepting your numbers be there, because  
18 there are numbers that dispute that. They say  
19 that the achievement gap has not closed at all.  
20 Those are scientific studies done by independent  
21 sources.

22 The other thing is CUNY and I'm  
23 glad you mentioned it. When I speak to CUNY  
24 college presidents because I'm the people's chair  
25 of CUNY still, even though there is a speaker's

1  
2 chair I'm still the people's chair, but when we  
3 speak of the CUNY students, well over 90% of them  
4 have to go to remediation, have to go to the  
5 community college.

6 The college presidents are livid  
7 with the quality of students that are coming out  
8 of the New York City Department of Education and  
9 going to CUNY. Many of them cannot pass the tests  
10 that can get them into the four year colleges. I  
11 am proud of the community colleges and they do  
12 great work, but you are not sending them students  
13 that are prepared for higher education.

14 JOEL I. KLEIN: I am not going to  
15 convince you on the numbers.

16 CHAIRPERSON JACKSON: That's right.

17 JOEL I. KLEIN: For those who are  
18 interest in the numbers that are real numbers and  
19 we can ask Chancellor Goldstein and he'll give you  
20 the numbers. He has talked about it publicly. In  
21 fact, the number of African-American and Latino  
22 students that are going to the four year colleges,  
23 and with no remediation, has gone up approximately  
24 40% over the course of the time.

25 CHAIRPERSON JACKSON: How many of

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the 6,000 that you say? When you say that, we know for a fact, and you can talk to Goldstein because I've spoken to him about this myself and we've had many discussions on this. That they are not satisfied with the quality of students that are coming two CUNY. They won't say this publicly because of Goldstein being their boss, but they have said that they are not satisfied with the quality of students that are coming.

So sometimes we distort things by saying up 20% or up 30% but we are talking about \$100 billion plus investment in education. You talk about other states but no other state has the money that you have. There is no state that has nearly the dollars you have to educate children. Let's move on.

JOEL I. KLEIN: Let's at least correct the record. Just let me correct the record because in fact two neighboring states--

CHAIRPERSON JACKSON: [interposing] Chancellor, excuse me one second. Council Member Barron, I've given you five plus one, so I have to move on.

COUNCIL MEMBER BARRON: Can ask him

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2 one last question?

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CHAIRPERSON JACKSON: We'll come back for a second round Council Member.

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COUNCIL MEMBER BARRON: Can I just do the last one?

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CHAIRPERSON JACKSON: Council Member, I have 20 members and only have two hours total. I really appreciate your cooperation.

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COUNCIL MEMBER BARRON: I just wanted to get you on Eva Moskowitz and we'll have that conversation.

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CHAIRPERSON JACKSON: Thank you, Council Member. Council Member Jessica Lappin of Manhattan please.

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COUNCIL MEMBER LAPPIN: Thank you, Mr. Chair. Good morning, chancellor, nice to see you. As you know, we have this year bigger wait lists in district two, particularly the east side, then we did last year. I have to say, I was somewhat genuinely surprised and disappointed because we did add the new P.S. 151 last year. I want to thank you for that, it has been a huge success. People are very excited about it in the community. We are adding the P.S. 267 this fall

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2 and people aren't as excited about it now as I  
3 hope they will be and certainly I think as they  
4 should be. I think it is going to be a great  
5 school.

6

7 But even with that added capacity  
8 and I know these numbers change by the day and by  
9 the hour, at around 270 children on wait lists for  
10 their zone schools on the Upper East Side. So  
11 when you reduce the new capacity you still have  
12 about 175 students which last year our peak was  
13 about 140.

14

15 Obviously that is very distressing.  
16 The emails and phone calls are pouring in from  
17 parents who are getting their letters. We're  
18 trying to ease the anxiety but it is hard because  
19 they really believe and I believe they have a  
20 right to send their children to their locally  
21 zoned school. So even though we have added  
22 capacity we are not there yet.

23

24 I really wanted to, both in terms  
25 of adding general education and gifted and  
26 talented, because so many of these children  
27 qualify for gifted and talented and they could  
28 relieve some of the locally zoned schools if they



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2 had options. I wanted to get your commitment  
3 today on working to that because we know we have  
4 to redistrict, but until we have the capacity to  
5 meet the need redistricting isn't going to go  
6 solve the problem. So I was hoping to get your  
7 commitment today to work together to add the  
8 capacity we need for these children.

9 JOEL I. KLEIN: First of all, let  
10 me thank you because last year and the year before  
11 you worked constructively and helped us in meeting  
12 this kind of challenge.

13 COUNCIL MEMBER LAPPIN: Thank you.

14 JOEL I. KLEIN: Finding the  
15 Catholic school, enabling the parents to and  
16 indeed encouraging them to go. I also agree,  
17 look, I'm getting the same emails and my heart  
18 goes out to these parents. They want to know that  
19 come the fall their child will be in a good  
20 kindergarten class and it's our obligation to make  
21 sure we do everything together to provide that.

22 I think you're right that you'll  
23 find three or four factors that'll work together.  
24 It'll take some effort. People need to be exposed  
25 to both the school we opened last year and the

1  
2 school that we're opening this year. It's just  
3 going to take a little time and people will go see  
4 it.

5           Second of all, this year by mid  
6 May, every one of those parents that are on a wait  
7 list will have an option. So if they know what  
8 their second place school is, they stay on the  
9 wait list but at least they'll be able to  
10 familiarize themselves and some of them will be at  
11 the Catholic school that we rented and so forth.

12           Third, this year, more students  
13 successfully got into the gifted and talented  
14 programs. That will help clear the list. But the  
15 short answer to your question is you have my  
16 commitment. Our offices are open and I know  
17 you'll be helpful because you have a demonstrated  
18 track record in that regard.

19           COUNCIL MEMBER LAPPIN: Thank you  
20 very much. So that brings me to the layoffs which  
21 you mentioned in your testimony. I did some quick  
22 math here with the help of my staff based on  
23 your enrollment this year of 3,842 children in  
24 East Side schools, if you figure one teacher per  
25 section and you laid off 20% of them, based on

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2 this year's enrollment and no next year, you would  
3 be looking at around 30 kids per class. You'd lay  
4 off about 128 teachers.

5

6 So when we just sort of talk about  
7 the fact that there isn't capacity, that around  
8 200 children may be on wait lists, we're going to  
9 cram them into schools that don't have space for  
10 them and then you're going to lay off teachers so  
11 that there are more than 30 kids in a class. I  
12 don't see how you can do that.

13

14 JOEL I. KLEIN: First of all, I  
15 hope we find ways through the Council, through  
16 Albany so we don't have to lay off teachers.  
17 Nobody here thinks that's a desirable thing. If  
18 we're going to have to do that, what I've asked  
19 the Council, and I don't want to be seen as saying  
20 it's a good thing because it's not a good thing.  
21 If we have to do that, we want to mitigate it and  
22 lay off as few as possible. But there are other  
23 expenditures we cannot control.

24

25 COUNCIL MEMBER LAPPIN: I  
26 understand that, but you singled out two areas in  
27 the Bronx and in District 2. Why those two areas?

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29 JOEL I. KLEIN: I singled them out

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2 for two reasons. To show that it will have an  
3 impact in certain communities. District 2, which  
4 has grown, just what you're talking about,  
5 enrollments have grown, so they've been hiring  
6 more teachers. And when you lay people off last  
7 in, first out, they go first. That's one  
8 scenario.

9 Communities that are more stable in  
10 terms of their enrollment, they'll still have some  
11 layoffs but there will be fewer layoffs.

12 COUNCIL MEMBER LAPPIN: I know my  
13 time is up, but we don't have room for these  
14 children physically and to then not have enough  
15 educators there in the classroom when we have the  
16 biggest growth, we need the most teachers.

17 JOEL I. KLEIN: We agree.

18 COUNCIL MEMBER LAPPIN: Thank you.

19 CHAIRPERSON JACKSON: Thank you,  
20 Council Member. Council Member Weprin, followed  
21 by Council Member Fidler.

22 COUNCIL MEMBER WEPRIN: Thank you,  
23 Mr. Chairman. Chancellor, it's good to see you.  
24 Thank you for being here. Just before I start, I  
25 was curious, in order to ameliorate the budget

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2 deficit, have you thought about a bake sale as an  
3 idea? Just an aside.

4

JOEL I. KLEIN: We do have them.

5

COUNCIL MEMBER WEPRIN: A

6 rhetorical question. You mentioned the reserve  
7 room, know as the rubber rooms, with 1,600 people.  
8 What can we do to speed that along? Aren't many  
9 of these people waiting for hearings? How do we  
10 get these hearings quicker? If a teacher deserves  
11 to be fired because of something that he or she  
12 did, I believe they should be gone. But I also  
13 believe they deserve a fair hearing.

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JOEL I. KLEIN: I agree with you.

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Let me just clarify any confusion I created. The  
1,600 number, those are not teachers in rubber  
rooms. Those are teachers that are what we call  
ATRs, which are teachers who didn't get rehired by  
anybody. That's a different problem. I do think  
they should have a period of time and if they  
don't get rehired then they have to leave. We  
can't afford teachers who basically don't have a  
teaching slot.

There are about 600 plus people in  
rubber rooms. I think there are two problems

1  
2 although we're working with the UFT to figure out  
3 ways to expedite this. People who are in the  
4 rubber rooms get paid until their case is  
5 adjudicated. So all the lawyering and everything,  
6 there is an incentive to drag it out and that  
7 happens a fair amount.

8           Second of all, we have an  
9 arbitration system unlike the rest of the city. I  
10 would prefer an oath system because you have full  
11 time people who are committed but the arbitrators  
12 obviously have their part time. So I think those  
13 two factors drag this out. I would like to see us  
14 expedite it. There is no reason we can't do these  
15 in a much more timely fashion. I believe that if  
16 we and the UFT work together there may be ways to  
17 improve this.

18           But in the end, for example, I  
19 don't have rubber rooms for my school aides.  
20 Because if they're terminated and they get  
21 reinstated, I have to pay them back pay with  
22 interest. That's a much better system than saying  
23 to people if you're an abuser you can sit in a  
24 rubber room for three years and get paid.

25           COUNCIL MEMBER WEPRIN: Understood.

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2 Obviously as fast as we can get those hearings  
3 done, the better. That will save us money and  
4 also help the schools. Just quickly, we talk  
5 about accountability of teachers and you talk  
6 about not having last in first out.

7           When you talk about accountability,  
8 my favorite subject has to do with standardized  
9 testing and I've always been of the mind that you  
10 base too much of whether a teacher is doing a good  
11 job on that ELA and that math score. One of the  
12 things that Arne Duncan talked about in his  
13 amendments to No Child Left Behind was making it a  
14 little more broad based in how we judge teachers.  
15 Is the Department of Education considering  
16 evaluations of teachers more to use those things  
17 where people review, watch a teacher teach, and  
18 use those type of things as well as the surveys  
19 which I think could be improved, but that's  
20 another hearing.

21           JOEL I. KLEIN: I welcome your  
22 thoughts on that. The answer is absolutely. I  
23 think there should be a variety of factors of peer  
24 analysis, supervisory analysis, but I also think  
25 progress not where the child starts, but progress

1  
2 should be part of that. That's what the secretary  
3 and the president are talking about.

4 COUNCIL MEMBER WEPRIN: I've always  
5 been more of a broad based judging. On the same  
6 subject of testing, the State of Georgia,  
7 according to "The New York Times" a few weeks ago,  
8 said that they have a computer program to screen  
9 for cheating on standardized tests. Councilman  
10 Barron and I on occasion have been skeptical of  
11 the numbers. In order to make people feel more  
12 confident that the numbers are legit, wouldn't  
13 that be a good thing to do here in New York City?

14 JOEL I. KLEIN: We did that and at  
15 one point people said we spent a lot of money  
16 looking at erasers. The controller looked at that  
17 and came up with zero instances of cheating, came  
18 up with two erasures and we had an independent  
19 analyst show it was because the child had left out  
20 one line and then went back and changed it.

21 It's a conundrum because if you get  
22 good numbers, which we've gotten terrific numbers  
23 in every which way until Sunday, if you get good  
24 numbers people want to say it's cheating. If you  
25 have cheating in a school of any dimension, if one



1  
2 teacher says to one kid and maybe that goes  
3 undetected, she says to ten kids the answer to  
4 number 11 is B, the kids tell their parents, their  
5 parents tell each other, et cetera.

6 COUNCIL MEMBER WEPRIN: I'm  
7 skeptical because Georgia did find a lot of this  
8 cheating. I'm skeptical that New York doesn't  
9 have a lot of it. No reflection on you  
10 necessarily, but I'm just saying it's human nature  
11 and especially when you put that much pressure on  
12 teachers. Let me ask one last question.

13 School trips, one of the big issues  
14 by me is they would like to be able to take trips  
15 outside New York City into Nassau County when they  
16 can show that it's a quicker trip for them than  
17 going into Manhattan or possibly going somewhere  
18 else. They're not allowed to get paid for it now  
19 because it's outside of New York City. Wouldn't  
20 it make it easier because sometimes they can't  
21 even fit the whole trip into the day because of  
22 traffic getting into Manhattan and out. Is that  
23 something we could look into to try to figure out  
24 a way if it's cost effective doesn't that make  
25 sense?

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2 JOEL I. KLEIN: I'm happy to look  
3 into it. I think there are legal constraints on  
4 it, but I'm happy to look into it.

5 COUNCIL MEMBER WEPRIN: Thank you,  
6 Mr. Chairman and thank you, Chancellor.

7 CHAIRPERSON JACKSON: Thank you.  
8 We've been joined by students from P.S. 506, the  
9 Global School of Journalism and Technology, a  
10 fourth grade class from Brooklyn. Welcome to City  
11 Hall. We also have another class. Same school,  
12 same grade, a different class, welcome. Now we  
13 will turn to our colleague from Brooklyn, Council  
14 Member Lou Fidler, followed by Council Member  
15 Daniel Dromm.

16 COUNCIL MEMBER FIDLER: Good  
17 morning, Chancellor.

18 JOEL I. KLEIN: Good morning.

19 COUNCIL MEMBER FIDLER: So many  
20 issues, so little time. I've said this to  
21 everyone who has sat here, these are the most  
22 preliminary possible budget hearings we could  
23 possibly have because of vagaries of both the  
24 state and federal budgets and the economy.

25 So I try to look at structural

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2 issues rather pick around the edges for what is  
3 clearly a disaster coming down the road here at  
4 DOE. It's difficult to do with DOE because the  
5 budget you present is in units of appropriation of  
6 billions and billions of dollars.

7

8 So I guess my first question to you  
9 is when are we going to get a DOE budget that's  
10 presented to the Council in a manner that  
11 organizations like IBO consider to be as required  
12 by the Charter that won't allow you to move  
13 literally hundreds of millions of dollars from one  
14 code to another with the sweep of a pen and no  
15 Council oversight?

16

17 JOEL I. KLEIN: We've met with the  
18 Council and the staff. We're happy to get you  
19 whatever level of details that you want. We'll  
20 sit down. There's no magic in all of this.

21

22 I can show you where the monies go,  
23 whether you call it a unit of appropriation. \$8  
24 billion I told you goes to the schools. It goes  
25 right to their budgets. I can show you the \$4.5  
billion that goes to pension and debt service.  
That's that. I can show you mandated Special Ed,  
related services. I'm happy to go through it at

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2 any level.

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4 COUNCIL MEMBER FIDLER: You can  
5 show that to me, Chancellor but the people of the  
6 City of New York who want to be able to look at a  
7 budget and perhaps criticize it and analyze it and  
8 maybe with the very limited power that that  
9 mayoral control law has left the legislature here  
10 which is the power of the budget might be more  
11 meaningful if the units of appropriation weren't  
12 in swaths that are as much as 7-8% of the entire  
13 City of New York in a single budget code.

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So there has go to be a better way  
of doing it that is much more charter compliant  
and it shouldn't have to be because you can show  
me. I have no doubt, Chancellor you can show me  
where ever dollar goes if we sit down and have an  
analysis. That's why I know you can also do it in  
units of appropriation in the budget that are  
meaningful.

So having said that, there are  
things we agree about and things we don't agree  
about, Chancellor, and the deputy chancellor was  
here for the capital budget hearing and a number  
of us engaged in a discussion about charter

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2 schools, so I'm not going to revisit that here.

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But suffice it to say that for this Council Member I'd sooner leave the "Race to the Top" money on the table in Washington than lift the cap on charter schools. I have very strong feelings about that. A number of us feel the same way.

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Where we can agree, Chancellor, is on the ATRs. I think it really makes no sense. Jobs aren't jobs for life unfortunately. If you're sitting in the ATR pool and haven't applied for a job in two years, I don't understand why the taxpayers of the City of New York should be paying you.

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I would suggest as to the rubber room and I would hope that everyone agrees that what we're doing now makes absolutely no sense. I would suggest that in areas like matrimonial law we have standards and goals. If a case doesn't proceed along the lines of those standards and goals, the judge must explain the good reason why. Perhaps that approach can be taken to disciplinary proceedings with teachers. Maybe that's a model that can be looked at so that we can expedite

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those cases.

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People shouldn't be sitting in the rubber room being paid for three or four years, especially those, and it takes 20/20 hindsight we'll find out, deserve to have been fired three or four years before. Those that don't, that's a real waste of assets and we need to get them back in the classroom if they didn't need to be fired.

The last thing I just wanted to run that to you when I asked for a response, you went on at great length about seniority and layoffs of teachers. I think you left out the other side of it which is that our most senior teachers have earned a higher pay level. By removing that requirement, by changing the state law in that regard, aren't you putting undue pressure on principals facing an extraordinarily tight budget to layoff their most experienced teachers because they will provide the greatest budget savings and leave them with extra teachers or extra ability to keep teachers regardless of their skill?

JOEL I. KLEIN: I think it's a reasonable concern that you raise. What I would propose, and this is why I think what the

1  
2 president and secretary are doing is so important,  
3 if we had real evaluation systems which now the  
4 state is talking about, it would be based on the  
5 evaluations.

6 But on the other hand, there is  
7 nobody who thinks that seniority alone is the way  
8 to decide rationally which staff you ought to  
9 retain and which staff ought to go. I also agree  
10 with you. You shouldn't punish people for  
11 seniority.

12 COUNCIL MEMBER FIDLER: I guarantee  
13 you if you had ten principals in the room and you  
14 confronted them with that equation and they did  
15 the math, you're incentivizing them under that  
16 system to get rid of their most senior teachers,  
17 their most expensive teachers. Chancellor, if you  
18 don't change the ATR rooms, you're not saving any  
19 money anyway. Is that correct?

20 JOEL I. KLEIN: No, during layoffs  
21 you do. If you lay people off that's one way you  
22 can, but you do it by seniority. They don't  
23 become ATRs.

24 On the other issues I think we can  
25 hold people harmless. We've done that for

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2 increased salaries. Also, schools are  
3 accountable, so people are not going to lay off  
4 their best senior teachers. I don't think that's  
5 going to be the risk. I think we could put in  
6 place a kind of hold harmless thing. What I don't  
7 want to do though is simply say the last teacher  
8 in P.S. 205 has to go whether she's the best or  
9 not. I think that's the mistake and that's what's  
10 currently required. It'll mean if she goes and  
11 she's more senior than the one at 206, that she  
12 bumps her out. And that's what we're looking at.  
13 I hope we can avoid it.

14 COUNCIL MEMBER FIDLER: I know we  
15 all hope that we can avoid the layoffs. I realize  
16 that some of these issues are beyond your control,  
17 my control or the mayor's control. Some of them,  
18 not all of them. You said you could put those  
19 systems in to protect senior teachers from that  
20 problem. I would suggest that at the same time  
21 that you're asking to be relieved of that legal  
22 obligation that you have that system in place,  
23 otherwise I guarantee you're incentivizing the  
24 firing of senior teachers.

25 CHAIRPERSON JACKSON: Thank you.



1  
2 Thank you, Council Member. Council Member Daniel  
3 Dromm of Queens followed by Council Member Al Vann  
4 of Brooklyn.

5 COUNCIL MEMBER DROMM: Thank you  
6 and good morning, Mr. Chancellor.

7 JOEL I. KLEIN: Good morning.

8 COUNCIL MEMBER DROMM: I too am  
9 very concerned, as are a number of other Council  
10 Members, especially in light of your testimony.  
11 What you are trying to do is to privatize our  
12 public schools and to do some union busting  
13 especially in light of the denial of seniority  
14 rights and the denial of previously negotiated  
15 contracts.

16 What I want to talk mostly about  
17 this morning is the ATR reserve. Those ATR  
18 teachers, why do you say in your testimony that  
19 further reform of state law is needed for the  
20 Absent Teacher Reserve pool? My understanding is  
21 that that was a UFT negotiated contract item, not  
22 state law.

23 JOEL I. KLEIN: It was negotiated  
24 but we would require changes in state law under  
25 30.28, the way people are dismissed from the

1  
2 system. Second of all, whatever collective  
3 bargaining agreements there are, there is nothing  
4 that prevents the state from saying that this is  
5 the right solution. That's what they did in  
6 Illinois. That's the practice they follow in  
7 Chicago.

8 COUNCIL MEMBER DROMM: But you  
9 negotiate in that contract that sets up the ATR  
10 pool.

11 JOEL I. KLEIN: Correct.

12 COUNCIL MEMBER DROMM: And it seems  
13 now that you didn't get it quite exactly the way  
14 you want it and now you want to circumvent the  
15 contract that you negotiated by going around and  
16 changing state law.

17 JOEL I. KLEIN: Again, that would  
18 be true of anything that I thought was right for  
19 the students in tough budget times. We negotiated  
20 that to eliminate a practice that we thought was  
21 critical which was the forced placement of some  
22 3000 teachers a year. The cost of doing that was  
23 to maintain the ATR pool.

24 My position and in my position now  
25 is there shouldn't be a perpetual ATR pool. But

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in order to do a deal we did the deal and we sustained it for three or four years. The economy has turned against us and the analysis shows that half of the people in the ATR pool don't even look for a job. And as Council Member Fidler has said we can't support that and we need to address the current economic realities. In a period of economic growth this might have been a little bit different.

COUNCIL MEMBER DROMM: Just to go back to what Council Member Fidler was saying also and his concern about laying off senior people. What is the percentage of experienced teachers in the ART pool?

JOEL I. KLEIN: It is a significant percentage and it is spaced along the different levels. In other words, you have a lot of very junior teachers because they get excessed and they're in the ATR pool. You've got the exact numbers here? Let me read you the numbers then.

The total number of teachers right now with fewer than two years is 28. Teachers with two to five years is 115. Teachers with five to fifteen years is 473. Teachers with 15 to 25

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2 is 343 and greater than 25 is 78. So it is pretty  
3 much a bell curve around the five to fifteen.

4

COUNCIL MEMBER DROMM: You're  
5 laying off or putting people into the ATR pool who  
6 are experienced teachers, who are your more  
7 experienced teachers in the public school system.

8

JOEL I. KLEIN: Some.

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COUNCIL MEMBER DROMM: A lot.

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JOEL I. KLEIN: Actually the junior  
11 teachers also get laid off, but they often get  
12 rehired.

13

COUNCIL MEMBER DROMM: Well when  
14 these teachers are placed in that ATR pool,  
15 they're placed there because they're excessed.  
16 What are the criteria that principals use to  
17 determine why they're excessed?

18

JOEL I. KLEIN: It could be a  
19 variety of things. Sometimes when a school is  
20 closed, sometimes when a principal decides they're  
21 going to phase out a particular area, and most  
22 traditionally they have to excess the youngest  
23 teachers in the license. That's the most  
24 traditional.

25

COUNCIL MEMBER DROMM: That

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2 decision could be rather arbitrary, in the sense  
3 that they can decide they don't want a position  
4 anymore in the school and they want to eliminate  
5 that and then this teacher who has 20 years  
6 experience or whatever falls into the ATR pool.

7           Then it's up for them after 20  
8 years of dedicated service to the school system  
9 that they then have to go around and start looking  
10 for another position in some school in an area  
11 where perhaps they were teaching a particular type  
12 of social studies that might not be available in  
13 another school or a particular area of expertise  
14 that might not be in another school as well.

15           It's a very difficult burden for  
16 teachers then to get up and try to sell themselves  
17 like that.

18           JOEL I. KLEIN: First of all, the  
19 large majority do. Most people who are excessed  
20 get rehired in our system. So that's not in terms  
21 of what happens. On the other hand, and again I'm  
22 happy to show you emails and other things, a lot  
23 of people say that people when they show up at the  
24 interviews say that they have no interest in  
25 working in their school but they were told to go

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2 interview in case anybody asked them.

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4 If you give people a period of  
5 time, again, if there are no budget cuts and we  
6 have the money we're happy to do it.

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8 COUNCIL MEMBER DROMM: I know that  
9 when the ATR contract issue came up originally you  
10 did offer an incentive to principals to hire them  
11 and many of them were, in fact, hired because you  
12 held the principals harmless in terms of the  
13 salaries. Have you continued to do that in  
14 subsequent years?

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16 JOEL I. KLEIN: Yes, we have.

17

18 COUNCIL MEMBER DROMM: And will you  
19 continue to do that as we move down the road?

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21 JOEL I. KLEIN: We will continue to  
22 do that. It goes back to the similar question  
23 that Council Member Fidler asked which is we're  
24 willing to hold people harmless so long as we can  
25 have rational exit strategies from the system.  
The system can't afford now, and nobody really  
thinks that every teacher really is in the system  
equal to every other teacher. In tough times  
we've got to make some prioritization. We will  
hold people harmless.

1  
2 COUNCIL MEMBER DROMM: That's good.  
3 On page seven of your testimony you say that the  
4 Obama administration has done things like  
5 evaluating teachers based on whether they're  
6 helping their students to learn and that's  
7 something that you want to do also. But hasn't  
8 that in fact been done in the public school  
9 system? The teachers are evaluated on that basis?

10 JOEL I. KLEIN: Not on the basis of  
11 value added numbers.

12 COUNCIL MEMBER DROMM: That's  
13 different though.

14 JOEL I. KLEIN: But that's what the  
15 Obama administration is talking about. They're  
16 talking about value added metrics, indeed, they  
17 put out specific guidelines saying that in schools  
18 that go through what they call a transformation  
19 model, which is schools that they say should be  
20 closed but you can keep them open, you've got to  
21 do these annual evaluations. You've got to reward  
22 the teachers who are getting better results,  
23 meaning greater student achievement and  
24 improvements and you've got to have sanctions for  
25 those who aren't. It's quite clearly spelled out

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2 and a lot of it is repeated in their recent  
3 blueprint.

4 CHAIRPERSON JACKSON: Thank you,  
5 Council Member.

6 COUNCIL MEMBER DROMM: What percent  
7 of teachers were rated U last year?

8 JOEL I. KLEIN: Very few.

9 COUNCIL MEMBER DROMM: So then it's  
10 not really going to make that big of a difference  
11 in the long run. What concerns me is just that  
12 oftentimes the burden for the school system is  
13 placed on supposedly bad teachers that don't  
14 really exist. Thank you.

15 CHAIRPERSON JACKSON: Thank you,  
16 Council Member. Council Member Al Vann of  
17 Brooklyn followed by Council Member Gale Brewer of  
18 Manhattan.

19 COUNCIL MEMBER VANN: Mr. Chairman,  
20 before you push that button, I wanted to commend  
21 the Chancellor for the support that he's given to  
22 Bernard Gassaway Boys and Girls High School. You  
23 met some of the initial needs. I know you're  
24 committed to doing the rest of it. I want to  
25 thank you for that. And I wanted to make you



1  
2 aware, if you don't know, that boys and girls won  
3 the PSAL basketball scholarship division two and  
4 you may not know that Bedford Academy, also in  
5 Bed-Stuy, won the PSAL basketball scholarship  
6 division A, and they also had a 97% graduation  
7 rate last year.

8           Having said that, now you can start  
9 the clock and I'll ask my questions. What is the  
10 fiscal impact on DOE as you close the large high  
11 schools and you create these small high schools  
12 and put them in that same building? Is there a  
13 fiscal impact?

14           JOEL I. KLEIN: There I a fiscal  
15 impact. It's at several different levels. When  
16 you create several additional schools, you have  
17 additional principals, sometimes additional parent  
18 coordinators. So, there is a cost, usually on  
19 average in a school, of about half a million  
20 dollars. On the other hand, under federal law,  
21 those schools and a lot of the schools we're  
22 closing are designated under federal law. Those  
23 schools that you end up phasing down get an  
24 additional \$2 million you can apply to the new  
25 schools.

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2           So there are tradeoffs. But if you  
3 don't get additional federal monies then the  
4 budget impact is to cost on a going forward basis  
5 additional money. Of course, given the results we  
6 get with our students, the number of students we  
7 graduate, the reduction of the drop-out rate,  
8 those costs are more than compensated in terms of  
9 the value of the education to the kids. But there  
10 are real costs.

11           COUNCIL MEMBER VANN: How do you  
12 accommodate the overflow of students in this  
13 scenario? The capacity of your small schools is  
14 not sufficient for the students that you lose in  
15 the large schools. For instance, you have a 4,000  
16 large school and you create three small schools  
17 and let's say hypothetically you're accommodating  
18 3,000, there are 1,000 students and where do they  
19 go? What do you do with them?

20           JOEL I. KLEIN: We have now created  
21 probably somewhere around 350 or 300 new small  
22 schools. Many of them have additional capacities.

23           COUNCIL MEMBER VANN: I'm talking  
24 high schools.

25           JOEL I. KLEIN: Right. Some of our

1  
2 larger schools have additional capacity. Then we  
3 bring in, as you said, new small schools. In all  
4 of these instances, we've done analysis showing  
5 how many seats we currently have that are unfilled  
6 in the communities that are affected where the  
7 students have gone.

8 One of the things that's surprising  
9 to a lot of people, and this goes back to the  
10 Metro Card thing, is how many of our students  
11 travel to go to schools in high school, and go out  
12 of their current zone or district or catchments  
13 area.

14 COUNCIL MEMBER VANN: Chancellor,  
15 we'll follow this up offline. I don't think I got  
16 an answer to my question on that one. So we'll  
17 discuss that issue. You seem to suggest that New  
18 York State may not be chosen in this first round  
19 in this competition for "Race to the Top". So  
20 you're betting on maybe the second round. Why is  
21 that? What is it that New York State is not doing  
22 that we're not being in competition for the first  
23 round?

24 JOEL I. KLEIN: If you look at the  
25 score sheet, there is 500 points. Commissioner

1  
2 Steiner and others have talked about this. There  
3 are some aspects to the proposal that are very  
4 strong and we certainly hope they get the money.  
5 However, there are things that we could do that  
6 would strengthen it.

7           Some of the things, for example are  
8 lifting the charter cap, which is 40 points are  
9 implicated in the application. Some of the issues  
10 are on teacher evaluation using data. New York  
11 State had a law that said you couldn't use value  
12 added data for teachers in making tenure  
13 decisions. Some of it is issues regarding last in  
14 and first out. Those are all things that would  
15 help strengthen the application.

16           A lot of independent analysts have  
17 looked at various applications from various states  
18 and have pointed to some of the things that would  
19 strengthen New York's position. If we have to go  
20 to a second round, we certainly hope that those  
21 actions will be taken, or indeed could be taken  
22 immediately so that they strengthen our  
23 application even as we sit here.

24           COUNCIL MEMBER VANN: And you've  
25 communicated to the state?

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2 JOEL I. KLEIN: I've communicated  
3 it and we're working closely with the state.  
4 They've been working very supportively on this.

5 COUNCIL MEMBER VANN: Chancellor,  
6 what are contract schools? Are contract schools  
7 and empowerment schools synonymous or are they  
8 different concepts?

9 JOEL I. KLEIN: No, contract  
10 schools are schools usually under special  
11 education where the services are provided by a  
12 private provider under the child's IEP, whether  
13 through lawsuit or otherwise. So we have a large  
14 number of contract schools that are part of the  
15 special education budget. Again, those are  
16 usually decided either through a contested fair  
17 hearing or possibly litigation and those are the  
18 carter cases that the chairman mentioned, or  
19 through an IEP that's worked out by the IEP team.

20 COUNCIL MEMBER VANN: Do you still  
21 have empowerment schools?

22 JOEL I. KLEIN: We have empowerment  
23 schools, yes. But they're not contract schools.  
24 They're public schools.

25 COUNCIL MEMBER VANN: Do they have

1  
2 the ability to make independent decisions for  
3 vendors or is it made centrally?

4 JOEL I. KLEIN: It depends on the  
5 vendor. On a lot of these things we have a list.  
6 So if they want to buy, let say professional  
7 development for their teachers from their  
8 particular program or that particular program,  
9 they have the discretion to do that. That's true  
10 of all of our schools. All of our schools have  
11 budgetary discretion over things like that.  
12 Typically it has to come off of an approved list  
13 of providers for that function.

14 COUNCIL MEMBER VANN: How about  
15 where they buy their fuel?

16 JOEL I. KLEIN: Fuel is central.  
17 We pay the whole thing.

18 COUNCIL MEMBER VANN: For all  
19 schools, regardless?

20 JOEL I. KLEIN: All schools.

21 COUNCIL MEMBER VANN: Thank you,  
22 Chancellor.

23 CHAIRPERSON JACKSON: Thank you,  
24 Council Member. I failed to mention earlier that  
25 we were joined a long time ago by Diana Reyna of

1  
2 Brooklyn and Vincent Gentile of Brooklyn. Now we  
3 turn to our colleague from Manhattan, Gale Brewer,  
4 followed by our colleague from Brooklyn, Stephen  
5 Levin.

6 COUNCIL MEMBER BREWER: Thank you  
7 very much. Thank you also for Frank McCourt High  
8 School. We're trying to make it happen and I  
9 think it'll be a good school. The same issues in  
10 District 2 exist in District 3 in terms of  
11 overcrowding and it's all over the newspapers  
12 today.

13 So my question is similar to  
14 Jessica Lappin. Elizabeth Rose has been terrific  
15 but if my calculations are right, with one school  
16 with somewhere between 111 and 125 who will be on  
17 the wait list, and I'm sure my phone will start  
18 ringing tomorrow when the letters reach this  
19 community. And another somewhere between 47 or 49  
20 and some say 55 in another school. It ends up, if  
21 you add up the new school that's coming and  
22 another school that people will have to go to even  
23 though they may not like it, there is something  
24 close to 40 families that won't have a place to go  
25 for kindergarten. How are we going to solve these

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2 problems when we have these new developments and  
3 not have schools that accompany them?

4

JOEL I. KLEIN: Again, we will and  
5 we're committed by mid April to giving every one  
6 of those families an option. They will have that  
7 as well as remain on the wait list. There will be  
8 a significant number of kids, and we know this  
9 from the past in 87 and elsewhere, that will go to  
10 gifted and talented programs. We worked through  
11 with your help the rezoning. I am happy to work  
12 with you on any new or additional ideas that you  
13 think would help us address this. I understand  
14 the concern of the parents and I can only imagine.

15

COUNCIL MEMBER BREWER: Number two,  
16 technology, and I know you didn't mention that but  
17 I know we just got a grant from Washington, thanks  
18 to your staff and some help from others. I want  
19 to make sure that every penny of that goes into  
20 the schools and not to administration.

21

JOEL I. KLEIN: I'll review the  
22 grant. I think the dollars are already decided.  
23 But when you say it doesn't go into  
24 administration, we will need people working with  
25 the schools.



1  
2 COUNCIL MEMBER BREWER: That I  
3 understand. I just don't want any extra money to  
4 go into administration and every penny to go into  
5 the schools because we worked too hard to get that  
6 \$22 million.

7 JOEL I. KLEIN: I agree. We're  
8 thrilled that we got the \$22 million. I'm happy  
9 to have Ted go through the grant line by line.

10 COUNCIL MEMBER BREWER: Bake sales  
11 are not your favorite topic, but they are my  
12 favorite topic. Are you going to change your  
13 policy on bake sales?

14 JOEL I. KLEIN: Currently, our  
15 policy actually was changed. There was never,  
16 under the chancellor's regs, there has never been  
17 a bar on bake sales and they have been one a  
18 month.

19 COUNCIL MEMBER BREWER: I know, but  
20 they need to be more often for students, et  
21 cetera. I don't want to debate it now, but I'm  
22 just saying it's something that you really need to  
23 look at more carefully. I think that we all want  
24 to have the proms and the sports. I'm urging you  
25 to please look at that even more carefully. Some

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of the parents who have the commitment of understanding what DOE's goals are, less obesity, quality food, et cetera. Can we really look at that?

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JOEL I. KLEIN: Sure.

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COUNCIL MEMBER BREWER: I'm trying to go fast.

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CHAIRPERSON JACKSON: Obviously that's a huge issue with parents all over the city, so we're looking towards holding a hearing on that.

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COUNCIL MEMBER BREWER: Yes, I agree.

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COUNCIL MEMBER BREWER: School food in general, I know that there are some PEGs and I think that the lunches and breakfasts are up in terms of the numbers, which is a good thing, but I want to know how much is thrown away in the cafeterias every day. What are we doing to curb the food waste? And of course, in my district and elsewhere, groups like Wellness in the schools are working really hard to improve. So what are we doing on a budget decision as well as some of these groups that have ideas about how to save

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2 money, keep personnel and at the same time serve  
3 higher quality food?

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JOEL I. KLEIN: We have been

working with various groups at multiple levels.

People have contacted us and we meet with them.

We implement some of their proposals. We hired an

executive chef who is working very hard. I'd be

happy to have Eric Goldstein sit down with you or

come before the Council and testify. We've been

highlighted in terms of the healthiness of our

food. It is a challenge and it goes back to the

question about obesity and so forth.

We face an enormous problem. The

First Lady of the United States has called this

problem out and so we're trying to serve

increasingly healthy food and trying to make it

more appealing to our students. We're working on

this all the time. We have a lot going on and I'm

happy to have you or the Council fully briefed.

COUNCIL MEMBER BREWER: Then

finally the issue of the outdoor play yards.

What's the status in terms of making more

available to the community and at the same time

making sure they're safe for the students?

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2 JOEL I. KLEIN: It's largely a  
3 question of costs of keeping them open and the  
4 safety issues throughout the city. I think it's  
5 clear, and I don't have the numbers but I'm happy  
6 to get them for you, that we have opened up more  
7 of the play spaces for community use and we  
8 continue to do that. If there is a specific  
9 school or community you're concerned with, let's  
10 sit down and talk.

11 COUNCIL MEMBER BREWER: Thank you  
12 very much.

13 CHAIRPERSON JACKSON: Thank you.  
14 Now Council Member Stephen Levin of the great  
15 borough of Brooklyn.

16 COUNCIL MEMBER LEVIN: Thank you,  
17 Mr. Chair. Thank you, Mr. Chancellor. I just  
18 have a couple of questions. I want to ask a  
19 little bit about the increase in the FY 11  
20 budgeting for debt service. The total proposed  
21 increase is \$439 million if that's correct and  
22 \$95.4 million, almost a quarter of that is for  
23 debt service. Can you explain to me exactly why  
24 that increase is happening and what steps the DOE  
25 is taking to try to reduce our dependence on debt

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2 service as it increases and ways in which we can  
3 control that?

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JOEL I. KLEIN: It's not  
5 controllable. That's the problem. They float  
6 bonds in order to fund our capital program. The  
7 council, working with legislature, put in place  
8 the most robust capital program, about \$13  
9 billion, several years ago. In order to fund  
10 that, you have bonds that get paid off. This is  
11 just a number in terms of OMB saying in this  
12 particular year to pay off the debt on our long-  
13 term credit obligations this is what it's going to  
14 cost us. This year it went up.

15

COUNCIL MEMBER LEVIN: Right. But  
16 there are ways in which the administration I think  
17 can look to reduce, I mean in terms of long-term,  
18 maybe not for this year, but ways to reduce  
19 skyrocketing debt service and ways to work with  
20 the Council. This is locked in for 30 years and  
21 there's nothing we can do about it?

22

JOEL I. KLEIN: I'm happy to have  
23 you talk to the people at OMB. They don't have I  
24 think discretion. Obviously they've got to worry  
25 about their bond rating if they keep trying to

1  
2 roll over debt. This is a tough time to float  
3 debt. This number from our perspective is  
4 absolutely uncontrollable, just like our pension  
5 number. It's based on OMB numbers. My guess is  
6 that it's not going to change. But if you have  
7 ideas that are fiscally prudent, I'm sure Mark and  
8 his team would be happy to talk to you about it.

9 COUNCIL MEMBER LEVIN: That's an  
10 awful large portion.

11 JOEL I. KLEIN: So is the pension  
12 number.

13 COUNCIL MEMBER LEVIN: I had spoken  
14 to a number of principals in my district and about  
15 a month and a half ago they were informed. They  
16 initially this year had budgeted for a one percent  
17 reduction and then were informed that that was  
18 going to be repealed, so they didn't have to budge  
19 for a one percent reduction. They were all very  
20 happy about that. Is that dependent on the UFT  
21 and CSA budget negotiations? I'm just curious  
22 because it just seems that that might be a  
23 negotiating tool used by the DOE.

24 JOEL I. KLEIN: No. So right now  
25 this school year is over in terms of the

1  
2 budgeting. I mean, anything could happen, but  
3 basically it's over. At the time, there was a  
4 reserve and this is the way the city does it,  
5 against future collective bargaining obligations.  
6 They're future. They haven't cut the deal yet.  
7 The projected growth was a 4% and 4% raise.

8           Based first on actions that we did  
9 with our managers and non-union people the city  
10 came back and said they think the correct reserve  
11 which is their best guess of the deal they'll  
12 negotiate would be 2 and 2. That freed up  
13 something like \$161 million this year and \$347 or  
14 \$51 million next year.

15           As a result of that, we reversed  
16 the PEG. If in subsequent years it turned out  
17 differently, then the city would have to change  
18 it. You can't make it this year though.

19           COUNCIL MEMBER LEVIN: I'm just  
20 wondering what happens if it's not negotiated at 2  
21 and 2?

22           JOEL I. KLEIN: If it's never  
23 negotiated, obviously we have a lot of issues.  
24 But if it's negotiated, the questions of how much  
25 will be paid retroactive, all of those have to be

1  
2 negotiated, but you can only take it out  
3 perspective. It's just like a reserve.

4 COUNCIL MEMBER LEVIN: My question  
5 is the principals that budgeted for that, they had  
6 been responsible and done their due diligence in  
7 terms of budgeting for a 1% cut. They were  
8 already most of the way there. Of course they  
9 were going to take it when it was given back, but  
10 wouldn't it have been more prudent to put that  
11 away somewhere or roll it over?

12 JOEL I. KLEIN: They do. This is a  
13 unique thing. I thought this was where you were  
14 going. Because we believe principals should have  
15 a great deal of budgeting latitude, they roll over  
16 money. So we rolled over \$80 million this year  
17 and a significant chunk of that was the  
18 restoration. But different schools do it  
19 differently. But they have that discretion and  
20 they put that away in terms of now \$80 million for  
21 next year.

22 COUNCIL MEMBER LEVIN: Just one  
23 other question or comment is with the UPK full  
24 day, I'm just wondering what the status is there  
25 and what DOE is doing to lobby the state to change



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2 this. We were all partners here in the city.

2

3

4 JOEL I. KLEIN: We're doing  
5 everything we can. We've got the senate now on  
6 board. I know the Speaker has made many pleas to  
7 Albany and we have as well. I'm hoping, praying,  
8 lobbying, and begging that we get the flexibility.

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9 COUNCIL MEMBER LEVIN: And it's a  
10 legislative solution?

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11 JOEL I. KLEIN: They limit the  
12 amount of pre-k money and drive it to half days.  
13 If they just gave us the same amount of money we  
14 wouldn't have to return \$20 million and a lot more  
15 families would have full day pre-k.

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16 COUNCIL MEMBER LEVIN: But this is  
17 a legislative solution in the state legislature?

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18 JOEL I. KLEIN: In Albany.

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20 COUNCIL MEMBER LEVIN: You've got  
21 my support on that.

20

22 JOEL I. KLEIN: Thank you.

21

23 COUNCIL MEMBER LEVIN: Thank you  
24 very much for your time.

22

23

24 CHAIRPERSON JACKSON: Thank you,  
25 Council Member. Council Member Chin followed by  
Council Member Koslowitz.

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2 COUNCIL MEMBER CHIN: Thank you,  
3 Chair. Good morning, Chancellor. I have a  
4 question about testing. I didn't see it in the  
5 budget. I wanted to know what the testing budget  
6 is for the Department of Education, because there  
7 is so much emphasis on all the tests that's been  
8 going on. And also, does that include in terms of  
9 teachers' time being used to correct tests. And  
10 then there are new tests coming. So what is the  
11 budget and is there an increase in this budget for  
12 this next fiscal year?

13 JOEL I. KLEIN: There is some  
14 testing that's mandated, so the state tests which  
15 we're required to do and then have teachers grade  
16 them. Those costs tend to be pretty constant year  
17 to year because it takes a significant amount of  
18 time. We either pay teachers per session to grade  
19 them or sometimes we require that the teachers  
20 have to leave their school and come grade them.  
21 So if you take into account teacher time it tends  
22 to be pretty constant, meaning that it's probably  
23 \$20-\$25 million a year to grade the exams and  
24 things like that. It's 10. But that means you  
25 lose some teacher time too.

1  
2           Second of all, you have what we  
3 call our predictive and summative assessments,  
4 which again become the national model in terms of  
5 "Race to the Top" and so forth. That costs us \$20  
6 million for all of our grades in the school  
7 system. That's been constant over the last  
8 several years.

9           I don't know what's going to happen  
10 under the new federal legislation. They're  
11 talking about what they call common national  
12 standards and our state is participating in that.  
13 I don't know what assessments will come in.

14           But right now, our year to year  
15 expenses on testing give or take, if you count  
16 teacher time as real dollars, that is time  
17 diverted from the classroom, is pretty constant.  
18 Probably all in it's about \$40-\$42 million, but I  
19 can get you an exact number.

20           COUNCIL MEMBER CHIN: Are there  
21 ways of taking that out or by not using our  
22 teacher's time, to really find ways of modernizing  
23 correcting tests?

24           JOEL I. KLEIN: The only way to do  
25 it, which we've explored, but I don't think will

1  
2 save us money is to outsource it to private  
3 vendors. The basic view has been, both in terms  
4 of the integrity and the outcomes that it's better  
5 to keep it within the system for the consistency.  
6 I don't think we could save any real money  
7 ultimately on that.

8 COUNCIL MEMBER CHIN: The other  
9 question I have is in terms of leasing space,  
10 especially in District 2. We're opening more new  
11 schools down here. Are you looking at cost saving  
12 or renegotiating leases?

13 JOEL I. KLEIN: We always are.  
14 We've worked, again, with the Council. For  
15 example, last year when we had several issues  
16 that's how we leased the school that Councilwoman  
17 Lappin was talking about that enabled us to  
18 address a real set of issues we had there.

19 We leased a day care center up in  
20 the Chelsea area to address some issues. And just  
21 given the density in certain areas, a lease as  
22 well as a build strategy is critical. To the  
23 extent we can, if we can't build, if we find  
24 suitable premises, we do lease. We try to get the  
25 lease as long term as we can possibly get, unless

1  
2 it's a short term solution. In other words,  
3 sometimes you have to lease for a year because a  
4 new school is being built the year after.

5 So like this year it's not a lease,  
6 but I put two schools down here that's  
7 kindergartens in the first floor of the  
8 courthouse, but that's basically swing space and  
9 not really a lease.

10 COUNCIL MEMBER CHIN: One last  
11 question is really about charter schools. There  
12 is an increase in the budget for more charter  
13 schools. From my limited experiences, a lot of  
14 the students coming into the charter schools in my  
15 district, in the Lower East Side, a lot of the  
16 parents and the kids come from other boroughs or  
17 other neighborhoods. They're not really providing  
18 the choice as much for the local neighborhood  
19 kids.

20 Going forward, can the DOE really  
21 look at supporting our local schools, because the  
22 schools are doing better? Then they're in a  
23 situation right now where they're fighting each  
24 other for more space. Somehow the local parents  
25 and students are not feeling that they're getting

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2 the support from the city and from the Department  
3 of Education to really help them excel and a lot  
4 of them are doing well.

5

6 The method that you use for charter  
7 schools to bring in private resources, I would  
8 love you to look at that. How do we support our  
9 public school in the neighborhood, in the  
district, to make sure that they excel?

10

11 JOEL I. KLEIN: I'm happy to look  
12 at it and explore your ideas. I'll just make a  
13 quick point. We view charter schools and the  
14 Obama administration views them as public schools.  
15 They are for free to our families. And whether a  
16 family is in Brooklyn or in Manhattan or in  
17 Queens, the per-pupil expenditure tends to be  
about the same.

18

19 The IBO just did a study saying  
20 that those charter schools that are outside of  
21 public school buildings get about \$3,000 per pupil  
22 less. So if I had to put those kids in a  
23 traditional public school, it would cost me \$3,000  
more.

24

25 So I think there is a little  
confusion about this which is as if the money went

1  
2 to a charter school versus a traditional public  
3 school. The kid has got to go one place or the  
4 other and it's going to cost us about \$15,000  
5 either way.

6 COUNCIL MEMBER CHIN: Yes, I see  
7 the course. But what I'm saying is that the local  
8 school needs to be good so that parents who live  
9 in those neighborhoods have the choices in their  
10 neighborhood. They shouldn't have to travel  
11 around on the train or on the subway just to find  
12 a school that will be best for their kids.  
13 Parents do that. But if we can have good schools  
14 in their neighborhood then they maybe they don't  
15 have to travel.

16 JOEL I. KLEIN: That's the ideal.  
17 But as you know well, thousands of kids every day  
18 travel to Stuyvesant High School from every nook  
19 and cranny.

20 COUNCIL MEMBER CHIN: But that's  
21 high school, I'm talking about elementary school.

22 JOEL I. KLEIN: Even to elementary  
23 school, to Anderson Elementary School in the west  
24 side of Manhattan, to Hunter Elementary School,  
25 thousands of families.

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CHAIRPERSON JACKSON: Thank you.

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Thank you, Council Member. Council Member

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Koslowitz followed by Council Member Ulrich.

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COUNCIL MEMBER KOSLOWITZ: Thank

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you, Mr. Chair. Chancellor, I want to start off

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by thanking you very much and Deputy Chancellor

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Grimm for the work that you did on the

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Metropolitan campus. After 17 years, it's finally

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going to open in September.

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JOEL I. KLEIN: Thank you.

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COUNCIL MEMBER KOSLOWITZ: I just

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want to thank you for your cooperation.

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JOEL I. KLEIN: Well thank you and

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I look forward to being with you at the ribbon

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cutting.

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COUNCIL MEMBER KOSLOWITZ: Yes,

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thank you. The impact of proposed cuts on city

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students, you said that cut back on core school

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operations. What would that be?

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JOEL I. KLEIN: It would be things

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like teachers. It would be things like after

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school programs. It would be things like

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administrators. In other words, the kind of

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numbers we're looking at right now, this is not,

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1  
2 if you will, just cutting some excess in the  
3 system, this would go to what I view are core  
4 educational services for our students.

5 COUNCIL MEMBER KOSLOWITZ: It just  
6 seems a shame to me. I went to public schools.  
7 My children went to public schools. I remember  
8 the fiscal crisis in the 70s. It just seems now  
9 that this budget from Albany down is like an  
10 attack on our children and our seniors, the most  
11 vulnerable people. I'm wondering why. What do  
12 you think is happening? I know what's going on in  
13 Albany and I know it affects the city greatly.

14 JOEL I. KLEIN: I think your sense  
15 is probably similar to mine which is, unlike in  
16 the city where we have a lot of challenges because  
17 our revenues went down with all of the financial  
18 issues and everything, in Albany they're looking  
19 at massive cuts. They say, well schools and  
20 Medicare or Medicaid are the big numbers. This  
21 does concern me and it particular concerns me  
22 about our children because I do think that is our  
23 future.

24 Like you, I went to school not very  
25 far from Metropolitan Avenue, Bryant High School,

1  
2 and it changed my life. So I think this is a  
3 problem. What I'm hoping is whatever rhetoric  
4 there is that we all collectively try to think  
5 about the best ways to ameliorate this problem for  
6 our children.

7 Nobody would like to go back to the  
8 70s and the problems we all witnessed then. On  
9 the other hand, I suppose what the people in  
10 Albany would say is we've got a hole in our budget  
11 that somebody has got to fill.

12 I don't know if you saw the  
13 newspaper today. In California, they had that  
14 picture of that prison and it just takes your  
15 breath away. So getting government spending in  
16 the state aligned and then doing some  
17 prioritization is the solution.

18 I've found, working with the  
19 Council on this, we're 100% in agreement on it.  
20 I'm encouraged by the fact that the Assembly  
21 today, I'm told, is going to take action that will  
22 at least restore. I mean at this point literally  
23 every dollar matters to our kids.

24 COUNCIL MEMBER KOSLOWITZ: It  
25 absolutely does. I have one other question. The

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2 ATR teachers sitting in this room, what do they do  
3 all day?

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JOEL I. KLEIN: Some of them do  
5 substitute teaching at a school. So they might do  
6 that part of the day. Sometimes they may work in  
7 the library. Sometimes they may do one-on-one  
8 tutoring. Sometimes quite frankly they just wile  
9 away the hours. I mean it just depends on the  
10 circumstances in the individual school.

11

The thing that's wrong with it is  
12 that there's nothing that really requires people  
13 to do the things that we need done in the system.  
14 That's why I think creating a one-year limit like  
15 they had in Chicago would make some sense.  
16 Because it would incentivize people to say I need  
17 to find a job and get to work here.

18

COUNCIL MEMBER KOSLOWITZ: Right.

19

Thank you very much.

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JOEL I. KLEIN: Thank you, ma'am.

21

CHAIRPERSON JACKSON: Thank you.

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Thank you, Council Member. We've been joined by  
23 our colleague Domenic Recchia of Brooklyn. Now  
24 let's turn to our colleague from Queens, Council  
25 Member Eric Ulrich followed by our Council Member

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2 from Brooklyn, Vincent Gentile.

3 COUNCIL MEMBER ULRICH: Thank you,  
4 Mr. Chairman. Chancellor, welcome back to the  
5 City Council.

6 JOEL I. KLEIN: Thank you.

7 COUNCIL MEMBER ULRICH: Thank you  
8 for your testimony. It was both very informative  
9 but at the same time very disconcerting,  
10 obviously, with regard to the cuts that the  
11 governor is trying to implement.

12 The question that I have is on a  
13 subject that I know you and I have discussed  
14 privately but seldom is discussed ever in this  
15 chamber or at the state house and that's regarding  
16 Catholic schools and the closing of Catholic  
17 schools and the impact that that has on the public  
18 school system.

19 First, let me say that I represent  
20 Queens and Queens is part of the Brooklyn Diocese.  
21 There are 126 Catholic elementary and high schools  
22 combined. In the Brooklyn/Queens Diocese, there  
23 are approximately 44,000 students enrolled in  
24 Catholic schools. The parents pay anywhere from  
25 \$4,000-\$8,000 in tuition.

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2 We know from the Campaign for  
3 Fiscal Equity that approximately \$16,000 is spent  
4 per pupil on each student enrolled in New York  
5 City's public schools. And yet each year a  
6 handful to a dozen or so private parochial and  
7 Catholic schools are closing for a variety of  
8 reasons, the economy probably being one of them.

9 When those schools close, in many  
10 instances those children then go into the public  
11 school system. I think it's safe to say that  
12 Catholic schools and private schools save the city  
13 tens of millions of dollars each year in costs.  
14 Yet, the state legislature and the city I think  
15 has failed to recognize the importance of private  
16 education and the cost saving that it provides for  
17 the city.

18 Obviously, with class size also  
19 being an issue, when these schools close and those  
20 children now go into the public schools it's a  
21 logistical issue, it's a financial issue and yet I  
22 think the city and state have failed to recognize  
23 it. Does this concern you or could you comment on  
24 it?

25 JOEL I. KLEIN: What concerns me is

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that it's just a fact, whether it's the economics of the family, whether it's that the schools are getting better and parents are more willing to send them to public schools, when we get additional kids and you see the state aid formula that is fixed, I'm getting more kids, 14,000 plus this year, and some of them coming from parochial schools. I don't get additional state aid. As a result of that, they're putting real pressure on us. That's a big, big issue for me.

My obligation is obviously to provide a space for any family that wants to come to the public schools. But if you don't have the funding, your only choice is to redistribute it. This an issue over the next several years that I think the Council needs to engage with Albany on because I meet as part of my job with the leaders of the non-public schools. They're concerned about how many thousands of children might move from that sector into the public sector.

We welcome those kids but if we don't get the money it's going to intensify the problems. I don't think, like so many problems, this is one we should wait to try to solve. We

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2 should collectively put our heads against it. It  
3 also leads to the overcrowding and the other  
4 issues. So in a community, people then want to go  
5 back and they want to go to a particular school or  
6 something like that and that's when the pressures  
7 also begin.

8 COUNCIL MEMBER ULRICH: Certainly,  
9 Chancellor, your obligation is to the 1.2 million  
10 students enrolled in New York City Public Schools  
11 and you are responsible and beholden to the  
12 parents of those children who are enrolled in the  
13 public schools. I wouldn't suggest in any way  
14 that somehow you try to fix the problem with  
15 closing private schools or Catholic schools for  
16 instance.

17 But obviously I do want to thank  
18 you for recognizing that it is a problem from a  
19 logistical point of view and from a financial  
20 perspective that when Catholic schools close or  
21 private schools close, those kids have to go  
22 somewhere. Often they go to the public schools  
23 and it is costing the city more and more money and  
24 we're putting more kids in to classrooms that in  
25 some instances are already overcrowded. I do

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2 commend you for saying that.

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JOEL I. KLEIN: Thank you.

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This is an issue that we have to work collaboratively on with our colleagues in government in Albany to confront because sooner or later with the domino effect of all the schools that are closing, five and ten years from now, this situation is going to be exacerbated and is going to cost the city and the taxpayers a heck of a lot of money. So thank you very much.

CHAIRPERSON JACKSON: Thank you, Council Member. Council Member Gentile of Brooklyn followed by Council Member Rose of Staten Island.

COUNCIL MEMBER GENTILE: Thank you, Mr. Chairman. Chancellor, thank you again for being here today and for the answers that you've given. Many of my colleagues have preceded me, so I will limit my questioning to two areas. You did say just a couple of minutes ago that every dollar matters to our kids, so I'm going to ask you questions in that spirit.

Looking at the contracts budget for the DOE and comparing it to last year. Last year



1  
2 you had 5,358 contracts and this year you've  
3 projected 5,359. Just one additional contract  
4 projected in the 2011 budget. However, in terms  
5 of spending from last year to this year, you show  
6 an increase of \$500 million in contract spending.  
7 That is an additional one contract and an  
8 additional \$500 million in spending. Can you  
9 explain what accounts for that additional money?

10 JOEL I. KLEIN: Unfortunately, I  
11 can't. I'm happy to find out. My guess is that  
12 there is some large ticket item in there like the  
13 cost of busing in the city, which may be because  
14 of price hikes that we have to pay, which are all  
15 by contract. It's a possibility.

16 But the real answer is I'm happy to  
17 look at that and give you exactly where the  
18 increases are line by line and supply it to you  
19 and the entire Council so that you know where it  
20 is.

21 COUNCIL MEMBER GENTILE: Could it  
22 have anything to do with charter schools?

23 JOEL I. KLEIN: I don't believe it  
24 does, no. The charter school funding, again, as I  
25 explained before, either the kid goes to P.S. 11,

1  
2 or they go to a charter school. It's about  
3 \$15,000 a child so it's really revenue neutral.  
4 This is different from the questions of a private  
5 school.

6 The contract expenditures, some of  
7 them go up automatically just because they have  
8 escalated costs, you know, we try to negotiate or  
9 something like that. But I'm guessing that there  
10 is some reasonable big ticket item in there. Do  
11 you have a sense?

12 PHOTEINE ANAGNOSTOPOULOS: I'm not  
13 sure if you're looking at it through a U of A  
14 perspective, but for instance, the costs of  
15 related services providers will be in our  
16 contracts and we know those are going up. And the  
17 cost of the pre-k transportation is going up, so  
18 those will be in there. So if that's what you're  
19 looking at as opposed to just a straight contract  
20 escalation, that's what's driving that.

21 COUNCIL MEMBER GENTILE: I'm  
22 looking at gross numbers.

23 PHOTEINE ANAGNOSTOPOULOS: We can  
24 talk afterwards, but that's usually coming from  
25 the special ed mandates is really what it is.

1  
2 JOEL I. KLEIN: That's very  
3 helpful. So there are two big pieces in that that  
4 I'm sure account for several hundred million  
5 dollars. Related services which every year goes  
6 up and it's a mandate, we have no choice. If it's  
7 on the child's individualized education plan we  
8 have to provide it. That number goes up and we  
9 can get you that.

10 The second one, which we have tried  
11 to deal with and manage better, but is still a  
12 challenge, is courts in these carter cases require  
13 us to contract with private schools for special ed  
14 students. Some of that can costs us literally  
15 hundreds of millions of dollars.

16 COUNCIL MEMBER GENTILE: I would  
17 like to get those numbers. I want to turn to  
18 special need students, particularly the spending  
19 that occurs for special needs students who are  
20 sent out of state because there's a determination  
21 made that their needs are not met by any school  
22 within the city of New York.

23 I'm looking at the newly created  
24 Billy's law reporting that the DOE under a bill  
25 passed by this Council is required to do. I'm

1  
2 looking at the different places around the  
3 northeast that our students are being sent to.  
4 There are 285 students in total that are being  
5 sent to out of state facilities by the DOE. What  
6 is the total amount spent on the contracts at  
7 these out of state locations?

8 JOEL I. KLEIN: For out of state is  
9 \$7 million.

10 PHOTEINE ANAGNOSTOPOULOS: For  
11 these students that he's talking about. I'm  
12 sorry, that was for JRC.

13 JOEL I. KLEIN: These are all  
14 students that are out of state.

15 PHOTEINE ANAGNOSTOPOULOS: \$55  
16 million.

17 JOEL I. KLEIN: I'm told, \$56  
18 million.

19 COUNCIL MEMBER GENTILE: \$56  
20 million?

21 JOEL I. KLEIN: No, \$17 million.  
22 I'm sorry, my apology.

23 COUNCIL MEMBER GENTILE: \$17  
24 million for 285 students that we send out of  
25 state. I'm particularly interested in how much we

1  
2 are spending on a particular location in Canton,  
3 Massachusetts for the Judge Rotenberg Center where  
4 almost half of the students at that center come  
5 from New York City.

6 JOEL I. KLEIN: The number on that  
7 is approximately \$6.7 million, or an average of  
8 about \$65,000 per student.

9 COUNCIL MEMBER GENTILE: \$6.7  
10 million?

11 JOEL I. KLEIN: For those 103  
12 students, right.

13 COUNCIL MEMBER GENTILE: You have  
14 it down as 94. You're saying it's 103 students of  
15 the 211.

16 JOEL I. KLEIN: I just know that  
17 103 are enrolled at that school and it's a total  
18 cost of almost \$7 million.

19 COUNCIL MEMBER GENTILE: I've asked  
20 you on two occasions to review our participation  
21 and our contracts with a school like that given  
22 the fact that the Justice Department is doing an  
23 investigation on this school for their use of  
24 electric shock therapy on the students that are  
25 sent there. Electrodes are put on the body of the

1  
2 students there and they are administered with  
3 electric shocks. The Justice Department is doing  
4 an investigation as to whether that's a violation  
5 of the Americans with Disabilities Act.

6 Jurisdictions like Washington, D.C. have pulled  
7 their children out of that school.

8 I've asked you on two occasions and  
9 not gotten an answer as to why we in New York City  
10 are still funding the Judge Rotenberg Center at  
11 almost \$7 million a year when they are  
12 administering electric shocks on the bodies of the  
13 students that attend, half of them being from New  
14 York City.

15 JOEL I. KLEIN: I have looked into  
16 this matter and talked to the state. In fact, as  
17 of July 1, 2009, none of our students are getting  
18 aversive therapy and the state will not support  
19 that. But the state considers their overall  
20 program, not the aversive therapy you talked  
21 about, but the overall program a reasonable  
22 program. Some parents push very hard. Sometimes  
23 we're ordered by court in a contested proceeding  
24 to send them there. But on the aversive therapies  
25 in particular, there will be no new aversive

1

2 therapies that are administered to new students.

3 COUNCIL MEMBER GENTILE: Are you  
4 saying of the 103 that we're not paying for any  
5 aversive therapy to those 100?

6 JOEL I. KLEIN: No, some are and  
7 these are people in the middle of their treatments  
8 and education and of obvious reasons, legal and  
9 others, there is some reluctance to remove them.  
10 Any new child placed there cannot, under New York  
11 regulation, receive aversive therapy, period.

12 CHAIRPERSON JACKSON: Thank you,  
13 Council Member.

14 COUNCIL MEMBER GENTILE: It just  
15 seems to me that spending money on any institution  
16 that has electric shock therapy as its mode is  
17 something that as a matter of policy that the DOE  
18 and New York City should reexamine.

19 JOEL I. KLEIN: I understand. I'll  
20 give you one example of this. So in 2009, which  
21 is the last student we placed there, a court  
22 ordered either that we place the child at that  
23 facility or the child would be incarcerated. That  
24 was literally the reality we faced on that child.

25 CHAIRPERSON JACKSON: Thank you.

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2 Council Member Weprin?

3 COUNCIL MEMBER WEPRIN: Yes, just  
4 one quick follow-up, Chancellor, because I've been  
5 getting emails by panicked eighth grade parents.  
6 I know middle school principals yesterday were  
7 advised that the pending litigation on the high  
8 school closings has stopped the mission letters  
9 that are supposed to go to eighth grade parents  
10 today from being released. Do you have an update  
11 on when those high school admission letters will  
12 be released? Are we waiting for the judge to do a  
13 ruling? Could this be months or weeks?

14 JOEL I. KLEIN: I hope not. There  
15 is no reason to think it would be months or weeks.  
16 We are waiting for the judge to do a ruling. In  
17 the course of the litigation we agreed that until  
18 the judge ruled, we would not send out the  
19 letters. So we're hoping it will be very, very  
20 soon. As of 9:45 this morning, I hadn't heard of  
21 any ruling. Obviously, if we do, we'll all know  
22 about it. But I don't expect the ruling to be  
23 months.

24 CHAIRPERSON JACKSON: Thank you.  
25 Now, Chancellor, I'm going to ask you some



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2 questions concerning this preliminary budget. As  
3 I indicated earlier, this is the bad and this is  
4 the horrid. So I want to ask you some questions  
5 about the bad and hopefully there is some light at  
6 the end of the tunnel.

7 Can you tell us what impact the  
8 overall decline in the Department of Education's  
9 personal service budget of approximately \$194  
10 million will have on school staffing patterns and  
11 on student programs at their schools?

12 JOEL I. KLEIN: Like this past  
13 year, it'll mean we'll have fewer aides, it'll  
14 mean we'll have fewer hires. It'll mean that  
15 class size will go up. The specifics of which are  
16 not yet decided until the schools start to make  
17 some decisions. But all of those this will be  
18 affected on personnel services.

19 CHAIRPERSON JACKSON: I've heard  
20 and I think you or your staff stated before that  
21 there were certain exemptions to layoffs. For  
22 example, there were no teacher layoffs before, no  
23 guidance counselors and no assistant principals.  
24 Under the bad, is that still the case versus under  
25 the horrid?

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2 JOEL I. KLEIN: Under the bad, I  
3 think we would have layoffs. Not as many  
4 obviously, but layoffs of the personnel you talked  
5 about. Under what you're calling the horrid you  
6 would have a lot more.

7 CHAIRPERSON JACKSON: Will the drop  
8 in the Department of Education's personal budget  
9 lead to a reduction in the number of teachers  
10 working in schools next year, and if so,  
11 approximately how many under the bad scenario and  
12 how many under the horrid scenario?

13 JOEL I. KLEIN: Under the worst  
14 scenario we said approximately--

15 CHAIRPERSON JACKSON: [interposing]  
16 This is the horrid?

17 JOEL I. KLEIN: The worst.

18 CHAIRPERSON JACKSON: The worst.

19 JOEL I. KLEIN: 8,500 is our  
20 current estimate. Under what you're calling the  
21 bad scenario I think probably the number will be  
22 significantly fewer. I can't give you an exact  
23 number for one reason. Some schools still have  
24 some personnel services and some OTPS. So they  
25 may decide to take the money out of something

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2 other than personnel. They may decide they still  
3 want to eliminate a few aides, but I'm guessing  
4 you're talking about a significant amount. It  
5 could be 1,000 type of number of teacher, guidance  
6 counselor personnel at a minimum. I'm being told  
7 I'm being conservative so it could be more than  
8 that.

9 CHAIRPERSON JACKSON: How much  
10 funding is available for school budgets in fiscal  
11 year 2011 based on the city's January plan as  
12 compared to the fiscal 2010 budget for the  
13 schools?

14 PHOTEINE ANAGNOSTOPOULOS: The  
15 school budgets controlled by the principals in  
16 fiscal year 2010 were about \$7.9 billion.

17 CHAIRPERSON JACKSON: \$7.9 billion?

18 PHOTEINE ANAGNOSTOPOULOS: That's  
19 the baseline. So this is the issue, you've got us  
20 down roughly \$250 million when you look year over  
21 year in the city budget there. But then you also  
22 have the situation where we have another \$600  
23 million or so of costs. So we are still working  
24 through how we're going to get through due both to  
25 the cost side and the revenue decrease.

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2 CHAIRPERSON JACKSON: That's based  
3 on the January plan?

4 PHOTEINE ANAGNOSTOPOULOS: That's  
5 looking at the January plans.

6 CHAIRPERSON JACKSON: Does that  
7 include the governor's proposed cuts to education?

8 PHOTEINE ANAGNOSTOPOULOS: The \$600  
9 million includes the 250, but that does not  
10 include the state cut. The state cut puts you at  
11 \$1.2 billion.

12 CHAIRPERSON JACKSON: So in  
13 essence, that's the horrid, if in fact we have to  
14 go there.

15 PHOTEINE ANAGNOSTOPOULOS: The  
16 horrid is the \$1.2 billion and the \$600 or so is  
17 the bad.

18 CHAIRPERSON JACKSON: If you can  
19 explain, how have the schools absorbed the fiscal  
20 year 2010 cuts? What will the school cuts for  
21 next year look like?

22 PHOTEINE ANAGNOSTOPOULOS: The way  
23 that they absorbed the cuts this year, we lost  
24 teaching positions of roughly 1,800 or so out of  
25 the system. That number is a little bit vague

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2 because you have closing schools and things like  
3 that in there. But it's about 1,800 teaching  
4 positions were lost.

5           They cut roughly 40% of their per  
6 session dollars and roughly 40% of their OTPS  
7 dollars. So the after school programs did get  
8 hit. A lot of the professional development was  
9 taken out of the system. We would expect that  
10 they're going to take those areas down further,  
11 the per session areas down.

12           As you know, we lost about 500  
13 school aides through this also. So we would  
14 expect those numbers again to come down; per  
15 sessions, school aides and professional  
16 development through the OTPS. We saw a lot of  
17 supplies and equipment come down and we would  
18 expect that to continue. But they will have to  
19 take more teaching positions out.

20           CHAIRPERSON JACKSON: I guess the  
21 question becomes if, in fact, under the bad  
22 scenario, would you say that we're down to the  
23 bone in that situation and there is no fat or  
24 muscle left and under the horrid situation would  
25 we be basically chopping off our limbs in order to

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survive?

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JOEL I. KLEIN: Again, you can phrase this any way you want but let me be clear with you. Under what you're calling the bad scenario, it would be bad. It would be bad. This is not like some excess fat. We'd have to try to manage it as best we could. Under the horrid scenario, it would be awful. There is no way to mince words about it.

PHOTEINE ANAGNOSTOPOULOS: I think the other thing that is very important for the Council to recognize is that the situation we have right now is we have some schools, because of the way the funding streams work, we have some schools that in much better shape than others. That is something that we are also going to have to work through. We do know there were roughly 150 schools that really had a very difficult time where we had to give them money to help them get through the cut basically.

CHAIRPERSON JACKSON: I guess that's my question to you and you somewhat answered it. Of the approximately 1,600 public schools, how many cannot afford to make additional

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cuts? Is that 150 or is it more or what?

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PHOTEINE ANAGNOSTOPOULOS: We are still analyzing what it's going to be like going forward but that should give you a pretty good baseline.

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CHAIRPERSON JACKSON: The midyear school budget adjustments, the Department of Education originally makes the midyear adjustments to school budgets to reflect the fluctuations in student enrollment. I think you said, Chancellor Klein, that the growth of 14,000 that you're not getting any state funding for and the addition of approximately 600 students that are Haitian, that we're not getting any funding. If in fact we were getting state funding for that, how much would that equate to in total of the 14,500?

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PHOTEINE ANAGNOSTOPOULOS: We should get \$80 million from the state at least.

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JOEL I. KLEIN: I think in the testimony it says about \$80 million.

CHAIRPERSON JACKSON: About \$80 million.

PHOTEINE ANAGNOSTOPOULOS: That's a minimum.

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2 CHAIRPERSON JACKSON: That we're  
3 not getting funded for.

4 JOEL I. KLEIN: Right, just because  
5 they froze the kids two years ago.

6 CHAIRPERSON JACKSON: In talking  
7 about the midyear school budget adjustments, can  
8 you please discuss the adequacy of the Department  
9 of Education's school budget formulas, especially  
10 regarding the fair student funding in the context  
11 of the Department of Education's budget decline to  
12 schools? Like how many schools are actually  
13 getting their full fair student funding  
14 allocation?

15 JOEL I. KLEIN: Certainly when it  
16 comes to the reallocation, we had to by law give  
17 near full on special ed, that's again mandated.  
18 On general ed, none of them got their full  
19 restoration because our budget was that tight this  
20 year. Working through a variety of techniques we  
21 did get the number up, but we didn't get it to  
22 100% this year.

23 CHAIRPERSON JACKSON: Do you plan  
24 to make any changes to your internally restrictive  
25 school funding formulas for next year? Because I



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2 go back to the questions and I'm going back to my  
3 opening statement, Chancellor. With this school  
4 budget, can we cut down on the amount of funding  
5 for food for schools?

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7 I say that because everyone says  
8 that our young people because of the soft drinks  
9 and what have you and so forth and the fast foods  
10 and lack of exercise there's an obesity issue.  
11 What about, for example, can you reevaluate that  
12 with respects to overall sometimes the quantities  
13 of food maybe could be a little bit less, maybe  
14 10-15%. I don't know how much that would make a  
15 difference as far as funding. But if in fact you  
16 have to look at every allocation, what difference  
17 would that make?

17

18 Do you need all of the school  
19 safety officers? There has not been a cut in that  
20 area. No one wants to raise these questions but I  
21 think that under the circumstances of the horrid  
22 and the bad we have to look at all questions with  
23 respects to that. So can we also, for example,  
24 fulfill our special education mandates but reduce  
25 the costs and having flexibility there?

25

As a member of this City Council in

1  
2 which we're going to have to make tough decisions,  
3 we are expecting I guess all of these questions  
4 concerning programs that are mandated by law and  
5 others that are not in order to determine the  
6 least amount of impact to our students learning in  
7 the classroom. So I ask that question regarding  
8 internally restrictive school funding formulas  
9 and/or sacred cows?

10 JOEL I. KLEIN: So as I said when  
11 you gave your opening statement, I think these  
12 questions are exactly the right questions. I  
13 think these are tough times and it's going to take  
14 tough decisions. The answer on the funding  
15 formula is yes. We're looking at the funding  
16 formula to try to ensure that there is interschool  
17 parity in a declining budget circumstance. We now  
18 know that there are some schools that in a  
19 declining circumstance we need to shift money to  
20 and we'll address that.

21 We're also looking at the  
22 enrollment issues to try to decide them earlier in  
23 the school year as much as possible. On what  
24 you're calling sacred cows, there are some things  
25 we can do and some things we can't do. Let me

1  
2 point out for example, on food, most of that is  
3 federally reimbursed. So you don't save money,  
4 it's about \$48 million. That's city tax levy. We  
5 are looking very hard at that \$48 million.

6 In other words, the other \$220  
7 million or something, we get federal dollars. So  
8 if you cut it, you don't save anything. If  
9 somebody else is going to pay for it, God bless  
10 them.

11 On special ed, we are looking hard  
12 and I think you know Laura Rodriguez, who I  
13 appointed as my chief achievement officer. We're  
14 looking very hard at that but there are very  
15 strict legal constraints. One of the things I'd  
16 like to see us do is have more special ed students  
17 attend schools closer to their home which would  
18 save us a lot of money.

19 We have fought against some of  
20 these private placements, so the carter cases. We  
21 have and in fairness, people push back against us  
22 because we contest some of the special services.  
23 But everybody wants, understandably all the  
24 services for their kids. You have very little  
25 discretion because of the nature of the fair

1  
2 hearing thing. So if it's on the IEP, or a court  
3 orders it, you've got to deliver it. That's why  
4 when we did the restorations; we did 100% for  
5 special ed on the enrollment issues and probably  
6 about 65% for general ed because we didn't have  
7 the flexibility in special ed.

8 We've asked Albany and we'll  
9 continue to ask for mandate relief. We'd be happy  
10 to have you support us in any way you can.  
11 Obviously we don't want to make this general ed  
12 versus special ed. None of us want to do that.  
13 But sometimes mandates end up making you spend  
14 money that doesn't make sense.

15 PHOTEINE ANAGNOSTOPOULOS: One  
16 thing that we are doing, when you talk about the  
17 inefficiencies, there are inefficiencies in  
18 special ed, as Joel was pointing out, that come  
19 because of the way the IEP is done, how often it's  
20 evaluated, et cetera.

21 So we're in the process of building  
22 a new student information system for special  
23 education that will allow us to maintain better  
24 records and actually give better services to the  
25 students following their instructional services

1  
2 better so that not only do they get what they need  
3 but we actually can get paid for what we service  
4 them in terms of what we do and not have as much  
5 of a losing record, if you will, on the impartial  
6 hearings in the carter cases. So that part is  
7 being built now.

8 CHAIRPERSON JACKSON: I'm glad to  
9 hear that. Obviously, with the number of money  
10 that we're spending on that and the increasing  
11 number of cases overall, I guess the question begs  
12 to be asked are we doing everything that we can in  
13 order to put forward the city's position. Let me  
14 say, just like you, we don't want to have the  
15 general ed versus children with special needs  
16 that's mandated by law. Believe me; we don't want  
17 to be in that situation. It's a lose/lose  
18 situation for everyone.

19 But clearly, when we have limited  
20 funds and we have to look at where we can provide  
21 the services for all of our students and reduce  
22 the costs. The IEPs are mandated by law, but also  
23 the law says that every child must graduate with  
24 an adequate education, knowing how to read,  
25 knowing how to write, knowing how to serve on the

1  
2 jury and being able to hold competitive  
3 employment. That was a CFE case. That was  
4 mandated by the highest court.

5 So the question becomes if you  
6 don't cut back in other areas and you're only  
7 cutting back in general education, are we meeting  
8 the adequate education requirement of the state  
9 constitution? Those are the tough questions.

10 JOEL I. KLEIN: Let me just assure  
11 you on this one, we have been to the Supreme Court  
12 twice and unfortunately we lost. We took the  
13 position that nobody should be allowed to go to a  
14 private school before they actually have gone to a  
15 public school under special ed. The Supreme Court  
16 just ruled against us last year six to three.

17 CHAIRPERSON JACKSON: I'm sorry,  
18 let me turn to our colleague Diana Reyna who is on  
19 the edge of her seat ready to ask the question.

20 JOEL I. KLEIN: All this talk about  
21 food has got me thinking about lunch, Mr.  
22 Chairman.

23 COUNCIL MEMBER REYNA: I'd invite  
24 you to lunch, Chancellor. I'm just as hungry. I  
25 just wanted to touch base on the updates

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2 concerning ACS daycare shift from the center-based  
3 kindergarten slots to the public schools.

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5 This year, all ACS day care centers  
6 stopped admitting 5-year-olds which caused an  
7 increase in kindergarten enrollment, as you well  
8 know, of about 2,100 children. DOE to this date  
9 has not provided us with data as to where the ACS  
10 children have been enrolled.

11

12 Not just ACS children having been  
13 enrolled in the centers but also at the centers  
14 there are cross subsidized seats where private  
15 slots exist. Now each child if they're a 4-year-  
16 old, should be registered with the Department of  
17 Education having a record.

18

19 So I want to understand, are we  
20 going to be provided the data as to where these  
21 kids went?

22

23 PHOTEINE ANAGNOSTOPOULOS: We've  
24 actually provided that, so we're more than happy  
25 to give it to you personally. We provided this  
several months ago and more than happy to talk  
with you right afterwards and show you where the  
students went.

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COUNCIL MEMBER REYNA: Obviously if

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2 we can share it with the chairman as well and the  
3 committee members. I'd be happy at the very least  
4 to look at it myself. I hope to see that there is  
5 an accountability of both the private slot as well  
6 as the public slot of a 5-year-old child and where  
7 they went.

8                   What impact has the ACS to DOE  
9 shift of 5-year-old child had on the Department of  
10 Education schools? I know that Kathleen Grimm was  
11 here last week and we had discussed concerning the  
12 unexpected amount of children, especially in the  
13 area of 5-year-olds.

14                   PHOTEINE ANAGNOSTOPOULOS: As we  
15 had discussed last year when this came up, the ACS  
16 students, where they were located were largely in  
17 areas where the seats were underutilized in the  
18 kindergarten. So they were fairly easily  
19 absorbed. There were just a handful of areas  
20 where there was any significant increase. Again,  
21 I'm more than happy to walk you through these  
22 numbers in detail.

23                   COUNCIL MEMBER REYNA: So what was  
24 the difference of unexpected 5-year-olds in the  
25 system?



1  
2 PHOTEINE ANAGNOSTOPOULOS: I'm not  
3 sure what you mean by unexpected. There were  
4 2,100 additional 5-year-olds that came, as you  
5 pointed out, due to the ACS shift.

6 COUNCIL MEMBER REYNA: So last year  
7 we expected 2,100 and we didn't get more then.

8 PHOTEINE ANAGNOSTOPOULOS:  
9 Actually, we expected to have to absorb more.

10 COUNCIL MEMBER REYNA: My  
11 understanding was 3,500.

12 PHOTEINE ANAGNOSTOPOULOS: Right,  
13 but we only had 2,100.

14 COUNCIL MEMBER REYNA: Do you know  
15 what happened to the rest of those kids?

16 PHOTEINE ANAGNOSTOPOULOS: No.  
17 What was very interesting is because this was not  
18 an issue that anyone had ever actually needed to  
19 look at before, there were many ACS 5-year-olds  
20 already sitting in our classrooms. So, that had  
21 not been accounted for before, in terms of trying  
22 to figure out where.

23 There is inadequate record keeping,  
24 if you will, when you look at going from the 4-  
25 year-olds to the 5-year-olds inside the actual

1  
2 private centers. So when we actually sorted  
3 through all of that, we realized that roughly 800  
4 or so of those children were actually sitting  
5 inside of the public schools already. The rest  
6 leak out to either private schools or they move.

7 COUNCIL MEMBER REYNA: It's not  
8 encouraging to know that we can sit here and  
9 accept that we're not keeping adequate records.

10 PHOTEINE ANAGNOSTOPOULOS: The  
11 difference, just so you know, is that they get put  
12 into the system at different points in time. We  
13 do not control this. This is controlled by the  
14 CBOs. Keep in mind that roughly 60% of our pre-k  
15 students are in CBOs. They're not in public  
16 school pre-k.

17 COUNCIL MEMBER REYNA: But the  
18 system as far as a record to the Department of  
19 Education.

20 PHOTEINE ANAGNOSTOPOULOS: We get  
21 the records later in the year. So we did find the  
22 records. It's not that they weren't there, it was  
23 inadequate in terms of the timing but we did find  
24 those records. This is already done, it was a  
25 one-time shift.

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COUNCIL MEMBER REYNA: It was a  
one-time shift?

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PHOTEINE ANAGNOSTOPOULOS: A one-  
time shift.

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COUNCIL MEMBER REYNA: So you don't  
anticipate this happening again.

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PHOTEINE ANAGNOSTOPOULOS: The  
change was they closed the 5-year-old program. So  
it happened and now going forward the 5-year-olds  
can only go into the public schools.

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COUNCIL MEMBER REYNA: But the pre-  
k slots still exist in the ACS center.

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14

PHOTEINE ANAGNOSTOPOULOS: No, they  
don't pay for the 5-year-olds. The 5-year-old  
slots no longer exist at the ACS centers.

16

17

COUNCIL MEMBER REYNA: I understand  
that. What I'm expressing to you is that the pre-  
k slots still exist at the ACS centers. So this  
glitch of not having 800--

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21

PHOTEINE ANAGNOSTOPOULOS:  
[interposing] No, it's timing. We're fine on the  
records. We have the records.

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24

COUNCIL MEMBER REYNA: So your  
records will be up to date for the 4-year-olds

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2 moving into their kindergarten slots in public  
3 schools.

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PHOTEINE ANAGNOSTOPOULOS: Yes, we  
have that.

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CHAIRPERSON JACKSON: Thank you,  
Council Member.

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COUNCIL MEMBER REYNA: As you can  
see, there are no more individuals here. I just  
wanted to get a chance to understand the issue on  
the 1,600 teachers in the ATR pool. In your  
testimony you referred to the case study in  
Chicago where there is a limitation required but  
you did not explain how you're going to go about  
introducing a one-year limitation. If you can  
just express to this committee how you're going to  
achieve this. The cost is \$110 million for 1,600  
teachers kept in the ATR pool.

JOEL I. KLEIN: It's about \$110  
million. The ATR pool has come down over the  
course of the year from 1,600 to about 1,100 now  
because we had a hiring freeze. I've made this  
clear in my testimony in Albany. We are hoping to  
secure legislation. I am hoping that the Council  
will support us in that legislation so that we can

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have a one-year point of termination in the system.

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COUNCIL MEMBER REYNA: This is different than the rubber room you said.

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JOEL I. KLEIN: Yes, it is.

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COUNCIL MEMBER REYNA: So how many teachers in the rubber room?

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JOEL I. KLEIN: Approximately 650.

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COUNCIL MEMBER REYNA: Is the same type of legislation required as well with a limitation?

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JOEL I. KLEIN: A legislation would help us on that. We're also talking with the UFT about ways to expedite the process.

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COUNCIL MEMBER REYNA: What is the cost of 650 teachers in the rubber room?

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JOEL I. KLEIN: Almost \$40 million.

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CHAIRPERSON JACKSON: Thank you, Council Member.

21

COUNCIL MEMBER REYNA: Thank you.

22

23

CHAIRPERSON JACKSON: Chancellor, let me just say that I have one or two more questions if you don't mind another ten minutes and then we'll be finished, okay?

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2 JOEL I. KLEIN: Sure.

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CHAIRPERSON JACKSON: Council

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Member Fidler followed by Council Member Dromm and

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then I have some cleanup questions.

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COUNCIL MEMBER FIDLER: Far be it

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from me to keep you from lunch, Chancellor.

8

JOEL I. KLEIN: So long as you

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don't make me lunch.

10

COUNCIL MEMBER FIDLER: Actually,

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it might be a treat. I don't know that I heard

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anyone ask or get actual answer. Under the

13

doomsday scenario what do you project class size

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to be?

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JOEL I. KLEIN: In my testimony I

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gave you some numbers. It would depend on the

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school but it would go up significantly.

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COUNCIL MEMBER FIDLER: System

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wide?

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JOEL I. KLEIN: System wide it

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could go up four or five kids a class if you

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remove 8,000 teachers. Obviously it would be a

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little bit different in different areas, but four

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or five is the average.

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COUNCIL MEMBER FIDLER: That would

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2 bring the average class size to what?

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JOEL I. KLEIN: In the elementary schools it could bring it up to 25 or 26 on average. In the middle schools it could bring it up to 30 or 31. High schools it could be over 30 easily.

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COUNCIL MEMBER FIDLER: When was the last time we saw class sizes in that range in the city?

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JOEL I. KLEIN: Certainly not on my watch. You've got to go back to the 70s I suspect, although I don't have enough data on the 80s, but not in the modern era.

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COUNCIL MEMBER FIDLER: We've heard a lot of really bad numbers in budget hearings. We've a third of senior centers closing, a quarter of the after school programs closing and now we're talking about going back to the 70s in terms of class size in our school system. Those are three pretty horrible numbers right there and we haven't even talked about firehouses or cops. That's pretty awful.

24

25

I understand that at a prior hearing on the subject, you promised Chairman

1  
2 Jackson that you would monitor the PEGs and tell  
3 us exactly now retrospectively what got cut when  
4 PEGs were implemented.

5 JOEL I. KLEIN: I think Photeine  
6 described it. We can give it to you specifically,  
7 but what got cut is about 40% of their OTPS which  
8 usually would be like after school programs,  
9 another 40% of their per-session and oftentimes  
10 that's for professional development. Then we had  
11 staff cuts, meaning we had to layoff some aides  
12 and then we were down last year about 1,800  
13 teachers year to year and some administrators.

14 COUNCIL MEMBER FIDLER: Those are  
15 pretty broad sweeping categories. Within those  
16 categories do you have greater detail? Are you  
17 able to say? So we lost 40% in OTPS and that  
18 meant that we cleaned our schools one day a week  
19 less, we closed 322 after school programs serving  
20 10,000 kids. Are you able to quantify that?

21 PHOTEINE ANAGNOSTOPOULOS: We can  
22 provide you both in terms of on the schools we can  
23 show you in more detail about which ones cut what  
24 in terms of OTPS and the specific OTPS they cut.  
25 We can show you the specific per session that they



1  
2 cut and the number of teaching positions. On the  
3 central budgets, we actually have tracked what has  
4 happened which most of our PEGs have been hit.

5 If they're on the cost side we take  
6 the money out anyway, so if they don't hit that  
7 particular PEG they hit it somewhere else because  
8 the money is gone. We can talk to you about the  
9 revenue PEGs that we took. Those are a little bit  
10 more difficult to attain but we've actually been  
11 pretty successful there.

12 COUNCIL MEMBER FIDLER: I would  
13 like to see a piece of paper or papers that detail  
14 that. I'm sure the chairman would like to have it  
15 and share it with the whole Education Committee.  
16 So I would ask for that. The final question I  
17 have for you is when we did the ACS 5-year-old  
18 shift, OMB talked about how it was a savings  
19 because you were going to pick up the education  
20 piece and DYCD was going to pick up the OST piece.

21 And I know this is not on your  
22 watch. Before yesterday's PEG letter, the OST  
23 program in the city of New York was going to be  
24 cut by 25%. That means 25% of our slots were  
25 going to disappear. You've just indicated that

1  
2 your PEGs have resulted in after school  
3 programming disappearing additionally from DOE.  
4 Can you tell me what the impact of that cut is  
5 going to be on the education of our young people?  
6 Do you anticipate it having any particular effect  
7 on how you provide services at the Department of  
8 Education?

9 JOEL I. KLEIN: The impact I think  
10 is clear. I think our students need more, not  
11 less after school. This will mean, obviously,  
12 that they'll get less. As a result of that,  
13 particularly for students who are struggling but  
14 for many other students it'll have an unfortunate  
15 negative impact, no question about it.

16 How do we address that? Again, we  
17 try to work with individual schools. It's  
18 slightly different in concept than a lot of places  
19 because some communities you have strong needs for  
20 very robust after school programs and some  
21 communities you don't have such a strong need. So  
22 we let schools try to address the issues because  
23 it's a very complicated city, as you know. But  
24 none of these things are things that we would say  
25 okay, we just do without it. These are all things

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2 that are going to have real costs.

3 CHAIRPERSON JACKSON: Thank you.

4 Next is Council Member Daniel Dromm of Queens.

5 COUNCIL MEMBER DROMM: Thank you.

6 I just wanted to follow up with some questions  
7 about some of the other unionized members in the  
8 Department of Education. I know you mentioned  
9 about the school aides possibly being laid, if  
10 it's a local decision at the principal level. Do  
11 they have a contract and has the cost, if they  
12 don't have a contract, been factored into the  
13 budget? Actually I have the same question about  
14 the assistant principals and members of the CSA.  
15 Do you have an idea of what's going to happen  
16 there?

17 JOEL I. KLEIN: What's the  
18 question, how many are going to be laid off?

19 COUNCIL MEMBER DROMM: Yes.

20 JOEL I. KLEIN: Right now on the  
21 aides, we laid off last year about 500 aides and  
22 we expect it'll be something like that again. We  
23 haven't made a calculation yet on assistant  
24 principals. Obviously principals go back to being  
25 teachers, so there is not a real savings of great

1  
2 consequence there. But we might look at that. We  
3 might look at having APs do more teaching which is  
4 something we've looked at as well.

5 COUNCIL MEMBER DROMM: I'm just  
6 asking that because you had allocated or had  
7 talked about a 1.8% increase for the teachers up  
8 to \$70,000 of their salary. Of course a lot of  
9 teachers do make more than that. But is there any  
10 idea in terms of what an increase for principals  
11 or assistant principals?

12 PHOTEINE ANAGNOSTOPOULOS: They got  
13 the same.

14 JOEL I. KLEIN: They got the same  
15 thing. The CSA and the UFT were treated the same.

16 COUNCIL MEMBER DROMM: Thank you.

17 JOEL I. KLEIN: Thank you.

18 CHAIRPERSON JACKSON: Thank you  
19 Council Member. Chancellor, I just have one or  
20 two cleanup questions if you don't mind.  
21 Regarding school safety, has the Department of  
22 Education submitted any programs to eliminate the  
23 gap proposals to the Office of Management and  
24 Budget for school safety in any one of the last  
25 seven rounds of the Department of Education budget

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2 cuts?

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JOEL I. KLEIN: We have not.

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That's a decision that is between OMB and the

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Police Department. Any cut like that, and I'm not

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advocating such a cut because if anything I'm

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hearing from schools they'd like more safety

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agents. But any such cut is determined between

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OMB and the Police Department.

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CHAIRPERSON JACKSON: That's where

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my second question is. Who decides on how much

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money to spend on school safety? Where is that

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decision made? Is it with you? Is it with NYPD?

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Is it with OMB?

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JOEL I. KLEIN: Principally it's

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between OMB and NYPD.

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CHAIRPERSON JACKSON: So whatever

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that amount is, basically you have to absorb it?

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JOEL I. KLEIN: We have to absorb

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it. They put it in our budget. So it's like a

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line item for that.

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PHOTEINE ANAGNOSTOPOULOS: They put

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this in the budget for us. So the police

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department determines what they feel is the

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adequate level in terms of the number of safety

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2 agents at each of the schools and then that money  
3 is budgeted by OMB straight in to our budget.

4 CHAIRPERSON JACKSON: I guess going  
5 back to what I said in the opening statement, do  
6 you believe that there are no efficiency measures  
7 or operational improvements that the Division of  
8 School Safety could make in order to free up some  
9 of the Department of Education's money and perhaps  
10 spare some cuts to the classroom and school?  
11 Those are the tough questions.

12 JOEL I. KLEIN: It's a real  
13 question. I would only say one thing. The  
14 indispensable element in all of this is a safe  
15 school environment. We've made a lot of progress  
16 in that working with the NYPD. I think whatever  
17 else we go through one of the things that people  
18 remember was when our schools were much less safe.  
19 That doesn't mean there aren't things we can do to  
20 be more efficient.

21 CHAIRPERSON JACKSON: I guess  
22 that's where we are coming from with respect to  
23 that. Because if in fact their cost factor has  
24 gone up and up and up and that in seven rounds  
25 there has been no PEGs in that area, it begs the

1  
2 question why not when everyone else, even NYPD as  
3 an agency is taking a PEG, why aren't they taking  
4 a PEG like everyone else?

5 PHOTEINE ANAGNOSTOPOULOS: We are  
6 currently talking with OMB about all areas in the  
7 budget in terms of finding the efficiencies. I'm  
8 not sure where we're going to come out on that but  
9 we're not going to risk the safety of the students  
10 either. So that's foremost, as the Chancellor has  
11 said, but we are looking at every line item with  
12 OMB. At this point in time we haven't made any  
13 decisions.

14 CHAIRPERSON JACKSON: With respect  
15 to school safety, is overtime in your jurisdiction  
16 or that's NYPD?

17 JOEL I. KLEIN: That's NYPD.

18 CHAIRPERSON JACKSON: So all of it  
19 basically is under the jurisdiction of NYPD which  
20 you have to absorb in the Department of  
21 Education's budget?

22 JOEL I. KLEIN: OMB absorbs.

23 CHAIRPERSON JACKSON: Right.

24 JOEL I. KLEIN: It's like a pass  
25 through.

1  
2 CHAIRPERSON JACKSON: Now, on to  
3 the busing contracts if you don't mind,  
4 Chancellor. Can you explain the assumptions  
5 behind the \$52.8 million or 5.8% increase for bus  
6 contracts? The plan budgets have increased from  
7 \$906.1 million to \$959.2 million next year and  
8 then you're reading the articles in the paper and  
9 this headline says \$420 million for "bribery"  
10 school bus firms.

11 I mean, as a member of the public,  
12 people are saying what's going on and why are bus  
13 contracts costing so much money and why when some  
14 companies may have been involved in briberies to  
15 the tune of hundreds of millions of dollars.

16 JOEL I. KLEIN: In terms of  
17 bribery, we've worked very closely with the U.S.  
18 Attorney's office. This has been something where  
19 if you disqualified all of the bus firms, we'd  
20 have no busing in the city and that would create  
21 obviously enormous hardship for our parents.

22 In the past, and I've had the  
23 chance to testify about this several times, the  
24 way the bus contracts work was really high  
25 disadvantageous but very hard to change because of



1  
2 threatened strikes and other issues that we faced.  
3 They all ended on the same day. They all have job  
4 security provisions. We've been sued over all of  
5 these things.

6 Our best estimate is that when we  
7 finish the negotiations and the negotiations are  
8 going better now than ever before, for the first  
9 time they don't all end on the same day. So when  
10 you think about that, to be able to crack that  
11 stranglehold. If they all end on the same day and  
12 they all go out on strike, we have no buses. If  
13 they don't all end on the same day we can play  
14 them off against each other. These are all  
15 changes we're trying to make.

16 Our best estimate right now is with  
17 all of that, with their increased costs and their  
18 increased wages and all of the other things, it's  
19 going to go up. Compared to prior increases it's  
20 not enormous. I would love to cut down this  
21 price. As you know and have pointed out, we want  
22 to do it in a way that doesn't impact negatively  
23 on our kids. But I would love to and any thoughts  
24 you have on how to do it, let me know. This has  
25 been a hard one to crack because of the way the

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2 contracts were structured.

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PHOTEINE ANAGNOSTOPOULOS: I think

it's also really important to understand on those

bus contracts that you have a couple of other

factors in there. First of all, that estimate was

based on the contracts before the renegotiation.

We have achieved significant savings, which after

the negotiations are over we're more than happy to

discuss. To discuss them too much sooner would

actually potentially hurt the negotiations with

other companies. But we have achieved significant

savings.

Second of all, keep in mind of that

\$58 million we pay for half of that because of the

reimbursement from the state, a little bit less

than half actually. It also includes fuel

increases which get passed on to the department

and the state. It also includes a CPI that was

basically based on what the state law is in terms

of what we have to pay the bus companies under the

old contract.

CHAIRPERSON JACKSON: Clearly,

knowing how huge the bus contracts are, I'm glad

to hear that we're moving away from one date where

1  
2 everything is ending. As you know, for years I've  
3 been asking with respects to this issue of bus  
4 contracts and whether or not we could put a  
5 request for proposal out there for certain  
6 segments of areas in order to try to bring about  
7 the lowest possible price. Dealing with unionized  
8 employees, that's fine; I have no problem with  
9 that, and also being able to provide safe  
10 transportation for our children around the City of  
11 New York.

12 Let me just ask a general question  
13 with respect to this fiscal year even though  
14 you've negotiated some contracts with some  
15 different ending date and knowing that all the  
16 other contracts expired June 30th if I'm not  
17 mistaken, do you expect overall in fiscal 2011,  
18 the cost for busing to increase, stay the same or  
19 be less and if so if you could share any details  
20 as far as general numbers.

21 PHOTEINE ANAGNOSTOPOULOS: Keep in  
22 mind it's a year lag that you see. The  
23 transportation is based on the year prior. So you  
24 have to be really careful. You're looking at the  
25 revenue budget. When you see an increase there,

1  
2 it's based on last year's costs. So what we save  
3 this fiscal year in cash will show up next year in  
4 terms of the revenue that we receive.

5 CHAIRPERSON JACKSON: We're looking  
6 at the expense budget and not the revenue budget.

7 PHOTEINE ANAGNOSTOPOULOS: If you  
8 look at the expense budget, what OMB puts in there  
9 actually reflects backwards on the transportation.  
10 But if you look at what we will spend this year  
11 based on the new contracts, it will be lower.

12 CHAIRPERSON JACKSON: It will be  
13 lower.

14 PHOTEINE ANAGNOSTOPOULOS: It will  
15 be lower and I can't give you those numbers until  
16 we finish the negotiations.

17 CHAIRPERSON JACKSON: With respects  
18 to the arts, do you expect to be spending more or  
19 less on the arts? I raise that because school  
20 spending on the arts has climbed over three years  
21 as far as personnel. The head count data from the  
22 middle schools show a drop in the actual number of  
23 teachers. How is the Department of Education  
24 going to ensure that middle school students are  
25 receiving arts education as required by state law

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2 should such cuts continue?

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JOEL I. KLEIN: As you point out, even with cuts we've increased the overall arts budget in the school system. We have a very aggressive Arts Counts transparency program for everyone to see. But as there are cuts of the magnitude we are looking at, that will impact the arts like it impacts everything else, no question about it.

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PHOTEINE ANAGNOSTOPOULOS: I think it's important to note that the number of arts teachers went down but in relative proportion to the other subject areas that went down.

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CHAIRPERSON JACKSON: I guess the concern is in looking at the budget situation, spending is up but if the head count is down, then how are you going to meet the mandate of what is required by state law? Obviously parents are not looking for what the minimum mandate is. They're looking for an enriched program of arts and music and so forth and so on. You're cutting down staff over a five year period by 13% even though spending overall may be up.

25

JOEL I. KLEIN: The answer to your

1  
2 question is we obviously have to prioritize. I  
3 wish we had more money for the arts. We continue  
4 to spend more money. But I would tell you just  
5 like we need more after school and more of many  
6 other things; we would like more money for the  
7 arts. We just have to make prioritizations when  
8 we're facing these kinds of cuts.

9 CHAIRPERSON JACKSON: I say to you,  
10 Chancellor, when you talk about children and  
11 teaching and learning, I've always said that  
12 beside the academic, our kids need to be able to  
13 have that exercise in gym so they can run around  
14 and breath fresh air so then they can get back to  
15 the classroom and focus on the math, science,  
16 history and things like that. But they also need  
17 to get their hands involved in clay and paint and  
18 art and theater and music.

19 The statistics that we have is that  
20 as far as spending for the arts and cultural  
21 partnership has decreased by 53% and spending for  
22 art supplies and instruments has declined by  
23 almost 80% over the past three years. So  
24 obviously we're looking for a holistic approach.  
25 We just cannot eliminate arts. The reason I say

1  
2 that is because many children not only learn as  
3 far as academically by sitting down and reading a  
4 book, but they learn through the art, they learn  
5 through music, they learn through sports, from a  
6 holistic point of view.

7 JOEL I. KLEIN: We don't disagree.  
8 But obviously everything we're talking about is  
9 making tough choices. We don't disagree.

10 CHAIRPERSON JACKSON: Chancellor,  
11 let me thank you and your staff for coming in. We  
12 look forward to working with you. We understand  
13 the bad scenario and we don't want to see this. I  
14 want to be able to tear this up.

15 JOEL I. KLEIN: I'm with you.

16 CHAIRPERSON JACKSON: We want to be  
17 able to see the light at the end of the tunnel.  
18 But clearly, our colleagues expect you as a point  
19 person, you are the chancellor at the Department  
20 of Education, the buck stops with you, we expect  
21 you to look at all of these areas that we talked  
22 about, even the ones that I mentioned in my  
23 opening statement to do the best thing that we can  
24 in order to make sure that teaching and learning  
25 in the classroom occurs.

1  
2 JOEL I. KLEIN: Thank you, Mr.  
3 Chairman. I appreciate it.

4 CHAIRPERSON JACKSON: Thank you  
5 very much. I look forward to working with you  
6 towards this executive budget and the state  
7 budget.

8 JOEL I. KLEIN: Thank you very  
9 much.

10 CHAIRPERSON JACKSON: Thank you.  
11 Our first witness after the chancellor departs is  
12 going to be Michael Mulgrew, the president of the  
13 United Federation of Teachers. We're going to  
14 take a two minute break and we'll be ready to go.

15 [Pause]

16 CHAIRPERSON JACKSON: Good  
17 afternoon. Our first witness in the public  
18 session is the president of the United Federation  
19 of Teachers. Would you please introduce yourself  
20 and your colleagues and you may begin your  
21 testimony.

22 MICHAEL MULGREW: Good morning. My  
23 name is Michael Mulgrew. I'm the president of the  
24 United Federation of Teachers. I'm joined by  
25 Special Assistant for Budgetary Affairs of the



1  
2 UFT, Jeffrey Goldstein. I'd like to first thank  
3 you, Chairman Jackson and all the members of the  
4 Council for convening this hearing.

5 We understand that right now we are  
6 looking at a very, very tough economic picture.  
7 But we also understand that the children of New  
8 York City should not be made to pay for the  
9 mistakes that adults have made with our economy.  
10 And that is looking more and more of a scenario  
11 that might be happening.

12 We do not want a repeat of the  
13 1970s. With the proposed budgets that we have  
14 seen coming out of Albany at this point, that is  
15 exactly what we are looking at. \$1.4 billion in  
16 cuts will mean a return to the 1970s for the New  
17 York City Public School System. Yes it does  
18 equate to over 8,000 teacher layoffs. It equates  
19 to the slashing of all sorts of extracurricular  
20 activities. It is as you heard earlier today, a  
21 doomsday type budget.

22 But this is also the opportunity  
23 for people to try to be adults about this and work  
24 constructively together to first advocate in  
25 Albany to come up with a better revenue package

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2 than the proposed budgets that are on the table at  
3 this moment and to do that work in a forthright  
4 and honest way. And then to come down here to the  
5 city and let's try to be as transparent as  
6 possible since that has not been the history  
7 lately with the Department of Education budgets.

8 I will talk a little bit about the  
9 1970s. We had approximately 15,000 teacher  
10 layoffs over a period of three years. We had  
11 class sizes rise above the size of 50 in many of  
12 the schools throughout the city. Schools were  
13 decimated in terms of maintenance, school building  
14 stopped, construction stopped, and maintenance  
15 itself in terms of cleanliness of schools became  
16 something that could only be an as-needed basis  
17 and as-needed meant when it was very, very  
18 deplorable conditions.

19 This is not something we should  
20 allow to happen. We did that because we knew no  
21 other way to deal with it in that moment in time.  
22 This union at that moment did help the city stop  
23 from being bankrupt but it could not save the city  
24 school system. So I pledge to you that my members  
25 and myself will do everything in our power to work

1  
2 and advocate on behalf of the children of New York  
3 City in Albany. I am asking the City Council, the  
4 Mayor, and the Chancellor of New York City to help  
5 and partner with us on that endeavor.

6 Our elected officials in Albany, I  
7 know they have an understanding of the tough  
8 economic times, but I do not believe at this  
9 moment they truly understand the impact of the  
10 budgets that they are proposing at this moment.

11 There are smart ways to do things.  
12 There are all sorts of different ways to look at  
13 creating revenue. They are not doing that at this  
14 point.

15 Additionally, here in New York  
16 City, we have to be smart about how we can save  
17 money. There are all sorts of different ways.  
18 When you're looking at teacher layoffs, the first  
19 thing you should be asking yourself and the city  
20 should be looking at is the ability to do a  
21 retirement incentive. A retirement incentive is  
22 very, very effective in terms of saving money  
23 immediately for the school system. We have plans  
24 on the table right now that would save the city  
25 school budget for next year beginning at \$300

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2 million and going up. Those are the things that  
3 make a difference in terms of children.

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5 The other part of this is we have  
6 to have transparency about what is actually being  
7 spent in the city school system. This has been a  
8 frustration in this city for quite a few years.  
9 We do not know what is being spent at central. We  
10 do not know. We know about all of the no-bid  
11 contracts. We know those are in the hundreds of  
12 millions above last year's numbers right now. We  
13 also know that we have more and more consultants  
14 and lawyers being hired by the Department of  
15 Education.

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26 In this tough economic time, the  
27 priority must be funding inside of the classroom  
28 and to any services that directly support schools.  
29 It is very clear. It's common sense. That is  
30 where we have to focus the priority of this school  
31 system. So we look forward to trying to work with  
32 people on these issues. We are hoping that common  
33 sense and adult constructive collaboration will  
34 work on behalf of the children of New York City.

35 I will submit my testimony. I did  
36 not read my testimony but my testimony has been

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2 submitted. I thank you very much.

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CHAIRPERSON JACKSON: Let me thank you. Obviously your testimony is part of the record and I'm glad that you've communicated from your knowledge as being the leader of this union along with the political situation from a budgetary point of view at the state and the city.

You may have been here when I held up this as the bad as far as the city's budget and this being the horrid, meaning this included the January plan and this one here is what would happen if in fact the over billion dollars in cuts to education occur. I said that there must be other areas that were untouchable. You may have heard me talk about with the past seven programs to eliminate the gap, there was no elimination of school safety as far as that particular budget.

Let me just tell you, I'm not saying that we should cut school safety, but I think that every area, no matter it is, should be looked at as far as cost savings. The food division, children with special needs, general education, school safety, every area needs to be looked at to determine whether or not we could

1  
2 save money so that our children get the best  
3 education possible.

4 I'm not trying to pit one group  
5 against the other. But from a holistic point of  
6 view, those are the tough things that must be  
7 looked at by DOE in order to bring about the best  
8 scenario with the state and the city budget as it  
9 is.

10 I say to you that obviously we are  
11 advocating also at the state level. I guess  
12 individual Council Members along with the City  
13 Council as a whole and I will be communicating to  
14 our elected officials up in Albany, especially  
15 those that represent parts of the district that I  
16 represent in District 5 and District 6 in  
17 Manhattan, about the budget situation and giving  
18 them copies of my opening statements and other  
19 documents to support the continued funding for  
20 education.

21 Let me turn to our colleagues if  
22 they have any questions.

23 MICHAEL MULGREW: Can I comment?

24 CHAIRPERSON JACKSON: Sure, go  
25 ahead.

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2                   MICHAEL MULGREW: I am currently  
3 the chair of the Subcommittee of the Municipal  
4 Labor Council on all unions dealing with the  
5 Department of Education. We have engaged with the  
6 city in conversations because each of the various  
7 entities, the unions of the MLC have had great  
8 frustration in dealing with the Department of  
9 Education in actually having conversations about  
10 cost savings and ways to do things more  
11 efficiently and have been stonewalled at this  
12 point.

13                   So we will continue on that  
14 process, but I agree with you when I say we need  
15 to look at everything because there are other  
16 unions here who have tried. This is the second  
17 time only in the history of the MLC where a  
18 subcommittee had to be formed to deal specifically  
19 with a city agency because they were not  
20 cooperative in terms of dealing with their  
21 workforce and especially when their workforce is  
22 trying to show them ways to save money.

23                   So I understand the frustration but  
24 I also understand the need of what you just said  
25 that we need to look at everything. It all goes

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2 on the table in this type of situation.

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CHAIRPERSON JACKSON: You're

looking in the same direction that other unions

are and that's clearly appropriate. That's the

same thing that I'm looking at and members of the

City Council are looking at. So if in fact under

the Municipal Labor Council that subcommittee has

any ideas that you're trying to share with the

Department of Education or the mayor, if you can

share those with us also, that would be good.

Obviously we will look at that and

consider that. We may be in contact with you and

other unions on that particular matter to explore

those further. But everything needs to be looked

at in this point in time. Looking at is one thing

and acting is another, because obviously you have

to flesh it all out. I appreciate that. Let me

turn to my colleague Daniel Dromm.

COUNCIL MEMBER DROMM: Thank you

very much. Thank you, Mr. Mulgrew for coming in

today.

MICHAEL MULGREW: Thank you.

COUNCIL MEMBER DROMM: I questioned

the Chancellor because I'm very concerned that



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2 what he actually is trying to do is to privatize  
3 our public school system through a number of  
4 actions.

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6 I was very concerned and I  
7 mentioned this to the chancellor when he was here  
8 also, that he seemed to be engaging in some union  
9 busting in terms of his desire to violate  
10 seniority rules by saying that he would perhaps go  
11 to the state to allow legislation to pass which  
12 would give him the opportunity to lay off teachers  
13 by performance evaluation or whatever it may be  
14 rather than by seniority rules.

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16 I was also concerned about his  
17 references in his testimony to the ATR teachers  
18 that are in the ATR pool. There is some confusion  
19 about that.

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21 He's threatening to go to the  
22 state. What would he be able to do if he was up  
23 there in terms of those seniority changes? What  
24 is the problem with that and why is that wrong?

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26 MICHAEL MULGREW: He already has  
27 gone to the state. When we had to do our state  
28 testimony, we put forth proposals for different  
29 sizes of cost savings, for revenue enhancements

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2 and different things of that nature and the  
3 chancellor asked for changes in the law rather  
4 than advocating for funding, which I found very  
5 disappointing.

6 That's why when I started my  
7 testimony here today we are looking forward to  
8 working with people in a constructive adult way in  
9 terms of getting things done for this city and not  
10 using this difficult time for political agendas  
11 and destructive behavior which was clear to me  
12 that's what was done in Albany.

13 In terms of removing certain things  
14 and changing legislation, you heard me talk about  
15 a retirement incentive. In terms of trying to  
16 tell people that your years of services can be  
17 used against you because of your salary, I think  
18 that's sending a pretty clear message that you  
19 don't care about the people who work for you.  
20 It's kind of disgusting at this point in time.

21 In terms of the issue of the ATRs,  
22 that situation has been completely exacerbated by  
23 changes in policy that the chancellor has done and  
24 not in contract negotiations. In fact, when he  
25 negotiated the change for the placement of people

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2 inside of school buildings, we actually sent him a  
3 note and it's part of official testimony where we  
4 told him to be carefully and it needs to be  
5 managed carefully or it will become a problem.

6 Not only did he not manage it  
7 carefully, he then changed the funding formula  
8 which exacerbated the situation. It is a clear  
9 example of mismanagement. Now the boy who cried  
10 wolf wants us all to go fix it for him instead of  
11 him doing the tough things which he need to do and  
12 change the policies.

13 COUNCIL MEMBER DROMM: I think he  
14 seems to be trying to go to the state to correct  
15 that because it's something that he didn't like  
16 that he himself negotiated.

17 MICHAEL MULGREW: Correct.

18 COUNCIL MEMBER DROMM: There was  
19 some confusion with the Council Members about ATR  
20 teachers and teachers in rubber rooms. Can you  
21 explain the difference to us please so that we  
22 have a clear understanding of that?

23 MICHAEL MULGREW: First, the ATR  
24 teachers are in schools right now working. They  
25 do not have permanent positions. These are people

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2 who have been evaluated or in the process.

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Anyone who is in the rubber rooms, there a pending charge or a charge against them. That is something that needs to be fixed and something that we are advocating for. We cannot have people and it's not fair to the city for people to be sitting somewhere for years without even having a charge against them. So that is not something under our control. That is under the Department of Education's control.

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But more importantly, I pledge that people should be following the law. The law allows for ten days of hearings over a 60-day period and that is something that I pledge to enforce and try moving that forward.

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This is very simple. You have a charge, something is going to happen, people can be disciplined. Do it. Don't waste the people's time. Don't waste the city's money. Just move things forward. There are procedures set up that are clearly not being followed. This idea that you have people sitting for years without even having a charge is absurd. We are working with the Department of Education right now and we're

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trying to come up with something that will expedite this whole process.

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COUNCIL MEMBER DROMM: ATR teachers have not had charges against them, right?

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MICHAEL MULGREW: Absolutely not.

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They have not had charges. The majority of the

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ATRs have come from closing schools and the

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downsizing of schools. The fair student funding

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formula has a direct impact on that. Plus the

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fact that the chancellor himself for years has

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went out publicly and disparaged anyone who was in

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the ATR pool. That doesn't do well for people who

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are evaluated to be satisfactory. They do a good

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job with their kids.

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The sad part of the whole situation

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is that as a school closes its performance

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actually goes up and the teachers who stay with

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them to the very end when the school closes

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because they feel responsible to all those kids

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are the ones who end up in the ATR pool. They're

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actually penalized for being there and staying

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with those children until the end when that school

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is closed.

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COUNCIL MEMBER DROMM: Would you

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2 say the majority of the teachers in the ATR pool  
3 are more experience teachers? Has a study been  
4 done on that or do you have any numbers on that?

5 MICHAEL MULGREW: Yes. The average  
6 salary is somewhat higher which is why the funding  
7 formula has a lot to do with it.

8 CHAIRPERSON JACKSON: Council  
9 Member, the Education Committee is looking at  
10 holding a hearing on rubber rooms and ATRs.

11 COUNCIL MEMBER DROMM: Teachers who  
12 were U rated because he seems to constantly bring  
13 that up as a problem in the system. Do you have  
14 numbers on the number of teachers who have  
15 received a U rating?

16 MICHAEL MULGREW: In a year?

17 COUNCIL MEMBER DROMM: Yes.

18 MICHAEL MULGREW: Approximately  
19 about 300.

20 COUNCIL MEMBER DROMM: What percent  
21 of the school system might that be?

22 MICHAEL MULGREW: Less than 1%.

23 COUNCIL MEMBER DROMM: I just  
24 wanted to make that point because I'm getting very  
25 tired of the chancellor placing a lot of blame for

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2 what goes on in the school system on the backs of  
3 teachers.

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MICHAEL MULGREW: That is not going to be what fixes the problems we're looking at right now. The idea that that is the focus in terms of the person who is supposed to be in charge of the school system is extremely disappointing. That's the nicest way I can say it.

COUNCIL MEMBER DROMM: It's shifting the blame somewhere else. Thank you.

CHAIRPERSON JACKSON: Thank you. Council Member Levin, do you have a question or comment?

COUNCIL MEMBER LEVIN: Thank you, Mr. Mulgrew.

MICHAEL MULGREW: Thank you.

COUNCIL MEMBER LEVIN: We all appreciate the work that you do and the work that the teachers of City of New York whom you represent do.

MICHAEL MULGREW: Thank you.

COUNCIL MEMBER LEVIN: I just wanted to follow up. This is more of a comment

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2 with regards to the rubber room. In our society,  
3 in the civilian world, when you have a charge  
4 against you in a court of law, you're entitled to  
5 a speedy trial. That is something we see as kind  
6 of not the rule here. Speaking on behalf of  
7 myself, but I think most of the members of this  
8 committee and the Council will agree.

9 I look forward to working with you  
10 and working with the Department of Education on  
11 coming up with a way that is an equitable solution  
12 to this problem. It seems to have become more of  
13 an emblematic thing. I don't know what type of  
14 cost savings we're looking at but it seems to be a  
15 symbol of the slow process by which the Department  
16 of Education is moving.

17 Talking about contract negotiations  
18 coming up with the UFT and the city, the  
19 chancellor had made reference to a 2 and 2  
20 contract. I believe that currently it's 4 and 4.  
21 Is that correct?

22 MICHAEL MULGREW: There is a  
23 pattern established in the city of 4 and 4.

24 CHAIRPERSON JACKSON: I think they  
25 don't have contract, is that correct? I mean the



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2 contract has expired.

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MICHAEL MULGREW: We have an expired contract. We actually are going into the mediation process at that point. I cannot really speak much about the contract.

COUNCIL MEMBER LEVIN: I understand.

MICHAEL MULGREW: It's very nice that the chancellor speaks about it publicly but we need to act properly. I am a teacher, you model behavior.

COUNCIL MEMBER LEVIN: Right. I just want to make clear, I don't know if you had felt like maybe they were putting words in your mouth or that there seemed to be an indication that there's this willingness to go along from the union. It's a little unclear.

MICHAEL MULGREW: I am a strong believer in the First Amendment. The chancellor can say whatever he wants but those are not my words. But I will tell you this, if you look throughout the history of this union, we have always been there to support the city in times of need. So the fact that some people use tough

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2 times to attack us is really antithetical.

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When you look at a partner who has always been willing to help you when you're in trouble because they know that the health of the city is more important than anything else and when times are tough you figure out ways to work with each other. That's what I'm hoping comes about through this time tough budget times. Our record is clear. We have always done that. We have always been there for the city and for the children and the schools and we will continue to do so.

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COUNCIL MEMBER LEVIN: You had mentioned incentivizing retirement as a way of saving the city and the Department of Education some money. Are there any other programs that UFT is ready to lay on the table that you can speak to publicly right now?

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MICHAEL MULGREW: The retirement incentive is something I speak to publicly right now. Just last year we did a pension modification that saved the city \$100 million this year. I wasn't here earlier but I'm sure the chancellor thanked us for that. There are other things we're

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2 looking at but I cannot really speak about them  
3 right now. He did thank us, right?

4 COUNCIL MEMBER LEVIN: No, I don't  
5 recall.

6 MICHAEL MULGREW: No?

7 CHAIRPERSON JACKSON: Thank you,  
8 Mr. Mulgrew. Thank you and your union for  
9 participating in this oversight preliminary budget  
10 hearing on 2011.

11 MICHAEL MULGREW: Thank you, Mr.  
12 Chairman Jackson.

13 CHAIRPERSON JACKSON: Next we're  
14 going to hear from the president of the Council of  
15 Supervisors and Administrators Ernest Logan. Mr.  
16 Logan.

17 ERNEST LOGAN: Chairman Jackson,  
18 good afternoon.

19 CHAIRPERSON JACKSON: You may begin  
20 your testimony.

21 ERNEST LOGAN: Good afternoon,  
22 Chairman Jackson. I'm Ernest Logan, president of  
23 the Council of School Supervisors and  
24 Administrators representing principals, assistant  
25 principals, supervisors, and director and

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2 assistant directors of city-funded day care  
3 centers.

4 I'm not going to read my testimony.  
5 I just want to do some talking points.

6 CHAIRPERSON JACKSON: Can you speak  
7 into the mike?

8 ERNEST LOGAN: My testimony can  
9 then be placed in the record. We've heard a lot  
10 from the chancellor about the laying off of  
11 teachers. Teachers will not be the only employees  
12 of the Department of Education that will be  
13 affected by this. He would have to lay off non-  
14 teaching staff, administrators, supervisors,  
15 support personnel, paras, school aides, lunchroom  
16 workers, it runs the gamut with these cuts.

17 We believe also that these cuts  
18 will further cause the issues that we have raised  
19 continuously about low performing students and the  
20 idea that we have yet to close the achievement gap  
21 between minority children and children who come  
22 from different economic backgrounds.

23 With all the billions of dollars  
24 we've spent here and we can talk about graduation  
25 rates increasing, but we have yet to close that

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2 achievement gap. There are still many areas where  
3 we have not been able to do what we need to do to  
4 provide every child in this city with a sound  
5 basic education.

6 Over the past few years, the  
7 Department of Education has made school leaders,  
8 teachers and students accountable for their  
9 professional behavior and outcomes. Our question  
10 to the Department of Education continues to be  
11 where is your accountability when it comes to  
12 reducing waste and managing smarter?

13 If our schools are expected to do  
14 more with less or at least maintain the status quo  
15 with fewer dollars, so should the central office.  
16 This brings me to some points that I wanted to  
17 bring out today. With an annual budget of about  
18 \$21 billion, the DOE spends more than \$3 billion  
19 on goods and services.

20 While many of these contracts have  
21 been properly bid out, others were negotiated  
22 outside the bidding process and away from any  
23 public scrutiny whatsoever. In fact, the  
24 comptroller found that from 2005 to 2008, the DOE  
25 awarded more than \$342 million or 11.7% to

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2 companies that had not been part of the bidding  
3 process.

4 Now for the vast majority of these,  
5 the Department of Education provided no  
6 justification. There was no discussion of why one  
7 company was chosen over another. There has been  
8 no evaluation of the company that has gotten the  
9 bid and whether they've done a better job than  
10 city workers who were there.

11 In many instances, we have found  
12 that what has happened is that city workers who  
13 were there in place to do the work, that work was  
14 contracted out to someone else. Something just as  
15 simple as when we were talking governance  
16 structure, we came before this committee some  
17 years ago talking about the role of the community  
18 superintendent as the person who was supposed to  
19 be the rating officer of principals and the person  
20 who really should have looked at schools.

21 So what do we do when the DOE  
22 decided they want to do a school quality review?  
23 They put a contract out for Cambridge, people from  
24 England to come do the work that our  
25 superintendent should have been doing originally.

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2 When they started running out of money they then  
3 now have the community superintendents doing the  
4 work they were paying outside consultants to do.  
5 It was an absolute waste.

6 What we're talking about now is  
7 that it's time for across the board cuts. We all  
8 understand that everybody has to take a hit on  
9 this. We understand it also. But we need to ask  
10 the DOE to do a hiring freeze. We had to FOIL the  
11 management pay plan.

12 The management pay plan showed us  
13 that there were indeed 1,160 managerial employees  
14 at Tweed. It's 1,160 employees for a total  
15 payroll, without the fringes, of \$320 million.  
16 Now that takes in directors, superintendents,  
17 accountability people, attorneys, counselors, I  
18 have a whole list.

19 It took me eight months to get that  
20 FOIL request answered.

21 CHAIRPERSON JACKSON: You're saying  
22 managerial. So that's any teachers that are  
23 assigned there.

24 ERNEST LOGAN: Absolutely not  
25 teachers.

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CHAIRPERSON JACKSON: Any

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principals?

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ERNEST LOGAN: No supervisors.

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These are non-unionized employees at Tweed.

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CHAIRPERSON JACKSON: What about

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contractors?

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ERNEST LOGAN: No. This is not

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taking contractors. This takes only employees who

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are paid by the New York City Board of Ed who are

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managerial employees. Now, in the past, the DOE

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had to go before the public whenever they hired

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personnel above a G-4 or G-5 or whatever. What

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they have done now is taking these civil servants

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titles, they are not giving exams, they're

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education analysts, education officers, and

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they're placing people in these titles and paying

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them in the range that the civil service title

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provides for without any oversight from anyone.

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So we're saying we need to have a

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total look at that. We have a lot of people at

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the DOE such as attorneys, compliance people and

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accountability people. Now before we talk about

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cutting schools, we need to look and see if we

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need all of the staff that we have there.

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2 We have seen the DOE do small  
3 schools. Now I'm the first one to admit I like  
4 the idea that I pick up additional union members.  
5 But in a time of fiscal issues we need to show  
6 some constraint before we create any new schools.  
7 Let us stop this until we can get a handle.  
8 Because not only does the school get startup  
9 money, which we don't have, but we also bring in  
10 additional staff.

11 So, Chairman Jackson, the rest of  
12 that is in my testimony. I'm available to answer  
13 any questions. I'm willing to share the FOIL  
14 request that we have with your committee.

15 CHAIRPERSON JACKSON: Please do.  
16 Let me thank you for coming in and giving  
17 testimony. Obviously I would love for you to  
18 share your FOIL request. Looking at the December  
19 2009 DOE staff just showed me where a total non-  
20 pedagogical staff at Tweed was 2,154.

21 I don't know, I mean obviously we  
22 have to come together and compare these numbers  
23 but I hear what you're saying. The bottom line is  
24 that anytime you're spending \$350 million on  
25 managerial staff you need to take a look and see,

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2 especially when you're cutting back in the  
3 classroom or school aides or others that ensure  
4 the teaching and learning in the actual school.  
5 Obviously the safety and security of our kids and  
6 staff are of extreme importance.

7 We're going to be advocating up in  
8 Albany to try to make sure we get the funding  
9 because it's not over until it's over and it's not  
10 over yet.

11 ERNEST LOGAN: That's correct.

12 CHAIRPERSON JACKSON: This is the  
13 preliminary budget. You may have been here when I  
14 showed you the bad and the horrid. So we're  
15 hoping that we won't have to go to this and that I  
16 can tear this one up here so that we can see the  
17 light at the end of the tunnel as far as staff is  
18 concerned.

19 You may have been here when I  
20 raised the issue of the bus contracts. Here's an  
21 article in one of the paper about \$420 million  
22 "bribery" school bus firms. Assuming that it's  
23 true, \$420 million is a lot of money. That's \$420  
24 million, that's more money than what you indicated  
25 the managerial staff at Tweed.

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ERNEST LOGAN: That's correct.

CHAIRPERSON JACKSON: As you may have heard, we have to consider all areas, even areas that have been untouchable before. I've said to the chancellor that I understand if a child has an IEP that's mandated by law but also the constitution mandates that we provide our children with an adequate education. So if we're making all these cuts then are we providing our children with an adequate education?

Maybe we have to force the State of New York and the City of New York to provide enough money to carry out the IEP mandates and also the constitutional mandates of an adequate education. Those are the tough decisions we have to make and hopefully raise the monies in order to provide that.

ERNEST LOGAN: Chairman Jackson, I agree with Michael Mulgrew. We have been looking at ways as part of the subcommittee to show them how they can save money. Our major concern has been the waste of not having oversight of these contracts. Somebody can start a contract for \$5 million and it mushrooms to hundreds of millions

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2 of dollars and nobody has evaluated whether we've  
3 even gotten what we paid for. That should not  
4 just be okay.

5

6 The idea that we're hiring an  
7 outside agency to do a contract to provide us with  
8 clerical help when we're laying off clericals.  
9 That doesn't make sense. The budget is the  
10 budget. The money is the money. But we should  
11 not be continuing to waste money. Even if we take  
12 these cuts, if there are not systemic changes in  
13 how the DOE does its business then even the cut  
14 will see to it that we're wasting money. That's  
15 my issue.

16

17 CHAIRPERSON JACKSON: Let me thank  
18 you for coming in and presenting testimony as to  
19 this preliminary budget. Hopefully we won't have  
20 to deal with the horrid situation when we deal  
21 with the executive budget. Thank you.

22

23 ERNEST LOGAN: Thank you.

24

25 CHAIRPERSON JACKSON: Next we're  
going to hear from the vice president of Local 372  
of D.C. 37, Santos Crespo and Barbara Edmonds, the  
director of field services for D.C. 37 represent  
Lillian Roberts, the executive director of D.C.

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SANTOS CRESPO: Chairman Jackson

and committee members, thank you for this

opportunity to voice issues of dire concern to the

26,000 members of Local 372.

Local 372 wishes to make two major

points concerning the Mayor's Fiscal Year 2010

Preliminary Management Report. Point one, the

layoffs of more Local 372 school-based support

service workers will cost the taxpayers much more

than the DOE claims it will save.

Further, Local 372 layoffs cost our

1.1 million school children the vital support

services that help them stay focused on their

academic performance and send them to their

classrooms learning-ready.

The layoff of support service

workers leaves students vulnerable to acting out

or being victimized by behaviors that put them at

risk of truancy and dropping out of school.

We've attached a listing of the

Local 372 titles and their job descriptions. You

can determine for yourselves how the loss of these

tasks can impact upon the overall performance at a

1

2 school. I believe that's attachment number one.

3 Local 372 contends that schools  
4 that are low performing most likely have been  
5 either understaffed or stripped of student support  
6 services by layoffs.

7 The Mayor and the Chancellor have  
8 testified publicly that the greatest share of the  
9 DOE allocation goes to personnel and therefore,  
10 layoffs will be necessary to balance the budget.  
11 So far in the 2009/2010 school year, 647 Local 372  
12 dedicated, qualified, experienced employees were  
13 laid off. Of these 647 workers, 530 were school  
14 aides.

15 Most of these employees are women  
16 and single heads of households. They live from  
17 paycheck-to-paycheck, stretching a less than  
18 modest salary just to get by. The Local 372  
19 School Aides are not just numbers to be crunched  
20 by DOE bean counters. They are your constituents.  
21 They are your friends. They are your neighbors.  
22 They are people who may pray beside you in your  
23 house of worship. And believe me, they're praying  
24 much more now. They may stand in line with you in  
25 your local grocery and unfortunately they'll be

1  
2 standing there having to utilize food stamps  
3 because they've been laid off.

4 We've attached a chart for this  
5 committee, prepared by the DC 37 Office of  
6 Research and Negotiations, demonstrating the  
7 actual monetary costs of Local 372 layoffs to New  
8 York taxpayers. As the chart reveals, there are  
9 other contributing factors that determine the  
10 financial outcome of laying off one Local 372  
11 employee, or any City employee, for that matter.

12 While the DOE cuts the cost of  
13 salary plus fringe benefits, the New York City  
14 taxpayers must assume the burden of the loss of  
15 the worker's economic activity which includes  
16 income tax payments and vital support to local  
17 businesses. Since the job market is bare, the  
18 taxpayers must also pick up the tab for  
19 unemployment insurance, Food Stamps and Medicaid.

20 All factors considered we've  
21 calculated that the layoff of one Local 372 worker  
22 earning an annual salary of \$25,000 plus fringe  
23 benefits ultimately costs the City twice that  
24 amount. Twice that amount is a little over  
25 \$50,000 per employee laid off.

1  
2 Point number two, how can the Mayor  
3 and the Chancellor find hundreds of millions to  
4 pay for outside contracts, and this is a question  
5 that does not get answered enough. When the  
6 chancellor gave his testimony about what he's  
7 doing to save money, he did not touch on the  
8 millions of dollars that he has outsourced out of  
9 the City of New York where people that reside in  
10 the City of New York can do those very same jobs  
11 and thereby keep the tax base going and keep them  
12 employment so they're not on the unemployment  
13 line.

14 Local 372 contends that the DOE is  
15 trading Local 372 workers for outside contracts.  
16 A total of \$79 million dollars goes to the Good  
17 Shepherd Services alone, which is an agency that's  
18 under contract.

19 Good Shepherd is a 501(c)3,  
20 nonprofit corporation located in New York. Since  
21 2004, Good Shepherd Services has received  
22 approximately 95 contracts with various agencies  
23 with a total value of about \$189 million. The  
24 agencies included are Agency for Children's  
25 Services; the Department of Education; the



1  
2 Department of Health and Mental Hygiene; the  
3 Department of Juvenile Justice; the Department of  
4 Small Business Services; the Department of Youth  
5 and Community Development and the Mayor's Office  
6 of Operations.

7 Good Shepherd contractors use  
8 school facilities free of charge. They bill the  
9 DOE for supplies and equipment and their salaries  
10 higher than those that are represent by Local 372  
11 collective bargaining agreements and that's  
12 including the fringe benefits.

13 Local 372 is preparing a detailed  
14 report on the practice of Trading DOE Workers for  
15 Outside Contracts. We request that the Education  
16 Committee and Contracts Committee hold a joint  
17 hearing on DOE outside contracts as they relate to  
18 layoffs, before it is too late in the budget  
19 process.

20 Local 372 reasserts that laying off  
21 DOE workers costs the taxpayers much more than it  
22 saves. The losses of vital support services to  
23 schools contribute to low academic performance and  
24 diminish the quality of the school life of 1.1  
25 million students. The loss of economic activity

1  
2 that results from layoffs causes potential harm to  
3 the quality of life of families in the  
4 neighborhoods throughout the five boroughs.

5 The practice of laying off DOE  
6 workers to save money to pay for outside contracts  
7 is a breach of morality, ethics, economics and  
8 law. We believe that in the City Charter under  
9 the procurement section, they have to be able to  
10 say that there is no one that can do those jobs  
11 before they put bids on the outside. Ergo, one of  
12 the reasons why you have no-bid contracts and why  
13 many of these contracts are contracts outside of  
14 the City of New York, meanwhile, people are  
15 getting laid off within the Department of  
16 Education.

17 We're hoping that the City Council  
18 and particularly this committee look into that  
19 issue very seriously on these outside contracts.  
20 This is why they claim there is no money.

21 He gave you a song and a dance  
22 regarding that bus contract. But let me tell you  
23 about those bus contracts, even those we don't  
24 represent those folks, those bus contracts by and  
25 large it was found that some of those companies

1  
2 were unscrupulous. The payoffs that they made and  
3 bribes were connected to the safety condition of  
4 those school buses where those children were at  
5 risk of possibly losing their lives regarding  
6 those efforts that were made so that they can pass  
7 inspection. That is unheard of. He is an  
8 attorney. He's not an educator but the chancellor  
9 is an attorney.

10 You would think that if you would  
11 get a report like that on your desk that you would  
12 take a second look before you would give a no-bid  
13 contract to a bus company like that.

14 CHAIRPERSON JACKSON: Thank you.

15 BARBARA EDMONDS: Thank you,  
16 Chairperson Robert Jackson and members of the City  
17 Council oversight Committee on Education. I'm  
18 here on behalf of Lillian Roberts, the Executive  
19 Director of District Council 37. We represent  
20 125,000 members and 50,000 retirees. Within the  
21 Department of Education, we represent about 24,000  
22 members, of whom Local 372 represents 22,000.  
23 There are an additional 2,500 School Crossing  
24 Guard that are members of the New York City Police  
25 Department.

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2                   These members are in non-  
3 pedagogical, yet critical support staff. They  
4 provide services in many areas and they range in  
5 titles from School Aides to Family Paras to Parent  
6 Coordinators, Substance Abuse Specialists, School  
7 Lunch workers, and our folks in the information  
8 technology, technicians and administration  
9 support, finance and blue collar trades areas.

10                   I want to just try to touch on a  
11 couple of points because I think our vice  
12 president of Local 372 really gave you a sense of  
13 what happened with the human factor of the school  
14 aide layoffs. I just want to highlight in that  
15 area the fact that the chancellor when he gave his  
16 testimony towards the end of your questioning  
17 characterizes the layoffs of the school aides as  
18 some. We differ gravely.

19                   If you remember, in the December  
20 issue of our union paper, we highlighted and I  
21 urge you to read this and I think you heard it  
22 very well characterized from our vice president of  
23 Local 372. It was 530 school aides. That's not  
24 some. Those are human lives. Those are people.  
25 Those are folks that have to pay and subsidize and

1  
2 make sure that their families survive each and  
3 every day. We're very, very concerned about the  
4 way the chancellor characterized the workers that  
5 we represent as simply just some folks that were  
6 laid off, and then his reference of a possibility  
7 of 500 to 600 additional layoffs.

8           With that said, as I'm sure you  
9 know, our members provide very critical  
10 supplemental services throughout all of the  
11 districts where you have representatives on the  
12 City Council. We provide these critical services  
13 and most importantly, we provide that connection  
14 between the nurturing and the supportive  
15 environment for learning to occur.

16           These layoffs that occurred back  
17 between June and November resulted in a savings of  
18 \$12 million. But quite frankly, if you look at  
19 the human factor and the multiplier effect of  
20 those savings, I'll just point out that there are  
21 many ways that you can look at this, 2.5 of those  
22 layoffs if you look at the business factor, you  
23 look at millions of dollars in the effect that  
24 that will have.

25           What I mean by that is for every

1  
2 individual that is laid off, you have unemployment  
3 costs, you have food stamps, and you have all  
4 these other costs. You have impact on the  
5 businesses that are in those community that hurt  
6 those individuals. So this is not a simple  
7 numbers game and it's penny wise and pound  
8 foolish.

9                   Turning a little bit into the  
10 situation with the school aide layoffs, I want to  
11 talk a little bit about the lawsuit that we have  
12 filed that I think you're familiar with. The  
13 layoffs that took place at the same time the  
14 Department of Education was making it possible for  
15 parents to provide what's called funding 200.  
16 It's a parent funded teacher aide program.

17                   It's supposed to work in classrooms  
18 with teachers, but we have testimony that they  
19 were also doing the work of our union represented  
20 regular school aides in lunchrooms without the  
21 benefit of a regular union position.

22                   What this basically did was it  
23 created a two-tier system where you had these  
24 communities that had families that were able to  
25 provide parent school aide funded folks and we

1  
2 could not compete with that as a result of the  
3 layoffs.

4 We have a lawsuit currently in  
5 place and we are fighting that because we believe  
6 that that hurts the community and the people that  
7 we represent.

8 I want to turn again briefly to the  
9 area of central administration. We currently  
10 represent a number of employees there but we are  
11 concerned about the headcount reductions of 454  
12 positions for which we have requested an  
13 explanation from the Department of Education and  
14 we have not gotten any answers. We are very  
15 concerned about that as well.

16 I want to also highlight, and I  
17 think the president of the UFT Michael Mulgrew and  
18 as well president of the supervisors talked  
19 briefly about the issue of contracting out. As  
20 you know, Lillian Roberts is spearheading this  
21 campaign on behalf of District Council 37 and now  
22 working with the Municipal Labor Committee has  
23 been very aggressive going on for at least the  
24 last six or seven years of fighting this  
25 administration around the waste using contracts

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2 outside than can easily be done in-house by the  
3 members that we represent as well as many of the  
4 unions sitting in this room at this time.

5

6 You would think that the chancellor  
7 would look seriously at the issue of contracting  
8 out. If you look through my testimony, you'll see  
9 that that's highlighted as well. We have  
10 testified in numerous committees before you around  
11 that issue.

12

13 You should know that in addition to  
14 us trying to get information on this issue and put  
15 transparency around that, DC 37 is working  
16 aggressively to try to pursue legislation that we  
17 hope that your committee as well as other  
18 appropriate committees will help us sponsor to  
19 make sure that that oversight and that  
20 transparency around contracting out, especially in  
21 the Department of Education is examined closely.

22

23 We will also be working with the  
24 New York City Comptroller around this issue. We  
25 will be aggressively pursuing that, especially in  
light of this budget. That stone should not be  
left unturned.

26

A couple of last points, on charter



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2 schools, we are very concerned about the issue of  
3 the cap. Public school students should not have  
4 to give up space, as you heard earlier. It's a  
5 prime resource in this system. What it does is it  
6 creates a separate system that draws away funds  
7 for good jobs and motivated students.

8 I should point out that we do  
9 represent charter school employees but we're very  
10 concerned in this economy about how that impacts  
11 on space. I know you've read a number of articles  
12 around that issue over the last few weeks in the  
13 daily papers.

14 Finally, the Department of  
15 Education could use its own internal resources to  
16 create alternative schools at less expense to  
17 provide learning environments for children without  
18 resorting to increasing the number of charter  
19 schools.

20 We urge the City Council to join us  
21 in our fight against these devastating cuts on all  
22 levels of government. Additional revenue sources  
23 such as the sugar tax, the cigarette tax, the  
24 stock transfer tax, the expiration of the high  
25 income tax at the state level in addition to a

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2 number of other things that you heard from other  
3 colleagues from the unions should be looked at.  
4 We cannot let our children be pitted against this  
5 budget system.

6

7 We stand ready as DC 37 along with  
8 the Municipal Labor Unions to work aggressively to  
9 fight for our children and to fight for the  
10 communities that we represent. Thank you. I'd be  
11 happy to take any questions at this time.

12

13 CHAIRPERSON JACKSON: Well, let me  
14 thank both of you for coming and representing DC  
15 37 and Local 372 of DC 37 which represent school  
16 employees. I say to you that I would like to try  
17 to set up a meeting to explore the violations of  
18 the contracts and also working with the committee  
19 of the Municipal Labor Council in order to explore  
20 these contracts. Clearly in these tough times, as  
21 I indicated, everything has to be looked at.

22

23 BARBARA EDMONDS: Exactly.

24

25 CHAIRPERSON JACKSON: I want to be  
26 able to do that in order to make sure the  
27 Department of Education is not violating any  
28 agreements, making sure that the contracts that  
29 they enter into are done appropriately and not

1  
2 replacing employees and looking to work with DC 37  
3 to ensure that your members' rights are protected.

4 Also, I think you should make your  
5 case to the comptroller's office also.

6 BARBARA EDMONDS: We are working  
7 very aggressively with them.

8 CHAIRPERSON JACKSON: The  
9 comptroller has to certify all contracts.

10 BARBARA EDMONDS: We're hand in  
11 hand working very closely with them.

12 CHAIRPERSON JACKSON: Let me thank  
13 you for coming in. I appreciate that. I'll set  
14 up a meeting so we can discuss further.

15 SANTOS CRESPO: Thank you.

16 BARBARA EDMONDS: Thank you so  
17 much.

18 CHAIRPERSON JACKSON: Ladies and  
19 gents, the next several panels that we're going to  
20 put forward, we're going to ask you not to read  
21 your testimony. We're running short on time  
22 unfortunately, but we definitely want to hear from  
23 you. The next panel is James Whiteman, 32 BJ;  
24 Elyse Barbell, Literacy Assistance Center; and  
25 Joel Copperman, Alternatives to Incarceration

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2 Coalition. Please come forward.

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The next panel will be Catherine LeClaire from the New York City Ballet along with Adam Frank and Ida Bullock. I'm going to ask that they come forward. Please come forward as quickly as you can please and be ready. I'm getting ready to move into other people's category. Please sit down at the table.

I'm going to ask if you have more than one representative from an organization if you could please combine your testimony but submit anything in writing. Sir, you may begin your testimony. Identify yourself and you may begin.

JAMES WHITEMAN: Thank you, Mr. Chairman. My name is James Whiteman. I'm from 32BJ SEIU. I work at P.S. 117 in Queens. I represent over 5,000 members of SEIU with the cleaning of the schools.

I had a complete testimony but I'll just shoot from the hip. We clean the schools on a daily basis and we feel proud of what we do. We give the young people that are in school a clean environment to come to each and every day. We do hard work. We've been cut. We've had many budget

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2 cuts over a period of time. We were full time  
3 workers at one time and we're now part time  
4 workers, most of us.

5 With another cut we'll be losing  
6 maybe 1,000. We lost 1,000 members in the past  
7 couple of years and now we'll be losing more.  
8 We'd like this to stop at this time.

9 CHAIRPERSON JACKSON: If you have  
10 any proposals or us to consider, as you heard me  
11 say to Michael Mulgrew, any suggestions that the  
12 various unions, the members of the Municipal Labor  
13 Council have as far as contracts, as far as  
14 suggestions in order to save money so there won't  
15 be reductions, we would like to know that as  
16 quickly as possible so we can explore those with  
17 you in the various unions in order to move  
18 forward.

19 I think that what we need to do is  
20 we need to know more about specifically if in fact  
21 any proposed cuts go through, what type of impact  
22 that's going to have, not only in general terms  
23 but specifically on individual schools.

24 JAMES WHITEMAN: In general terms,  
25 if we receive a cut, which they're talking about a

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2 \$4 million cut at this present time, it would  
3 affect at least 1,000 workers. Those workers who  
4 were full time would become part time and would  
5 lose their health benefits for their families, et  
6 cetera.

7 CHAIRPERSON JACKSON: We ask you to  
8 stay in contact. This is a preliminary budget.  
9 You may have been here when I gave my opening  
10 statement. If not, a copy is over here on this  
11 table so you can see where we're coming from. But  
12 obviously we're looking for the state to try to  
13 restore the money back if possible towards  
14 education so we won't have the horrid cuts that  
15 are expected. Mr. Whiteman, I want to thank you  
16 for coming in. I'm trying to move the agenda at  
17 this point in time, so I appreciate that.

18 JAMES WHITEMAN: I thank you for  
19 your time.

20 CHAIRPERSON JACKSON: If you don't  
21 have a copy of my opening statement, it's over on  
22 the table, you can grab a copy of it.

23 JAMES WHITEMAN: Will do. Thank  
24 you.

25 CHAIRPERSON JACKSON: And if you

1  
2 know of any violations of any contracts, we also  
3 ask you to go to the comptroller's office because  
4 the comptroller John Liu has to certify all  
5 contracts that the city enters into. Thank you,  
6 sir.

7 JAMES WHITEMAN: Thank you.

8 CHAIRPERSON JACKSON: Please come  
9 forward if your name is called. Joel, we have for  
10 the record the New York City Council testimony,  
11 Alternatives to Incarceration and Reentry Programs  
12 and also for the record is testimony by Doug  
13 Israel the director of research and policy for the  
14 Center for Arts Education. So please identify  
15 yourself. If you're from the same groups, I'm  
16 going to ask you to consolidate your testimony.

17 I'm going to ask you not to read  
18 your testimony but to summarize it and make your  
19 points as quickly as possible but emphatically.  
20 How's that? Go.

21 CATHERINE LECLAIRE: Good  
22 afternoon, Chairman Jackson. Thank you so much  
23 for giving us this opportunity. My name is  
24 Catherine LeClaire. I am the Director of  
25 Foundation and Government Relations for New York

1  
2 City Ballet. I'm here today to talk on behalf of  
3 the 33 cultural institutions group that play such  
4 an important role in our city's civic life and in  
5 particular the education of our children. Also  
6 joining me today are the assistant principal of  
7 the Daniel Carter Beard School Ida Bullock and  
8 also a 7th grade science teacher Adam Frank.

9 I will be very brief because they  
10 have by far the most interesting testimony to talk  
11 about the impact that they see in their classrooms  
12 through programs that they have with the Flushing  
13 Town Hall which is also a member of the Cultural  
14 Institutions Group.

15 The two main points I'd like to  
16 make about the 33 CIGs is we have a unique  
17 relationship with the city dating back to 1869  
18 with the American Museum of Natural History. We  
19 operate our businesses on land and in facilities  
20 that are partially or wholly owned by the City of  
21 New York. What that means is we get support from  
22 the City of New York to help pay for the operating  
23 and energy costs of running our institutions.

24 Now in exchange for that, our  
25 obligation to the city and one that we fulfill



1  
2 with great joy is to give back through services  
3 and programs to our communities. We collectively,  
4 the 33 institutions of the Cultural Institutions  
5 Group, reach well over 2 million students every  
6 single year in New York City with our programs.  
7 We're in over hundreds of schools. We serve  
8 thousands of teachers and we reach students in  
9 every single council district and borough in New  
10 York City.

11           The other point that I want to make  
12 that's really very important to us and this is a  
13 deep concern, cuts which we've been experiencing  
14 to our line in the city budget over the past three  
15 years, including this proposed FY 11 budget is  
16 42%. So that affects us in a couple of ways. It  
17 simply means it's far more challenging for us to  
18 provide the kinds of services that the city relies  
19 on us to provide to the school system.

20           We are partners to the city school  
21 system and Chairman Jackson, I want to thank you  
22 for speaking up earlier today to Chancellor Klein  
23 asking about the role of arts and culture in our  
24 education system and the importance of that. Part  
25 of the solution is our institutions that provide

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so many of those programs and services to the schools.

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The other very important part of this is that central to our relationship with the city is a public/private relationship. That is very, very important. The public support we receive is matched over and over again by private support from private foundations, from corporations and from individuals.

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Your public support is a stamp of approval on our institutions that sends a signal to the philanthropic community generally that we are valued and valuable members of our community and it inspires their giving. So support from the city has a multiple effect on the support that we get from the philanthropic community. It's very important for us that we look for ways to reverse the trend of decreases that we've been experiencing over the past few years so that we can continue to be partners with the city and with the school system to provide educational experiences. I'll leave it with that. Thank you very much for your time. I'll hand the mike over to Ida Bullock.

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CHAIRPERSON JACKSON: Thank you.

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3

IDA BULLOCK: Good afternoon, Chair

4

Jackson and Council Members. My name is Ida

5

Bullock. I'm the assistant principal at Junior

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High School 189. As the assistant principal I

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have been working at 189 for over ten years.

8

When I first arrived at the school,

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they did have a full complimentary art and music

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department. Since that time we've had city-wide

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initiatives and many budget cuts. Through the

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vision of our principal, we did have many cuts but

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she had a vision with regard to the arts.

14

At our school we have a large

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population of students that mirror New York City.

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We do consider ourselves the best middle school in

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New York City. Through the arts our children have

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really done exceptionally well test wise. I

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recall that when I first went there, our test

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scores were exceptionally low in reading. With

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the new initiatives that we have with youngsters

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coming in primarily every day almost, English

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language learners have a way through the arts of

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really learning.

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We no longer have the full

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complimentary band. We no longer have the full complimentary orchestra or strings. However, through Flushing Town Hall who has been our partner from the beginning and even to now, our youngsters have moved into jazz. We have a small collective group of youngsters who play jazz. Our youngsters have also moved into doing musical theater productions at Flushing Town Hall, which is our major provider in the arts.

Daily you can see the youngsters learning how to make quilts. You can see them taking science and making photo albums, the working machines. Flushing Town Hall has really served us very well. We realize that there are budget cuts coming up, but this partnership is very important to us because we do see the difference in the lives of our youngsters.

At this time I would like to now turn the mike over to Mr. Adam Frank who works directly with the artists who come in and share with our teachers and with our students.

ADAM FRANK: Good afternoon,  
Chairman Jackson and distinguished members of the Education Committee. I am one of those 80,000

1  
2 people that you've been talking about all day  
3 long. I am one of those teachers that's going to  
4 be directly affected by all that big stuff that  
5 you were talking about by people who represent a  
6 whole lot more than I do.

7 I simply represent 120 students, 11  
8 and 12-year-old boys and girls who are simply  
9 trying to get a better education. Through the  
10 collaboration I've had with Flushing Town Hall  
11 directly, I can tell you what an impact it has  
12 made. Currently, my students are filming a  
13 nightly news cast that we have produced together  
14 in collaboration with one of the teaching artists  
15 that worked in Flushing Town Hall. They have  
16 developed skills such as screenplay writing,  
17 digital editing, and other good stuff.

18 It is my sincere hope that you will  
19 be able to continue this funding for them so that  
20 in the years to come further students will be able  
21 to experience the same wonderful benefits that the  
22 students have here today.

23 CHAIRPERSON JACKSON: First of all,  
24 let me thank you all for coming in. Obviously, as  
25 you heard me say earlier, arts is part of the

1  
2 holistic approach to education just like academics  
3 are, just like gym is. Many students learn in  
4 many different ways. Clearly, arts is an integral  
5 part of our children's education. Hopefully that  
6 funding will continue with your help.

7 I ask all of you and your partners  
8 to reach out to the mayor, to all of the Council  
9 Members and legislators both at the city and state  
10 level so that we can focus on making sure that the  
11 funding is there to make sure that that's included  
12 in the entire budget. Thank you very much.

13 Finally, Elizabeth Garrett for  
14 Coalition for Asian American Children and Families  
15 and Meg Kayman from Young Women's Leadership  
16 Network and Kathleen Ponze from Young Women's  
17 Leadership Network. Are they here?

18 Those individuals that are here for  
19 the Department of Parks, we should be out of here  
20 in ten minutes.

21 I'm going to ask you to please  
22 summarize your statements. Please don't read it.  
23 Make your points as effectively and forcefully as  
24 you can without knocking me down. You may begin  
25 and identify yourself please.

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2 ELISABETH GARRETT: Thank you. My  
3 name is Lisa Garrett. I am the Education Policy  
4 Coordinator with the Coalition for Asian American  
5 Children and Families. Thank you, Chairman  
6 Jackson for the opportunity to speak today.

7 CHAIRPERSON JACKSON: Did you call  
8 me Justin?

9 ELISABETH GARRETT: Chairman  
10 Jackson.

11 CHAIRPERSON JACKSON: Jackson,  
12 okay.

13 ELISABETH GARRETT: Yes, sir. I'm  
14 also here because we're a member of the 12% and  
15 Growing Coalition. I know these are very  
16 preliminary hearings, as you've already said,  
17 given that we don't know what's going to shake  
18 down at the state level.

19 Why we're here and what the 12% and  
20 Growing Coalition does is looks to make sure that  
21 there's a more fair and equitable distribution of  
22 whatever funding we do have. Meaning that as 12%  
23 of the population of New York City, Asian Pacific  
24 Americans serving and led organizations only get  
25 .25% of the funding currently. Now when we 12% of

1  
2 the population that might not seem like a  
3 significant number, but that's actually one  
4 million. It's bigger than the population of San  
5 Francisco as a whole.

6 Part of the other reason why we're  
7 here is to dispel the minority myth. A lot of  
8 times when we look at city statistics relating to  
9 education, Asian Pacific Americans are not even  
10 mentioned in that. By that invisibility and lack  
11 of inclusion in the conversation, we're  
12 perpetuating the model minority myth of the Asian  
13 Pacific American being successful in school and  
14 because of that also have a harder time driving  
15 resources to this very vulnerable population  
16 within New York City.

17 Just some statistics relating to  
18 the Asia Pacific America student population, APA  
19 students represent 14% of the New York City public  
20 schools. Within that, 25% of APA students live  
21 below the poverty line. They also live in very  
22 linguistically isolated schools. You may have  
23 heard a lot of these statistics already. What's  
24 shocking is that of the English language learner  
25 students, one in five is APA and only one in four



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2 graduate on time if at all.

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So understanding this, and you're already a champion of pre-k education services, and we ask that those services not only be restored but also that there be an emphasis on language access and outreach to CBOs that reach the Asia Pacific American population so that they take better advantage of the services that exist.

Also, in the contingency plan which you said is part of the horrid plan that's available, we recognize that there's going to be a cut of 8,500 jobs to students and ELL students already have the lowest graduation rates and this only serves to make that population's reality that much more bleak.

Finally, we look for service restorations and funding restorations to the youth services. Thank you, Chairman Jackson.

CHAIRPERSON JACKSON: First let me thank you for coming in. Obviously we have your stats which is good. While you were giving that testimony I was just wondering are there any geographical areas, for example, when you're talking about Asia Pacific Americans, is for

1  
2 example Chinatown one geographical area? I know  
3 Flushing is another large area and then a certain  
4 section of Brooklyn. Are those three major areas  
5 that your constituency reside at or are there  
6 other areas? I know that they're across the  
7 entire city but I'm talking about concentrated  
8 areas.

9 ELISABETH GARRETT: We're actually  
10 running a program right now called Project Data  
11 and we're really trying to find out. We're trying  
12 to get information.

13 CHAIRPERSON JACKSON: Hold on a  
14 second. Ladies and gents, when you're entering  
15 the chambers can you please keep quiet. Thank  
16 you, I appreciate that. You can have a seat if  
17 you wish or you can stand, but I'm just going to  
18 ask you to please take your conversations outside  
19 until we conclude this hearing from the Department  
20 of Education. So one or the other, not both.  
21 Thank you.

22 ELISABETH GARRETT: So the  
23 preliminary findings of Project Data which  
24 basically serves to find out where APA students  
25 are in New York City's public school finds that

1  
2 50% of the Asia Pacific American students are in  
3 50% of the schools. The rest are spread out very  
4 broadly.

5           So with the limited access that  
6 we've had to statistics by the DOE we've found  
7 that there is actually a larger number of Asia  
8 Pacific American students in 10% Spanish speaking  
9 schools than there are in 10% Asian speaking  
10 schools. These are very preliminary findings and  
11 what the research is basically showing us so far  
12 is that we can only do so much advocacy work with  
13 school level data and we really need to push the  
14 DOE for access to student level data to really  
15 find out which students are getting the services  
16 and which ones are falling through the cracks.

17           CHAIRPERSON JACKSON: Anything that  
18 we can do to be helpful in that to get as much  
19 information as possible so we can focus our  
20 energies and focus our resources towards those  
21 students in highest need. Because as you said,  
22 there is sometimes a perception. If you look at  
23 Stuyvesant for example and the percentage of  
24 Asians at Stuyvesant, approximately over 50% are  
25 Asian. So there's a perception that all Asians

1  
2 are doing very well academically. As you  
3 indicated that's not the case.

4 So the more information that you  
5 can get for us so that we can be involved in  
6 ensuring that all children are receiving adequate  
7 education at the minimum because adequate is the  
8 least education that's required by law. Thank  
9 you. Now we have two individuals from the Young  
10 Women's Leadership Network.

11 CHAIRPERSON JACKSON: Excuse me one  
12 second please. Ladies and gents in the back and  
13 up top, can you please do not hold conversations  
14 if you don't mind. Thank you. Identify yourself  
15 and you may begin your testimony.

16 MEG KAYMAN: Thank you, Chairman  
17 Jackson. My name is Meg Kayman and I'm the acting  
18 executive director of the Young Women's Leadership  
19 Network. I have with me Kathleen Ponze who is  
20 director of education.

21 Our organization is a nonprofit  
22 educational organization that has helped to send  
23 thousands of New York City public school students  
24 to college since 1996. Right now we serve more  
25 than 5,200 girls and boys we serve citywide. We

1  
2 would like to thank you for support last year when  
3 the City Council appropriated \$300,000 in  
4 discretionary funds. We are back her asking for a  
5 restoration of the \$300,000 for Fiscal 2011.

6 Just to give you a quick overview,  
7 our organization supports two life-changing  
8 programs. First we have the Young Women's  
9 Leadership Schools. We have four schools  
10 throughout New York City. Then second we have the  
11 CollegeBound Initiative (CBI), where we place a  
12 college counselor directly into a public school  
13 and help those kids get to college.

14 Just to give you a couple of  
15 highlights and statistics. Our school in East  
16 Harlem, which was the first school, last June we  
17 graduated the ninth class. One hundred percent of  
18 those girls all went to college. 86% were the  
19 first generation to go to college and we raised  
20 \$1.4 million in financial aid, an average of  
21 \$24,000 for each student.

22 Some of the colleges that they went  
23 to include Dartmouth, Bates, Columbia, et cetera.  
24 In CollegeBound, the statistics are just as  
25 strong. We have a 94% acceptance rate and we

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2 raise tremendous amounts of money in scholarships.

3 Again, just thank you again for  
4 letting us speak.

5 KATHLEEN PONZE: Chairman Jackson,  
6 thank you again for giving us the opportunity to  
7 come. I'd just like to add on to what Ms. Kayman  
8 said. Every penny that comes from the City  
9 Council is put to good use and is changing the  
10 lives of students.

11 I'd also like to thank Council  
12 Member Melissa Mark-Viverito, whom I see is here.  
13 Our flagship school is in her district. We have  
14 relied upon her in the past for support in a  
15 number of ways.

16 I would just like to say thank you  
17 for the opportunity of testifying today. We  
18 believe that the work that we do is the model of  
19 public/private partnerships in the public school  
20 system in New York City. So thank you for your  
21 consideration.

22 CHAIRPERSON JACKSON: Thank you for  
23 what you do in order to make sure that children  
24 are getting a good education and moving on to  
25 higher education and especially young women.

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2 Clearly the Council, as you know, has been in the  
3 past supportive of the Young Women's Leadership  
4 Network.

5 I remember very vividly when the  
6 Young Women's Leadership School on 106th Street  
7 first opened up. In fact I visited there. But I  
8 do know that you're graduating 100% and children  
9 are not only going to the schools you mentioned  
10 but SUNY and CUNY and going on to be leaders of  
11 our great city. We look forward to working with  
12 you and hopefully the drastic cuts that we talked  
13 about in the hearing from bad to horrid won't take  
14 place. Hopefully whatever funding requests you  
15 have submitted to the City Council to try to  
16 restore, that your funding will continue. So  
17 thank you all for coming in.

18 MEG KAYMAN: Thank you.

19 KATHLEEN PONZE: Thank you.

20 CHAIRPERSON JACKSON: Thank you.

21 With that, ladies and gents, it is now 2:23 p.m.  
22 This oversight hearing on the Mayor's management  
23 report for fiscal year 2010 and the preliminary  
24 budget for the Mayor's Department of Education for  
25 fiscal year 2011 is hereby adjourned.

C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature\_

Date April 6, 2010