

# **EXECUTIVE CORRESPONDENCE**

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**U.S. DEPARTMENT OF EDUCATION  
FEBRUARY 1997  
BRIEFING PAPER  
DC PUBLIC SCHOOL**

**I: BACKGROUND**

**A: U.S. Department of Education's Authority**

The U.S. Department of Education (ED) administers programs that provide approximately 10 percent of funds available to school systems in urban areas like the District of Columbia (DC). Funds are designed to support a variety of school reform measures such as local improvements in basic and advanced skills geared to challenging academic standards, school safety, parent involvement, educational technology, the transition from school to work, teacher quality, and to help meet the special needs of students. In Fiscal Year 1996, obligations and payments to the DC public schools total approximately \$40,900,000.

In addition to providing funding to school systems, ED funds several sources of technical assistance, available to the DC public schools, that can provide information and consultation on effective school improvement practices, including university-based centers.

**B: Current Governance of DC Public Schools**

General Julius W. Becton, Jr. became the new Superintendent of DC public schools on November 15, 1996, when DC's financial control board--created by Congress in 1995 to oversee municipal spending and operations--declared a state of emergency in the city's schools. As the balance of power shifts, the players and their roles in the school system include:

**The United States Congress:** with constitutional authority over the district, it has final say over the school budget.

**The District of Columbia Financial Responsibility and Management Assistance Authority:** the "control board"--a five-member panel created by Congress and appointed by the president--has broad powers over the city's municipal government and schools. The control board has divested the elected school board of much of its authority.

**The District of Columbia Emergency Transitional Education Board of Trustees:** This nine-member board of trustees, created by the control board, oversees the day-to-day operations of DC public schools. The authority of this board will expire in June 2000 unless the control board extends its life.

**The City Council and Mayor:** Under the law that created the control board, these municipal officials can veto line items in the school budget before it is submitted to the control board; however,

the control board can overrule them.

**The District of Columbia Board of Education:** The control board reduced the status of this elected 11-member body to that of an advisory board. Under the new governing structure, it can review and make recommendations on a variety of educational issues but has no binding authority. Although it retains authority to approve and oversee public charter schools. (See, attachment A). The elected board is suing the control board to regain its former powers.

**The Chief Executive Officer:** Assuming the powers of fired superintendent Franklin L. Smith, General Becton has a three-year contract to run DC public schools. General Becton reports directly to the emergency board of trustees and serves as one of its members. (See, attachment B for Becton's Bio).

Until April 1995, when the control board was selected, authority over the city's schools and their funding went directly from the superintendent to the elected school board and then to Congress. The school board's budget went through the mayor and city council, but they were required to pass it to Congress untouched.

## **II: SUMMARY OF FINDINGS REGARDING DC PUBLIC SCHOOLS**

### **A: Problems Identified by the Control Board**

In November 1996, the financial control board issued a report indicating that the city's school board and former superintendent Franklin L. Smith had wasted hundreds of millions of taxpayer dollars and cheated DC schoolchildren out of a good education. The report, entitled *Children in Crisis: A Report on the Failure of DC's Public Schools*, details what the control board considers to be the failures of the current education system, highlights the lack of accountability of its leadership, and examines alternative approaches used by other local governments to revitalize deficient schools. (See, attachment C). Specifically, the report indicates that:

**Education outcomes in the district are well below the national norm.** District students consistently lag behind national averages and the averages of comparable urban school districts on standardized tests designed to measure competency and student achievement.

**Education inequity persists.** Student test scores in the predominantly poorer areas of the city have declined substantially while those of the students in the more affluent areas have remained stable.

**Mismanagement undermines learning.** Students have been left without teachers or classrooms, textbooks have gone unordered or have been lost in warehouses, teachers have been untrained and uncertified, and students with disabilities have not had appropriate access to services and facilities. Poor resource allocation means that educational needs go unmet even when funds are available.

**Unsafe environments disrupt learning.** Schools failing to open on schedule in 1995 and 1996 due to fire code violations highlighted the collapsing infrastructure of the public schools. The poor condition of facilities exposes students to discomfort and potential harm.

**Unacceptable service provision affects students.** Poor contract management in the public schools has forced children to eat cold cereal for lunch and resulted in unqualified individuals operating school facilities.

General Becton has pledged to overhaul many aspects of the school system over the next several months, to eliminate many problems described in the control board's report. Areas topping his agenda are combating violence in schools, correcting school building hazards that further erode the safety, and providing schoolchildren with a well-managed and nutritional food services program.

**B: Summary of Concerns Identified by ED**

Based on onsite visits to DC public schools and other data, ED confirmed that DC public schools, at times, fail to adhere to sound fiscal and budget practices. For example, DC public schools allowed some Federal ED funds to expire without using substantial amounts of money available to them. DC public schools often allows large periods of time to pass before spending money that it already has access to, which creates delays in getting needed equipment and supplies to programs and creates problems with 'excess cash' requirements. In addition, DC public schools experience problems in taking advantage of Federal programs because of internal controls having to do with budgeting, procurement, etc., which delay getting Federal funds to the classroom level. Problems were also identified by ED in delivery of education services. (See, Section IV below for examples.)

**III: TECHNICAL ASSISTANCE REQUESTED BY DC PUBLIC SCHOOLS**

General Becton has requested the following technical assistance from ED (See, attachment D):

- **Best Practices:** Technical assistance in an ongoing process -- over the next three years -- in identifying and bringing together individuals and groups who have experience addressing the issues that DC public schools faces -- around improving teaching, learning and the management systems to support.
- **Assessment System:** Technical assistance and support from ED in the development of student assessments that are aligned with curriculum frameworks.
- **Parental Involvement:** Assistance in the development of strategies and programs at the local schools to increase parental involvement with their children's education and to create and strengthen learning opportunities for parents in support of family literacy.
- **Special Education and Bilingual Programs:** Assistance with Special Education programs

and programs for limited English proficient students.

#### **IV: ED'S INITIAL TECHNICAL ASSISTANCE PLAN FOR DC PUBLIC SCHOOLS**

Under the Administration's proposal ED will work with the DC public schools system to identify areas in which the Federal Government might provide technical assistance to help improve the efficiency with which the public schools deliver education services.

ED is ready to help DC public schools with its long range plans for systemic education reform while simultaneously, taking more immediate steps to help remedy existing problems in the delivery of education services in specific program areas. The following is ED's initial technical assistance plan for DC public schools.

**SYSTEMIC REFORM:** ED is ready to help DC public schools with its long range plans for the improvement of teaching and learning at all levels of education -- preschools, elementary schools, middle schools and high schools-- and will work with other Federal agencies and nonprofit organizations and the private sector to expand and accelerate efforts to establish partnerships and collaboration to improve education. ED is ready to encourage the full involvement of other Federal agencies, nonprofit groups and other organizations that want to introduce school-wide change.

In October 1996, a team of ED staff conducted a 5-day review of DC public schools, in part, to determine how Federal programs work together to support teaching and learning. The written results of the review will be provided to DC public schools on February 7, 1997.

**Goals 2000:** From FY 94 and FY 95 funds, ED awarded DC public schools approximately \$2 million to develop its Goals 2000 plan. DC public schools submitted the plan to ED in July 1996. ED has been working with DC public schools to clarify aspects of the plan to ensure that it satisfies Federal requirements. ED has approximately \$3 million of Goals 2000 (FY 96 and FY 97) money reserved for DC public schools. Release of the Goals 2000 money is pending approval of the plan. Part of the money will be used for a review of the District's content standards for math, science, and English Language Arts to determine if they are aligned with those developed in the New Standards project.

**Charter Schools:** Five charter schools are presently authorized to operate in DC. In 1996, ED awarded a \$1 million grant to DC under the public charter school program. To ensure that the DC charter schools are provided technical assistance, ED increased the funds in the contract for the technical assistance center at George Washington University by \$40,000. In addition, ED will work with DC public schools and potential charter school developers, including cabinet agencies and local universities, to encourage the continued expansion of accountable public charter schools. ED also can work with DC public schools on a set of principles to guide the charter schools' process, including appropriate quality and accountability measures.

ED has extended an invitation for a small number of senior Department policy officials and education experts outside of the Department to meet, within the next two weeks, with the leadership of DC public schools to discuss their vision and overall strategy for systemic education reform and school improvements. One objective is to discuss DC public schools focused attention on two fronts simultaneously: 1) adopting and implementing clear challenging standards and guidelines for what teachers should teach and students should learn, performance assessments, and professional development that prepares teachers to teach to the standards, and 2) taking immediate action this year to improve a specific number of public schools (e.g., 15- 20) while committing to a strategy to focus on preparing to improve an additional specified number of schools in the second and third years of the plan's implementation. The second strategy would give DC public schools concrete examples of improvements in teaching and learning.

ED has had conversations with Federal agencies and other organizations with the possibility of establishing public charter schools in DC. ED has also had conversations with technical assistance providers, including the New American Schools Development Corporation about obtaining their cooperation in supporting school change. ED has had positive responses. ED is now working to try to encourage DC public schools to consider these and other strategies in the reform plans.

#### **PROGRAMS FOR CHILDREN WITH SPECIAL NEEDS AND ADULT EDUCATION:**

ED is helping ensure that Federal ED program funds supporting DC's **Adult Education** and **Special Education** programs continue to flow to DC public schools so that education services can continue uninterrupted. In addition, ED is helping ensure that programs for limited-English proficient and non-English proficient students are operated by DC public schools consistent with Title VI of the Civil Rights Act of 1964. (See Below)

- **Adult Education Programs:** ED is joining with the DC public schools in a renewed partnership to restore adult education services in the District. This partnership is based on a new plan for providing adult education services. It promises to engage not only the public school sector but community-based organizations and literacy agencies in a cooperative effort to expand and improve services to adults in need.

On January 31, 1997, ED released half of an \$868,110 Federal ED grant. ED will release the remaining funds after DC public schools meet several conditions. ED was holding up this grant pending DC public schools ability to show that it meets Federal requirements. The grant will provide services for more than 2,500 students in the Adult Education Program, including nearly 1,000 students in Adult Basic Education, 700 in English as a second language, and more than 800 in Adult Secondary Education. DC public schools will be providing services to more than 1,700 participants while the community-based organizations will be serving more than 800 adults in their programs.

- **Special Education Programs:** DC public schools serve 7,058 children and youth with disabilities (ages 3-21). ED is giving DC public schools technical assistance because of continuing problems identified in the following areas: placement of disabled students in the least restrictive environment, provision of necessary related services, post-secondary transition services, and triennial evaluations.

ED has noted improvements in some areas. For instance, in 1995-96 DC public schools conducted reevaluation for 3,174 students, eliminating a longstanding backlog. Also, DC public schools have shown some progress in placing fewer students in restrictive settings.

ED will continue to work with DC public schools to improve services for students with disabilities. ED has scheduled a meeting with a newly appointed special education director. ED also conducted public meetings on February 4 and 5, 1997, with parents and community members to identify areas where DC public schools need additional improvement.

- **Bilingual and other programs for Limited English Proficient Students:** Based on figures obtained from DC public schools, during the 1995-96 school year, there were 5,090 students classified as either limited-English proficient (LEP) or non-English proficient (NEP). These students are eligible to receive specialized services in an alternative language program designed to teach them English and to ensure that they do not fall behind in academic subject areas while they are learning English. DC public schools database show that 2,217 of these LEP/NEP students were not receiving any alternative language services. Approximately 127 of these students attended schools where no alternative language programs are offered. ED's visits to DC schools in Spring 1996 identified lapses in the District's process for identifying and serving LEP/NEP students suggesting that the enrollment of LEP/NEP students may be even higher than reflected on the database and that DC public schools do not provide many LEP/NEP students adequate alternative language services. ED has assembled technical assistance providers to develop plans to improve the delivery of services.

**BRINGING TECHNOLOGY INTO THE CLASSROOMS:** ED is ready to encourage the full involvement of volunteers and the private sector (including cable and telephone companies) and will work with other agencies and outside groups to expand and accelerate efforts to wire DC public schools and classrooms. NetDay96 facilitated a unique partnership between the public and private sectors and educational institutions. During NetDay96 (October 1996) approximately 50 of the DC public schools (20% ) were wired. ED has planned another NetDay for Spring 1997. At that time ED expects that at least another 30% of the DC public schools will be wired.

**ONGOING TECHNICAL ASSISTANCE ACTIVITIES:** In addition to the above, ED continues to sponsor other ongoing volunteer initiatives with the DC public schools including partnerships with DC public schools where ED employees volunteer and the DC Desk. The DC Desk provides DC public schools personnel with one-stop access to ED resources and technical assistance. Local

school teachers and employees can call ED's DC Desk for information on teaching strategies and programs that have worked in other schools. (See, attachment E).

Recently ED also provided training, computers, software, and established a Local Area Network for guidance counselors in DC high schools to ensure availability of information about sources of college financial aid to increase the numbers of students who consider college.

ED's Office of Inspector General also provided technical assistance to DC public schools on the development of a request for proposal for conducting a student enrollment audit in 1996.

**Attachments:**

- A: Summary of legislative background and status of implementing DC Charter Schools
- B: Bio for Julius W. Becton, Jr.
- C: Children in Crisis: A Report on the Failure of DC's Public Schools
- D: General Becton's December 20, 1996 technical assistance request
- E: DC Public Schools Initiative Status Report April, 1996

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### **Attachment A**

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## D.C. CHARTER SCHOOLS

**Legislative Background:** In 1996 both the Congress and D.C. Council enacted bills authorizing the establishment of public charter schools in the District of Columbia. Congress amended this law as part of its 1997 appropriations bill. The amended law now permits up to 20 schools to be chartered each year.

**Federal start-up grant:** The District of Columbia Public Schools was awarded a \$1 million grant under the public charter school program in 1996.

**Public Agencies Authorized to Approve Charter Schools:** The law passed by Congress authorized both the D.C. Board of Education and an "Independent Public Charter School Board" to approve and oversee public charter schools in the District. The law also authorized the D.C. Council to name up to one additional public chartering agency.

**D.C. Board of Education.** The D.C. Board of Education has authority to approve and oversee public charter schools. The Board approved five charter schools in summer 1996. The five schools are:

Children's Studio School. This has been an arts and professional development program within the D.C. Schools. The school expects to open fall, 1997.

Kids 1: The High Road School and Alternative Learning Center. Kids 1 operates other schools focusing on special education in New Jersey. This school also will focus on special education.

Marcus Garvey Public Charter School: Marcus Garvey is a small school focusing on Afro-centric curriculum. Initially, the school was only going to be open to boys, but the D.C. Board of Education insisted prior to granting the charter that girls be admitted to the school. The school is in operation. In January 1997, a grand jury indicted the principal and three staff members on charges of misdemeanor assault in a highly publicized December 3, 1996, confrontation with a Washington Times reporter.

Next Step Public Charter School. This is currently a youth program operated by the Latin American Youth Center. The school will focus on teen parents and probably other at-risk youth.

Options Public Charter School. This school is already in operation with 100 students, and was expected by many to be the District's flagship charter school. The school is operated by the Capital Children's Museum, and focuses on middle school students at least 2 years behind grade level.

**Independent Public Charter Schools Board**

The Mayor has appointed seven members to this board from fifteen nominees submitted from Secretary Riley. The fifteen nominees were selected after an intensive outreach and consultation process with a wide array of individuals and organizations in DC. The seven-member board is comprised of all D.C. residents, and they bring a broad array of experience in local education, business, and community affairs. The board includes a former award-winning teacher in the DC Public Schools, an accountant from Peat Marwick, and a leading local business leader.

In his letter to the seven appointees, the Mayor said that funds need to be identified for the operation of the board before they begin their work. Congressional offices and the COPE (the D.C. Committee on Public Education) have been exploring possible sources of funding for the board's operation.

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## **JULIUS W. BECTON JR.**

Julius W. Becton Jr. entered active duty in the U.S. Army in July 1944, served in three wars and, over nearly 40 years of duty, rose to the rank of Lieutenant General before retiring from the military. He subsequently served for five years, until October 1994, as the fifth president of Prairie View A&M University. General Becton was the first graduate of Prairie View to attain "flag" rank in the military.

General Becton's key military assignments included Commander, U.S. Army Operational Test and Evaluation Agency, 1st Cavalry Division and VII U.S. Corps in Germany; and Deputy Commander, U.S. Army Training and Doctrine Command & The Inspector of Training.

Prior to accepting the presidency at Prairie View, General Becton served as the chief operating officer for the American Coastal Industries, Inc. Before entering the private sector, he served 22 months as director of the Office of U.S. Foreign Disaster Assistance before being nominated by the President in 1985 and confirmed by the Senate as director of the Federal Emergency Management Agency, a post he held for nearly four years.

General Becton serves as a director to several corporations, academic institutions and associations. His many honors include being named several times by Ebony magazine as "One of the 100 Most Influential Blacks in America" and receiving the Distinguished Service Award of Association of the U.S. Army and the Boy Scouts of America's Silver Beaver.

He and his wife reside in Springfield, Va. The couple has five grown children, 10 grandchildren and three great-grandchildren.

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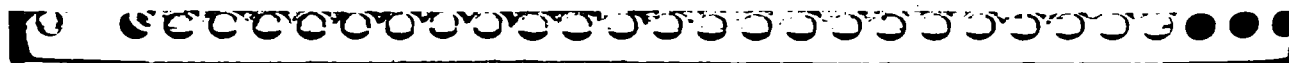
# **Children in Crisis:**

## ***A Report on the Failure of D.C.'s Public Schools***

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**The District of Columbia Financial Responsibility and  
Management Assistance Authority**

November 1996



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## Children in Crisis:

### *A Report on the Failure of D.C.'s Public Schools*

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## Executive Summary

The District of Columbia Financial Responsibility and Management Assistance Authority (the "Authority") was created by the U.S. Congress in 1995 to repair the District of Columbia's (the District's) failing financial condition and to improve the management effectiveness of government agencies. The deplorable record of the District's public schools by every important educational and management measure has left one of the city's most important public responsibilities in a state of crisis, creating an emergency which can no longer be ignored or excused. The District of Columbia Public Schools (DCPS) is failing in its mission to educate the children of the District of Columbia. In virtually every area, and for every grade level, the system has failed to provide our children with a quality education and safe environment in which to learn. This report:

- Details the failures of the current education system
- Highlights the lack of accountability of its leadership
- Examines alternative approaches used by other local governments to revitalize deficient schools

The Authority recognizes the following fundamental principles:

- **A safe, effective learning environment and a competitive education for our children is integral to the future of the District and its residents**

The current system has failed to provide this fundamental need.

- **The public schools' crisis did not occur overnight, nor will it be fixed quickly**

Reform will take time but it must begin immediately. The Authority will take steps to improve the District's public education system immediately and permanently. The status quo condemns our children to an inferior education and contributes to the further deterioration of the city while residents, concerned about their children's education, continue to leave the District for the suburbs. Although our efforts are immediate, it will take time to permanently change the face of the District's public schools.

- **The leadership is dysfunctional**

At the heart of most of the problems in the school system is the lack of leadership from the District's elected Board of Education and the Superintendent of Schools. With persistent educational and managerial problems year after year, the public school leadership—tragically—has abdicated its responsibilities, to the city and to its children, for providing a quality education in a safe environment. More than 80,000 of the city's children suffer daily due to the absence of leadership and the resulting inability to reform a dysfunctional organization.

- **The District's public schools are not the first to face an educational crisis**

Other school systems in major urban centers have grappled with challenges such as socio-economic factors, resource constraints, and decaying infrastructures. The Authority recognizes that much of the environment in which the public school system must operate is beyond their ability to control. It also recognizes that many talented professionals and children achieve tremendous results in the District's public schools despite daunting obstacles. Nevertheless, the Authority notes that many urban school systems with comparable problems have moved faster and more decisively to resolve similar issues. It is these schools—and their success in helping children learn—that have provided some guidance in our approach to saving our schools and better educating our students.

## **The Failures**

The Authority's full report details the major failures of the DCPS. This summary highlights the unacceptable conditions that children face every day:

- **Education outcomes are well below the national norm**

District students consistently lag behind the national averages and the averages of comparable urban school districts on the major exams that test competency and student achievement.

- **Education inequity persists**

Students' test scores in wards 7 and 8, the predominantly poorer areas of the city, have declined substantially while the more affluent wards of the District have remained stable.

## ■ **Mismanagement undermines learning**

The inability of DCPS to effectively implement long-term education and operational plans leaves students without teachers or classrooms, textbooks unordered or lost in warehouses, teachers untrained and uncertified, and students who are disabled without access. Additionally, poor resource allocation distorts priorities, ensuring that educational needs go unmet even when funds are available.

## ■ **Unsafe environments disrupt learning**

The much publicized case of schools failing to open on schedule last September, due to fire code violations, highlights the collapsing infrastructure of the public schools. The alarming condition of facilities leaves students exposed to discomfort and even to potential harm—boilers burst, roofs leak, fire doors stick, bathrooms crumble, and poor security permits unauthorized individuals to gain access, threatening the safety of students. Such conditions make it almost impossible to focus on the primary mission of educating the children.

## ■ **Unacceptable service provision affects students**

Poor contract management in the public schools has left an indelible mark on our children—who, among other things, have been forced to eat cold cereal for lunch and have been subjected to unqualified individuals operating school facilities, such as at the Kedar School.

## **Accountability**

By law, the Board of Education and Superintendent are responsible and accountable for the performance of our public schools. Because the authority for overseeing DCPS has been delegated throughout the system, identifying who is responsible for its mismanagement is often difficult.<sup>1</sup> Ultimately, *no one is held accountable*.

Radical change is necessary to implement an organizational structure within the public school system that holds its leadership accountable for educational quality, academic achievement, financial and personnel management, and procurement.

## **Alternative Approaches**

In committing itself to reform, the Authority has examined alternative approaches now being used in other urban jurisdictions which faced similar crises. In most cases,

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<sup>1</sup> A provision within Title 31 of the DC Code allows the Board of Education to delegate any of its authority to the Superintendent of Schools.

including Chicago and Newark, the existing leadership structures were suspended, subsumed, or abolished. They were replaced by structures more accountable for public education performance, less bureaucratic, and less sensitive to the politics that can impede the education process. The goal of these reforms is to not only improve management efficiency, but also, more importantly, educational effectiveness. The mission of any school system is to educate students; failing in this mission provides a compelling basis for intervention.

Change is positive, and both Chicago and Newark have realized the benefits of effective reform. In its first year, for instance, the Chicago School Reform Board of Trustees:

- Eliminated the District's \$1.3 billion deficit
- Restored its credit rating
- Eliminated the unwritten policy of social promotion
- Required summer school for thousands of students in order to advance to the next grade
- Created new educational programs for all grade levels
- Eliminated millions of dollars in waste
- Downsized the public school system
- Created enhanced educational opportunities
- Refurbished decaying facilities

Newark Public Schools in its first year:

- Revamped educational priorities
- Removed for cause nearly one-quarter of its school principals
- Recruited large numbers of volunteers to work in the schools
- Improved the condition of school facilities
- Reorganized the educational structure to better meet the needs of students

In both instances, there were almost immediate improvements in the day-to-day operations because of the changes in management. Although it is still too early to judge students' test score improvements, officials in these jurisdictions expect that their education and management improvements will quickly lead to better student performance.

## Protecting Our Children

While individuals may differ over the form that restructuring might take, there should be no question that effective change must occur—*now*. The Authority believes that democratic institutions must be protected in our communities. Also, like other responsible officials in an increasing number of urban centers faced with failed education systems, we are determined to also protect the children in our communities. In the final analysis, the schools' primary function is to educate children in an optimal learning environment.

The Authority is convinced that only fundamental change will reverse the deplorable neglect of students' educational and environmental needs. The Authority is committed to instituting a structure for the public schools that puts students first, links performance and accountability for education results, and provides a safe environment in which learning can occur. Achieving this objective requires that the District's parents and children, its teachers, and other school system employees recognize that the status quo is harmful to the goals of a quality public education and therefore is unacceptable.

## 1. The Failure of Public Education in the District

DCPS is failing. While there are individual schools and students that have records of outstanding academic performance, excellent management by principals, and exceptional community and parent involvement, the school system as a whole is in a state of crisis. DCPS' management structure and education delivery system have failed our children.

DCPS fails to teach its pupils even the basics of education. As a result, the system's students score significantly lower on standardized academic achievement tests than their peers in comparable districts around the nation. Performance varies extensively among wards; the least affluent wards have experienced the greatest decline in test scores over the last five years. The assessment of the school system based on these statistics is frightening: *on average, for each additional year that students stay in DCPS, the less likely they are to succeed, not because they are unable to succeed, but because the system does not prepare them to succeed.*

Assessments of DCPS' administration and operations are just as bleak. The system does not have effective budgeting, personnel, and procurement processes in place. Because the budgeting process does not allocate adequate funds into particular accounts, hundreds of reprogrammings are required each year which limit the budget's effectiveness as a planning and management tool. Personnel management also has significant shortcomings. For example, new teachers were hired by DCPS in September, yet many had not been paid two months later. Furthermore, the lack of an adequate contract review process has allowed DCPS to develop contracts that have been questioned publicly.

In addition, DCPS lacks a comprehensive facilities plan. The children are suffering under substandard conditions that are shameful and dangerous. Even after two years of controversy, fire code violations still persist. District students often find themselves in classrooms with leaky roofs, no heat in the winter, and without the knowledge that they are secure from acts or threats of criminal violence against their personal safety.

Moreover, the public school system is mismanaged. The Superintendent even concedes his lack of control over numerous fundamental operations of the system, including not even having an accurate estimate of the number of people employed by his organization or the number of students they serve. Also, the Board of Education has failed in its responsibility to oversee the school system adequately, which includes evaluating the Superintendent and contract oversight.

By any basic category for evaluation—such as educational, managerial, financial, and physical safety—the school system has failed our children placing itself in a state of educational and operational crisis. Fundamental justice for the school children, their parents, and all the taxpayers and citizens who support and depend upon DCPS, requires a complete overhaul in governance structure and management systems.

## Education Outcomes are Inequitable and Weak

Over the past five years, the erosion in the District's public schools has accelerated, especially for the thousands of children in the poorest wards. Since 1991, test scores on the Comprehensive Test of Basic Skills (CTBS) show a net decline in both reading and mathematics skills (see figure 1).<sup>2</sup> Between 1991 and 1996, mathematics scores declined by an average of 6 percent for grades 6, 8, and 11, and reading scores declined by 13.5 percent in grade 6 and remain below national norms in grades 8 and 11.

Even internally, DCPS students, over time, do not show any improvement in test scores. Test scores declined from 1992 to 1994, without exception in both reading and math. *The CTBS scores suggest that the longer students stay in the District's public school system, the less likely they are to succeed educationally.* This failure is the result not of the students—for all students can succeed—but of the educationally and managerially bankrupt school system.

**Figure 1: Comprehensive Test of Basic Skills Test Scores, 1991 - 1996**

### Mathematics

Grade	1991	1992	1993	1994	1995	1996	National Norm
6	67	65	62	61	63	62	50
8	48	44	46	44	44	44	50
11	42	44	43	41	40	41	50

### Reading

Grade	1991	1992	1993	1994	1995	1996	National Norm
6	52	49	46	47	48	45	50
8	40	39	39	39	41	41	50
11	32	39	34	35	36	34	50

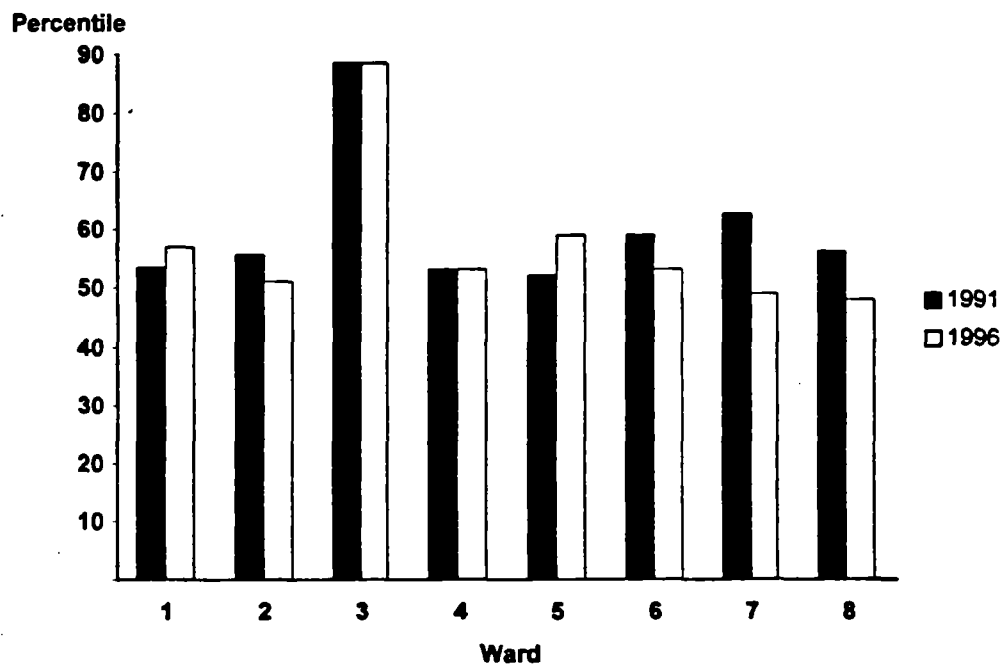
Source: DCPS Office of Educational Accountability

<sup>2</sup> The Comprehensive Test of Basic Skills is a standardized test administered every spring to 6<sup>th</sup>, 8<sup>th</sup>, and 11<sup>th</sup> graders.

Note: A statistical problem with CTBS test scores is that not all DCPS students are tested. This is especially true at the secondary level. 85 percent of sixth graders, 79 percent of 8<sup>th</sup> graders, and only 62 percent of students in 11<sup>th</sup> grade were tested in May 1996. A school-by-school analysis of these percentages show large variations, with several elementary schools not testing one-third or more of their students and some high schools testing less than 50 percent. Failure to test such large percentages of students can skew test results and complicates comparisons between District schools as well as comparisons with other jurisdictions. The only explanation offered by DCPS for not testing all of the students was that the students were absent on the day that the test was administered.

While test scores in wards 1, 3, 4 and 5 have remained the same or slightly improved, scores in wards 2, 7, and 8 have declined significantly (see figure 2). Several schools in wards seven and eight have seen startling declines in test scores of 15 to 20 percentage points or more. Ward 7, for example, declined 12 percentile points between 1991 and 1996. The low achievement levels attest to the fact that thousands of children, especially in wards 2, 7, and 8, are not being taught the fundamental skills necessary to succeed after they leave DCPS.

**Figure 2: Changes in 6th Grade Test Scores, 1991 to 1996**



Source: Office of Educational Accountability, DCPS

Note: Average of reading and math percentiles from the 6<sup>th</sup> grade

The CTBS is not the only standardized test on which District students underperformed the national average. On the Scholastic Aptitude Test (SAT), District students performed well below students nationwide. While SAT scores can be skewed because the population is self-selecting, they show that DC students performed well below the national average by close to 100 points (see figure 3). Such poor performance is not the result of the inability of District students to excel—the Authority believes that every child can learn and that every student can succeed—but of the school system’s failure to fully prepare them for test taking and teach them critical thinking and analysis skills.

**Figure 3: Scholastic Aptitude Test Scores, 1991 - 1995**

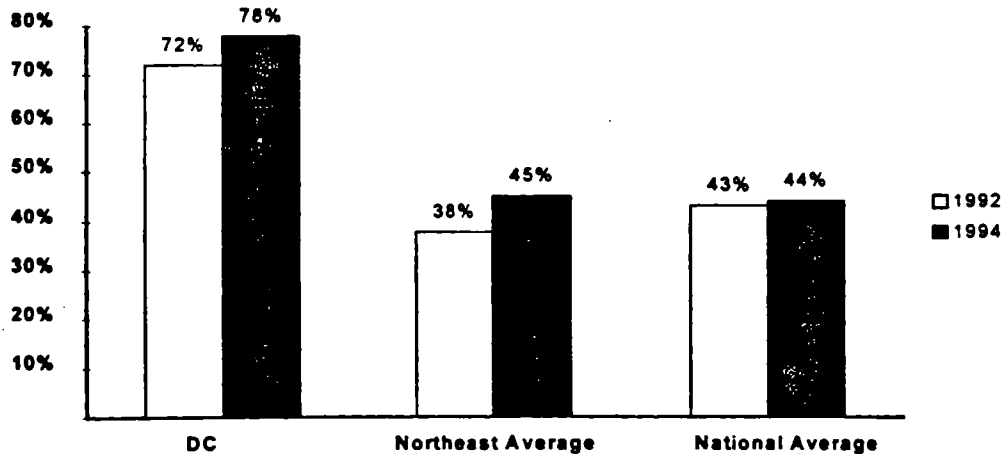
Calendar Year	<i>Verbal</i>		<i>Mathematics</i>	
	DCPS	National Ave.	DCPS	National Ave.
1991	334	422	368	474
1992	336	423	369	476
1993	338	424	373	478
1994	333	423	373	479
1995	342	428	375	482

Source: DCPS Office of Educational Accountability

On the National Assessment of Educational Progress (NAEP) Trial State Assessment, the performance of District students also has declined. In the latest assessment, fourth graders' reading progress declined by 6 points (see figure 4) between 1992 and 1994. Seventy-eight percent of District 4<sup>th</sup> graders, performing below the basic reading level,<sup>3</sup> were unable to demonstrate that they understood the overall meaning of passages they read, nor could they relate the text to their own experiences.

Of the 39 states that reported proficiency scores to the National Center for Education Statistics, DCPS' 180 was the lowest average score of any state—well below the national average of 216. DCPS was the only jurisdiction that had an average score under 200.<sup>4</sup>

**Figure 4: Trial State Assessment: Percent of Fourth-Grade Students Scoring Below the "Basic" Reading Level on the Trial State Assessment**



Source: National Association of Education Progress

<sup>3</sup> The "Basic" Achievement Level is defined as: 4<sup>th</sup>-grade students performing at this level should demonstrate an understanding of the overall meaning of what they read. When reading texts are appropriate for 4<sup>th</sup> graders, they should be able to make relatively obvious connections between the text and their own experiences.

<sup>4</sup> National Center on Education Statistics, 1995.

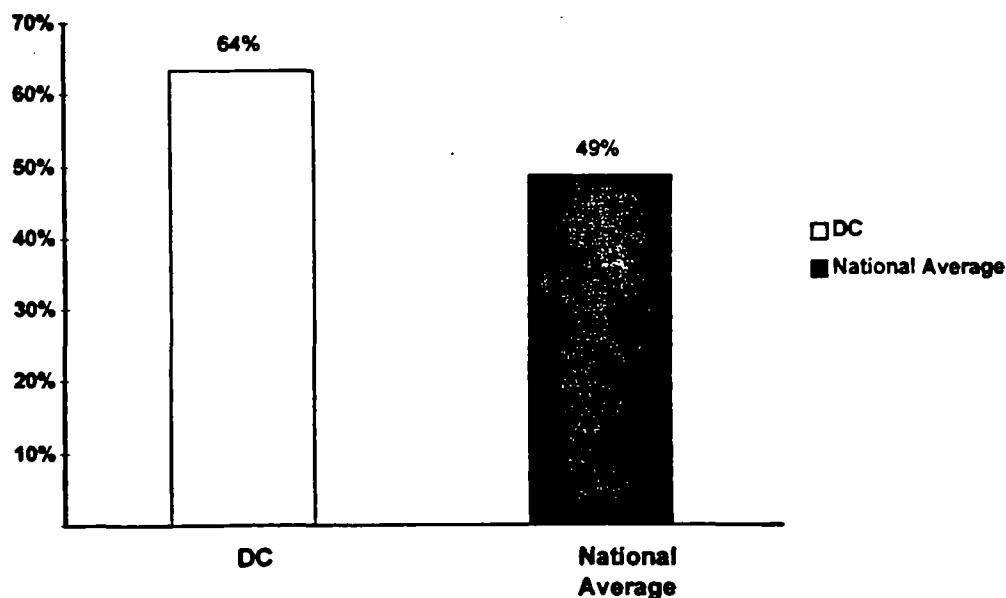
## Violent Behavior Persists

Not only has educational achievement declined in the District's schools, but both students and teachers are subjected to levels of violence that are twice the national average, according to the National Education Goals Panel. The following comparisons show how DCPS measures against national averages:

- 16 percent of DC public high school students reported carrying a weapon on school property during the last 30 days, compared to the national average of 12 percent
- 11 percent of DC public high school students reported they were threatened or injured with a weapon in the past 12 months, compared to the national average of 8 percent
- 11 percent of DC public high school students reported avoiding school because they felt unsafe in the past 30 days, compared to the national average of 6 percent
- 18 percent of DC public high school students reported they were in a fight on school property during the last 12 months, compared to the national average of 16 percent<sup>5</sup>

In addition, nearly two-thirds of the District's teachers say that violent student behavior interferes with teaching (see figure 5). Nationally, the percentage is less than half.

**Figure 5: Teachers Reporting that Student Behavior Interferes with Teaching**

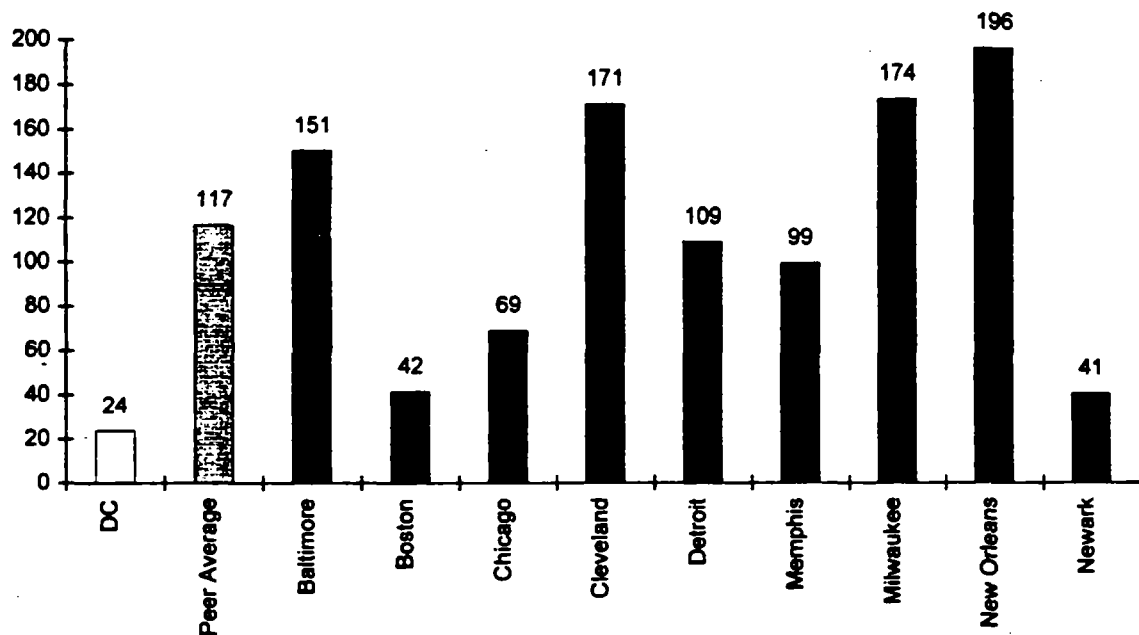


Source: Data Volume for the National Education Goals Report, 1995 (Volume Two: State Data)

<sup>5</sup> National Education Goals Panel (Volume Two: State Data, 1995).

Although there are a variety of ways to deal with discipline issues, one way that is measured nationally is suspensions. Interestingly, despite the systemic problems with crime, violent behavior, and discipline in the District's schools, substantially fewer students are suspended in DCPS than in other school systems around the country. Figure 6 shows that the District suspends just 24 students per thousand, compared to a peer district average of 123 students per thousand. Some systems, including Cleveland, Milwaukee, and New Orleans, suspend eight times as many students as DCPS.

**Figure 6: Suspensions Per 1,000 Students**

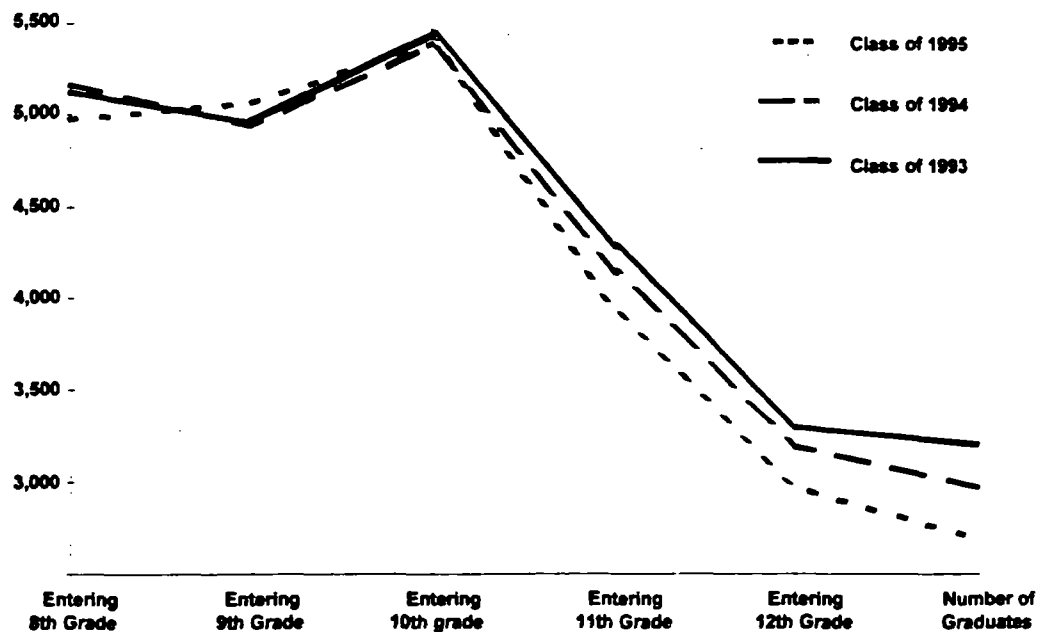


Source: National Urban Education Goals: 1992-1993 Indicators Report (Council of Great City Schools)

## Graduation Rates Remain Poor

Between 1989 and 1995, 40% of high school students either dropped out or left the District's public schools. Over the last three years, students dropped out or left DCPS at an increasingly faster rate. In 1995, only 53 percent of the students who entered DC high schools in 9th grade remained to graduate four years later—a decline of over 10 percent from the 1993 statistic. The greatest migration out of DCPS for the classes of 1993 to 1995 occurred in grades 11 and 12. In 1995, the total number of students in DCPS fell from the previous year by over 27 percent in 11th grade, and by 24 percent in 12th grade. Figure 7 depicts this attrition in the student population

Figure 7: DCPS Enrollment Changes Grades 8 through 12 for Classes of 1993-95

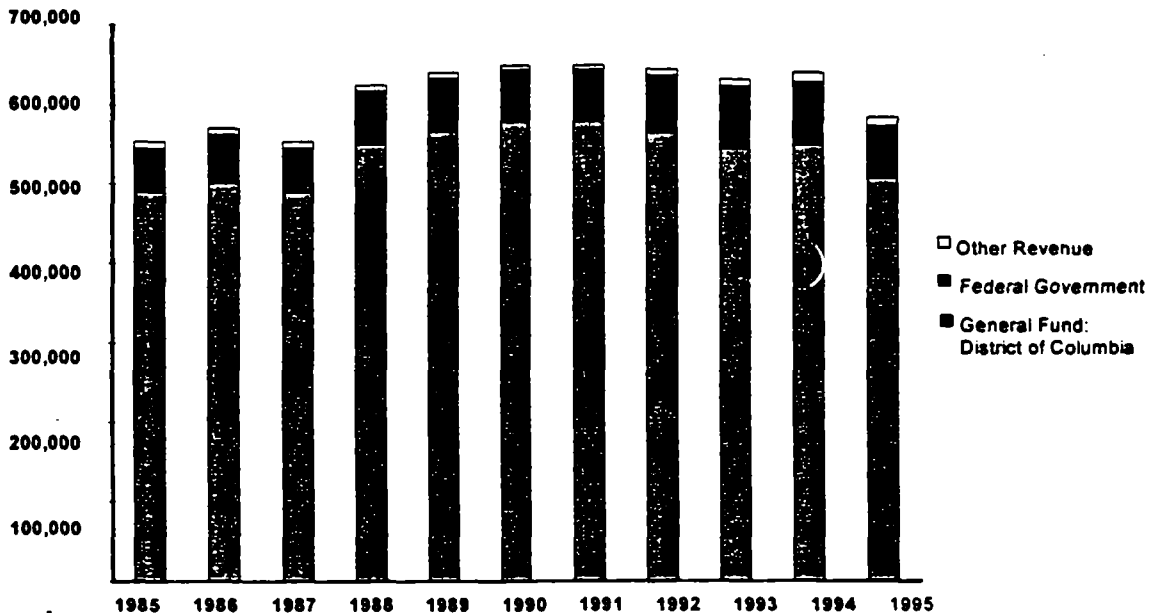


Source: DCPS Dropout and Migration Statistics (1991-1995)

## A System of Mismanagement

Although the Superintendent and the President of the Board of Education have argued that more dollars are needed to support the District's schools, it remains to be determined whether or not additional operational funding is needed in the light of an assessment of per capita spending. Funding for DCPS comes from local funds, and federal and private grants. Funding peaked in Fiscal Year (FY) 1994 and has declined slightly since then. Figure 8 shows funding over the past ten years in constant dollars.

**Figure 8: DCPS' Funding for FY 1985-1995 from Local, Federal, and Other Funds (in Constant Dollars)**

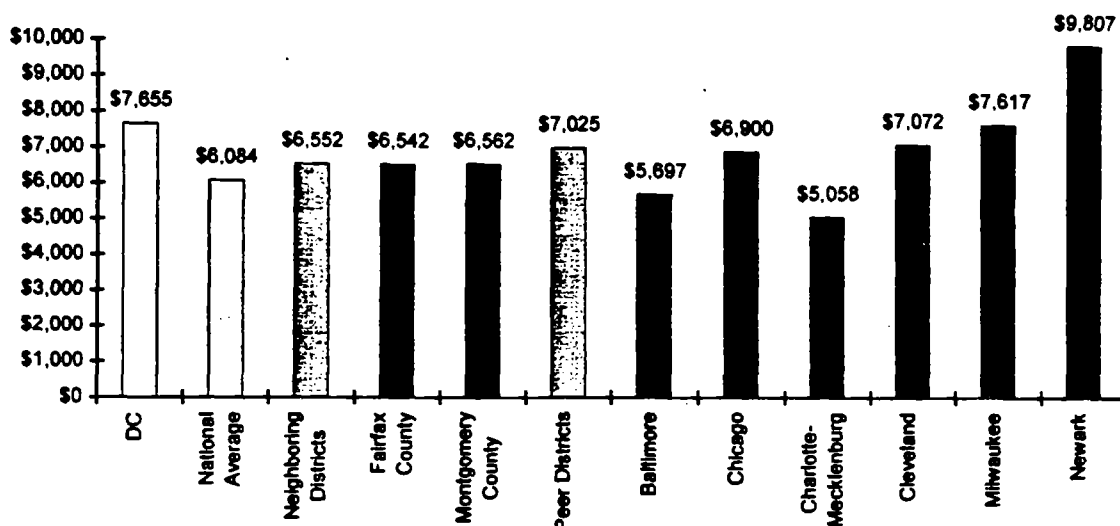


Source: DCPS Comprehensive Annual Financial Report, 1995; DCPS Component Unit Financial Report, 1994

Note: All funds are adjusted to 1996 dollars based on consumer price indexes for major expenditure classes.

Comparisons of the District's school expenditures with other jurisdictions are difficult because of the many ways in which expenditures are reported. However, the District's average cost per student clearly exceeds the national average, and it is also substantially higher than many comparable urban school districts and neighboring districts. Figure 9 depicts these comparisons.

**Figure 9: Average Per Pupil Expenditures, 1994-95<sup>6</sup>**



Source: FY 1996 Budgets; Center for Education Statistics

Note: DC expenditure per pupil assumes 80,450 and total expenditure of \$615.8 million. It includes food services, continuing education, and other Federal education costs.

By examining DCPS budgets from previous years, reviewing expenditure patterns, and comparing funding with similar school districts, it is clear that a contributing factor to the deficits that have arisen is inadequate oversight by management and the Board. For example:

- Personnel mismanagement results in a large numbers of teacher and educational staff employed by DCPS who have no direct interaction with students
- Lack of an overall facilities plan results in ineffectively targeted facilities funding
- Weak procurement controls result in large numbers of dollars misspent on questionable contracts
- Poor overall budget and financial processes make it difficult to develop adequate budgets and effectively monitor expenditures

<sup>6</sup> These expenditures for the District do not include any cost of financing capital expenditures or the costs of the teacher pension program. It is unclear whether other jurisdictions' average cost per student includes such costs. However, these costs would add another \$1,250 per student in the District.

These are management failures that clearly have a direct impact on the DCPS' educational mission and ability to perform.

The following sections outline the condition of DCPS' critical management components and how those management failures directly and indirectly affect the learning mission.

### **Personnel Management: DCPS lacks controls over personnel**

DCPS' personnel operations are in disarray. Every aspect is problematic: the inability to identify the total full-time equivalent (FTEs) positions, lack of adequate administrative controls, incomplete planning, and the inability to understand or relate the impact of personnel on the educational mission.

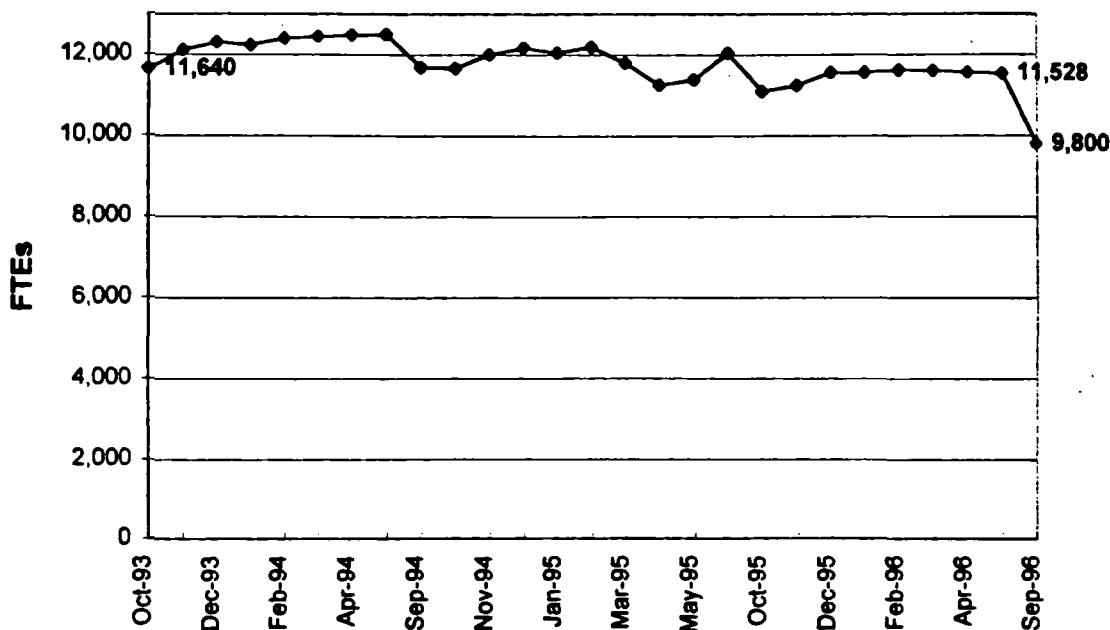
DCPS is also not focusing its resources at the educational level. Hundreds of personnel do not directly serve the students in schools. For example, two executive assistants working in the Superintendent's Office are shown in the personnel records as assigned to the Elementary Education function. Because of poor data, it is impossible to determine the location and number of personnel on a timely basis. There are numerous indications of educational personnel not working in the schools despite a personnel database that indicates otherwise. Such error-prone information makes it impossible to know how many and which personnel are directly serving the District's students.

There are numerous examples of DCPS' ineffective management of its personnel. The following are some examples:

- **Although DCPS officials claim that they reduced the number of personnel over the past several years, payroll does not support this assertion**

According to the information available, between October 1993 and April 1996 DCPS only managed a net reduction of 112 FTE positions. During this period, both the Superintendent and President of the Board of Education claimed that hundreds of personnel had been cut from the budget. For the pay period ending September 30, 1996, payroll data does show a substantial reduction in DCPS personnel to 9,800 FTEs from 11,460 in October 1993. If this data is accurate, this represents a substantial personnel reduction. However, according to information provided by the DCPS Chief Financial Officer (DCPS-CFO), there were hundreds of recently hired teachers and other personnel whose personnel documents were not processed in the September 30 payroll—therefore the number of FTEs was undercounted. Figure 10 shows DCPS personnel levels since 1993.

**Figure 10: DCPS Full-Time Equivalent Positions, 1993 - 1996**



Source: District of Columbia Payroll Data, 1993-96

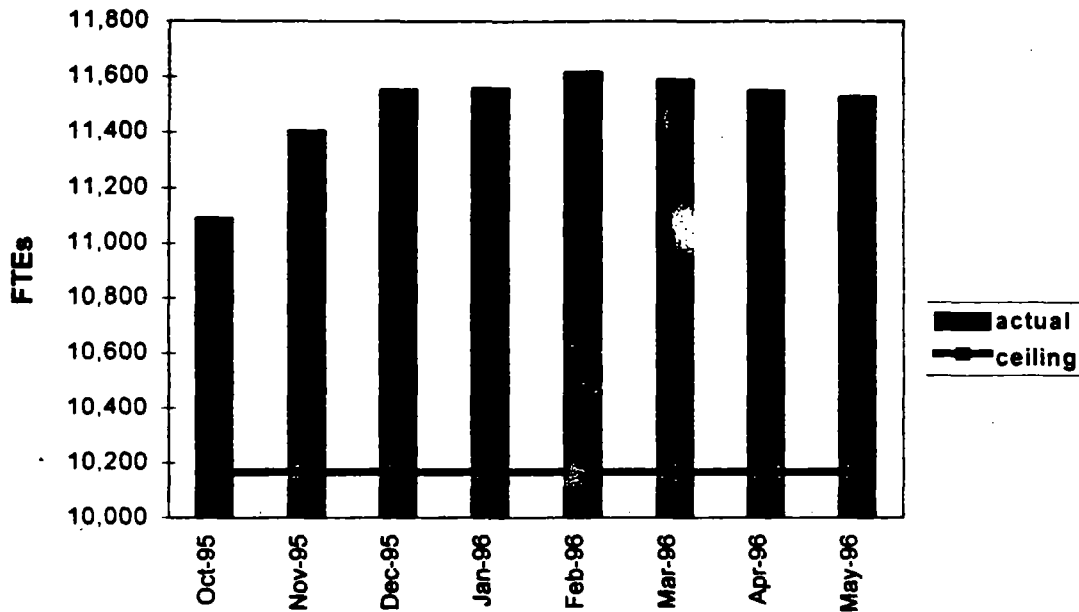
DCPS' inability to manage personnel is demonstrated by efforts to reduce personnel during early FY 1996. In August 1995, the Authority recommended that DCPS reduce its FTEs by nearly 1,400 positions to 10,167 FTEs.<sup>7</sup> Instead of an orderly reduction in personnel, DCPS officials elected to make all the reductions during the last quarter of the fiscal year. Moreover, instead of reducing personnel, DCPS hired hundreds of additional staff at the beginning of the FY 96, increasing its FTE totals from 11,091 in October 1995 to 11,616 in February 1996.<sup>8</sup>

<sup>7</sup> District of Columbia Financial Responsibility and Management Assistance Authority Report on the District of Columbia Fiscal Year 1996 Budget, August 15, 1995.

<sup>8</sup> District of Columbia Financial Responsibility and Management Assistance Authority staff analysis of District of Columbia Payroll Data, 1996.

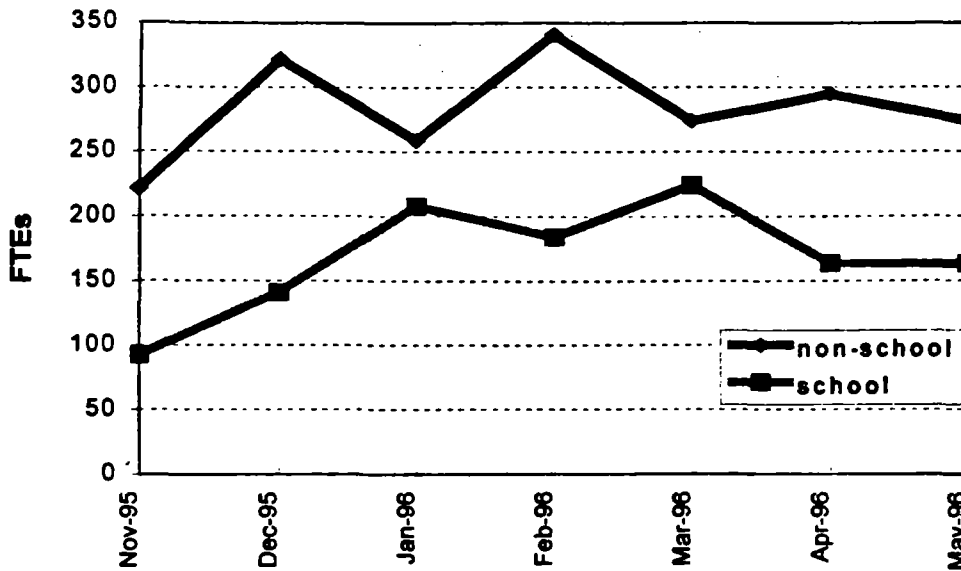
Figure 11 illustrates the magnitude of the early FY 96 hirings. Over the course of the school year, DCPS hired scores of personnel and did not perform the necessary staff reductions. Furthermore, most of these hirings were not school-based personnel. As seen below, between October 1995 and May 1996, DCPS' FTEs far exceeded the Authority's recommended personnel ceiling adding a drain upon the school system's limited resources.

**Figure 11: DCPS FTE Overages Based on the Authority's Recommended Personnel Ceiling, 1995 - 1996**



Source: Authority staff analysis of DCPS payroll data, 1996

**Figure 12: DCPS Increases in Personnel, 1996**



Source: Authority staff analysis of DCPS Payroll Data, 1996

When questioned by Authority staff about the hirings, the DCPS personnel director said he authorized the hirings because positions were vacant.<sup>9</sup> While technically true, DCPS' budget had been reduced from \$594 million in FY 95 to \$575 million in FY 96. These hirings put additional fiscal stress on a system that was already bending under the weight of previous financial pressure. Because few personnel were eliminated, the budget reduction was financed out of non-personnel funds, taking away from textbooks funds and facilities maintenance.

Overall, DCPS does not have reliable data on the number of employees that work in the school system. As recently as October 3, 1996, the Superintendent of Schools was quoted as having stated that he did not know how many employees work for the system.<sup>10</sup>

- **DCPS has circumvented personnel ceilings by hiring hundreds of employees through staffing agencies, personal service contracts, or purchase orders**

FTEs are not the only positions that DCPS has difficulty controlling. For example, DCPS contracted with Potomac Personnel for 100 food service workers in addition to those it had already allocated to food services. In addition, many of the school nurses were hired under a contract with National Nurses, Inc. In yet another example, DCPS has hired more than 100 bus drivers and drivers' aides under

<sup>9</sup> Conversation with DCPS Personnel Director, May, 1996.

<sup>10</sup> *The Washington Post*. October 3, 1996.

contract. Such practices allow DCPS to circumvent the personnel ceilings established by the District government to manage DCPS' expenditures and to prevent the hiring of more personnel.

■ **DCPS employs hundreds of unauthorized personnel**

Overhiring and failing to control personnel expenditures are not new phenomena in DCPS. Historically, the system has had difficulties managing its personnel expenditures. The reports of the District of Columbia City Council (Council) Education and Libraries Committee on DCPS budgets have documented similar problems. The FY 95 report outlined the way in which millions of dollars have been diverted from critical maintenance and textbook funds in order to pay for personnel.<sup>11</sup> Despite this acknowledgment, little was done by DCPS to rectify the problem. The pattern continued into FY 96, when millions of dollars were reprogrammed to cover the deficit caused by uncontrolled personnel expenditures.

One reason for the deficits in the personnel budgets is the existence of hundreds of unauthorized individuals on the school system's payroll. Data provided by DCPS in August 1996 shows that at least 200 people were paid every pay period without a required Personal Control Number (PCN).<sup>12</sup> According to testimony by the DCPS-CFO at the Authority's September 4, 1996 public hearing, these *unauthorized personnel have cost over \$30 million over the last three fiscal years.*<sup>13</sup>

In addition, data maintained by the District's Personnel Office shows that more than 2,300 positions in DCPS do not have the required Unified Personnel Payroll Systems (UPPS) numbers.<sup>14</sup> Such a number is required to document that the position is officially sanctioned by the government. Each pay period, exception reports are generated that list all employees who do not have an UPPS number. These reports are routinely forwarded to DCPS, but no action is ever taken to rectify these information omissions. These same individuals appear on exception reports from one pay period to the next without DCPS verifying said employees' status.

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<sup>11</sup> Report of the DC City Council's Committee on Education and Libraries on the DCPS Budget, 1995.

<sup>12</sup> A Personnel Control Number is a unique number given to every employee to identify them and track their employment status with DCPS.

<sup>13</sup> District of Columbia Financial Responsibility and Management Assistance Authority. September 4, 1996 Public Hearing.

<sup>14</sup> An UPPS number is established by the District's Office of Personnel as the primary identifier in the District's personnel system.

- **The problems within DCPS' personnel operations are exacerbated by the fact that many personnel records are incomplete, missing, and/or out-of-date**

**Staff position listings are error-prone.** In August 1996, in preparation for the Authority's public hearing on school readiness, the DCPS Personnel Office provided information on the status of school staffing, including teaching, administrative, and maintenance positions. This data indicated that less than 100 positions were vacant as of mid-August. However, the data was replete with errors. In one instance, the data included the staffing needs of four schools that had been closed.<sup>15</sup> Staffing problems have continued into this school year. As of late September 1996, teachers who were hired and working for a month have not been paid, timesheets are being submitted for personnel who have retired, and staff who retired in June have not yet received their retirement checks.

**Payroll reviews indicate that employees are not in assigned locations.**

A payroll review conducted by the Authority estimates that one-third of DCPS employees are not at the locations assigned to them in the personnel files. Several principals have reported to the Authority staff and to private auditors that the timesheets they receive have names of personnel who have transferred several years earlier or who they do not know at all.

*"Sometimes we don't know exactly where they [DCPS employees] are . . . but we know who they all are."*

*—Jim Daugherty,  
DCPS Director of  
Personnel*

Similarly, there are employees in DCPS who are listed under the wrong responsibility centers (RCs).<sup>16</sup> Even the members of the Superintendent's executive management team are not listed within the correct RCs. Of the top 25 executives and leaders associated with DCPS, only one is listed as an Executive Service employee. However, the individual listed is actually a kindergarten teacher responsible for overseeing the Mathematics, Science, and Technology Initiative. The remaining executive leadership team, including the Superintendent, Vice-Superintendent, and other management/administrative personnel, are improperly listed as either Career Appointments or Education Service Appointments.

Updating this information would be difficult in the current system because hundreds of personnel folders cannot be located. Efforts to follow up on the recent payroll audit were hampered by DCPS' inability to find 25 percent of the personnel folders requested. Even if the files could be found, the information included might not be informative or substantive. Hundreds, if not thousands, of personnel files are incomplete and replete with errors. The DC Auditor, who serves as the watchdog for the City Council, recently outlined numerous examples of file irregularity, including a personnel file showing that a teacher who had retired more than a decade ago was

<sup>15</sup> See DCPS School Staffing Data, August 1996.

<sup>16</sup> A responsibility center indicates the Office, Division, or Branch responsible for the budget category.

still receiving regular paychecks. The auditor also observed thousands of personnel documents stacked in boxes that needed to be filed.

**Teacher qualifications are not updated regularly, resulting in substantial back payment adjustments.** Data on qualifications of teachers is not updated in a timely manner, resulting in large back payments because of changes in the compensation rate (that is, a teacher earning an advanced degree qualifies for higher pay). Every pay period scores of DCPS employees receive back pay adjustments because the personnel records were not updated in a timely manner.

**DCPS' Certification Office and Personnel Office have poorly coordinated functions with respect to teacher certification.** In a separate survey commissioned by the Authority, review of personnel records and observation of nearly 300 classes found that *32 percent of classroom teachers do not have required teacher certifications.*<sup>17</sup> No records of certification could be found at DCPS' Certification Office or in DCPS' Personnel Office for 13 percent of the teachers observed. In addition, another 15 percent of the teachers observed appeared to have an expired certification, and 4 percent of the teachers observed were apparently ineligible for certification.<sup>18</sup> Finally, the staff observed throughout the survey that DCPS' teacher certification records are poorly organized and haphazardly maintained, and appear to be substantially incomplete.

All these problems, collectively, illustrate a personnel operation that does not function efficiently or effectively. These problems in personnel would be alarming enough in and of themselves. However, they have a significant impact on the other areas of DCPS' operations. Since personnel constitute over 80 percent of DCPS' costs, personnel mismanagement has a significant impact on the budget. While DCPS, as of October 1, 1996, is under the FTE cap by 356 positions, the margin for error is non-existent. Many of the teachers that have been hired this fiscal year are not yet entered into the payroll system and therefore do not show up against the FTE cap. As these employees are entered into the system and the true number of employees becomes known, DCPS' success in separating employees will become clearer.

The group most affected by personnel mismanagement are the students that the system serves. Currently, DCPS cannot determine whether all of its teachers are qualified and certified to instruct students. Furthermore, the lack of personnel records makes it just as difficult to determine if principals possess the necessary qualifications to manage the schools. These types of occurrences result in the reduction of the quality of education being delivered to some, if not all, students in the system.

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<sup>17</sup>Post-readiness Survey commissioned by District of Columbia Financial Responsibility and Management Assistance Authority, September 1996.

<sup>18</sup> Such evidence usually was in the form of a letter from DCPS' Certification Office to the teacher listing the requirements in which the teacher was deficient—for example, having an insufficient number of college credits in a required subject.

## **Facilities Management: buildings are in disrepair and underutilized**

DCPS has also mismanaged the repair and maintenance of its facilities. Throughout the system, buildings are old, in disrepair, and underutilized.

- **Fire code violations are abundant**

For the last two years, many District schools have been unable to open on time because of fire code violations. At the beginning of this school year, several schools were closed, disrupting classes for over 3,000 students at all grade levels. Students were taught in churches and other non-school properties. The logistical difficulties associated with the massive shift in educational sites contributed to an atmosphere harmful to the educational process. Students did not have access to their textbooks, supplies, or adequate educational facilities. These make-shift sites also lack the equipment necessary to provide standard food services.

- **Aging buildings seriously hamper the District's learning environment**

The recent problems with fire code violations are only symptomatic of the overall state of facility disrepair. The average school in the District is more than fifty years old, and the availability of capital funds to improve them has been limited. A report by the Superintendent's Task Force on Education Infrastructure for the 21st Century estimated that \$1.2 billion would be needed to upgrade all schools to current standards. This estimate was based on a 1995 Project Resources Inc. (PRI) study that had updated a 1992 facilities assessment through the use of a representative sampling technique. The General Services Administration (GSA) has now updated that information and estimates that over \$2 billion is required. With every rain storm, students are subjected to leaking roofs. With every cold spell, many students must put on overcoats to keep warm. This is clearly unacceptable when it comes to our children and their education.

- **Capital funds have historically been poorly managed**

Although it is clear that there are not enough funds to address all the facility needs, it is also clear that the available funds have been poorly managed. Since 1985, DCPS has had more than \$130 million in capital funds, yet DCPS has not spent all of the capital or operating funds available. For example, funds were set aside in the FY 96 budget to move and install equipment from closed schools to temporary facilities. Although equipment was moved, DCPS failed to obligate funds for installation. In one instance, students taking specialized trade classes at Chamberlain High School could not continue their studies because of DCPS' failure to provide proper educational supplies to Chamberlain's temporary facility. This failure may delay granting degrees and licenses for these students. Furthermore, in FY 96, DCPS lost \$3 million for facilities maintenance *because it failed to spend the funds.*

- **The District may have too many schools**

Benchmarking against peer school districts also suggests that the District has too many schools. For example, like the District, New Orleans also has approximately 80,000 students enrolled in public schools, yet New Orleans operates only 122 schools while DCPS, with the closure of six schools this year, has 158 sites.

Many observers see a link between DCPS' problems of dilapidated facilities and its problem of excess capacity. The Rivlin Commission and the Committee on Public Education (COPE) have proposed closing unneeded schools and using the proceeds from the sale or lease of these properties to fund capital improvements.<sup>19</sup> At the same time, closing the most dilapidated properties would allow the schools to concentrate capital and operating dollars on a smaller number of schools.

- **Lack of a facilities plan has resulted in largely underutilized schools**

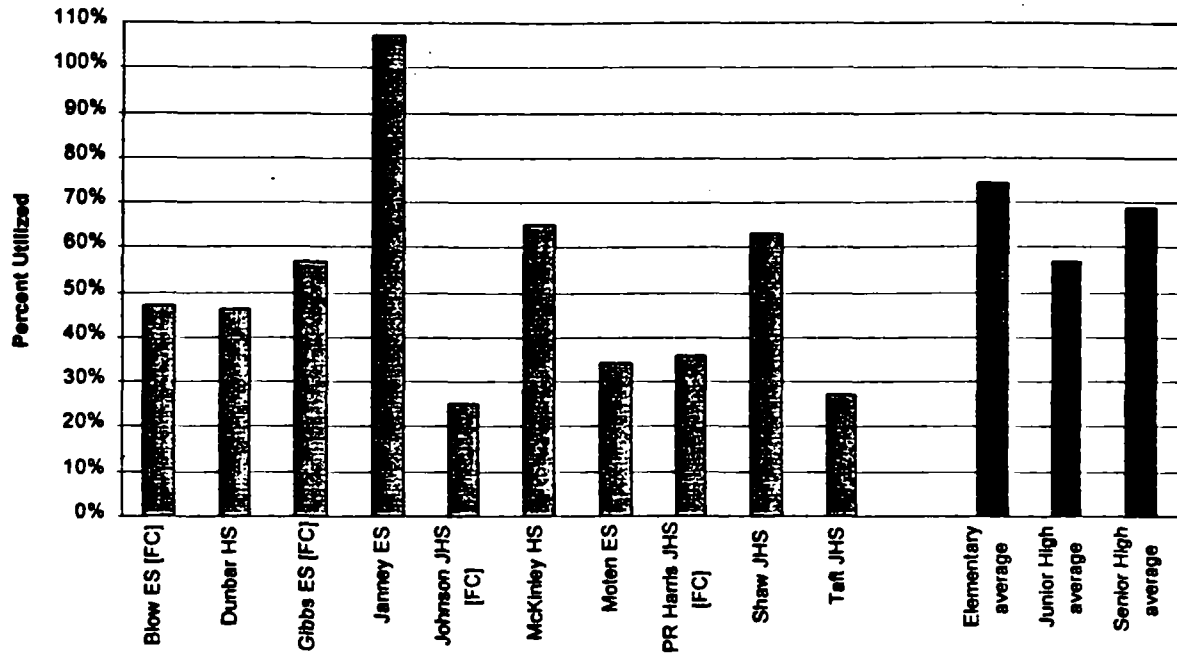
Despite the existence of facilities problems for years, DCPS has never developed a strategic plan for how to address facilities management. This is especially important because DCPS currently has substantial excess facilities capacity. In fact, DCPS has nearly two million more square feet of school space today than in 1970, when enrollment was 150,000 students, or about twice as many as today. Based on capacity data from the Superintendent's Task Force for the 21st Century and enrollment as of October 3, 1996, the average DCPS elementary school is at 74 percent of capacity, the average middle or junior high school is at 57 percent of capacity, and the average senior high school is at 69 percent of capacity. Figure 13 depicts the utilization rates of a sample of 10 schools. In fact, 23 schools are at 50 percent capacity or less. The Task Force's estimates for facilities repair includes nearly \$349 million to upgrade these 23 schools.<sup>20</sup>

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<sup>19</sup> See Rivlin Report and COPE report for further information.

<sup>20</sup> 21st Century Fund, 1995.

**Figure 13: Percent of Facilities Utilized (Sample of 10 Schools)**



Source: DCPS facilities utilization data.

Notes: [FC] are schools that had fire code violations in August 1996. Many of the schools that recently had fire code violations are underutilized. Nine of the 19 schools with fire code problems had utilization rates of less than two-thirds.

While the overall school utilization rate for DCPS is 68 percent, there is a wide variation among wards—ranging from 101 percent in ward 3 to 57 percent in ward 5. Figure 14 depicts these variances.

**Figure 14: DCPS School Utilization Rates by Ward**

Ward	Enrollment	Capacity	Utilization Rate (%)
1	7,737	9,450	82 %
2	7,706	9,158	84 %
3	5,312	5,259	101 %
4	9,768	12,006	81 %
5	10,470	16,258	64 %
6	8,096	12,007	67 %
7	12,194	21,516	57 %
8	11,998	20,280	59 %

Source: District of Columbia Public Schools

Fixing all of DCPS' 180 used and vacant facilities would not be an efficient expenditure of DCPS' limited resources. But, DCPS has never developed a strategic facilities plan that prioritizes the use of its limited resources. Such a plan must consider educational needs, demographic characteristics, real estate factors, and building needs. According to GSA, such a study can be completed in 90 days.

Indicative of the problems caused by the lack of a facilities plan is the haphazard method of choosing priorities for facilities repair. For example, Noyes Elementary School submitted a roof repair request two years ago. This was deferred until a District Judge closed the school citing the roof as a fire code violation. Only after attention was drawn by the closure did the school system act to replace the roof.

Clearly, facilities need to be closed, and alternative methods of providing quality classroom space, including new construction of modern facilities if cost effective, need to be considered. The Task Force report that produced the \$1.2 billion estimate recommended development of a strategic plan, but the plan has not been produced. Without such a plan, DCPS funding is spent on short term concerns such as the next leaky roof or missing fire door, irrespective of long term needs, priorities and thought to which schools should remain open. In managing its facilities, DCPS has failed to undertake repairs proactively and has not maximized the value of its resources, either of space or capital.

### **Budget and Finance: systems are flawed and error-prone**

DCPS budgets are unrealistic and controls over expenditures are inadequate. These problems make it difficult to accurately determine the cost of various operations on a timely basis and make it impossible to hold managers accountable for budget ceilings. With such poor budget processes, DCPS managers can not assure that limited funds are focused on areas that directly impact the educational mission.

#### **■ Operations are flawed by unrealistic budgets**

Historically, budgets have been put together with little planning, oversight, or forethought. For example, in FY 96, the Budget Office allocated \$75,000 for garbage pickup for the entire year. However, in prior years, the actual cost of this service exceeded \$1 million and there was no justification for such a major reduction. In order to create a balanced budget on paper, the real numbers were ignored.

Providing appropriate funding is not a consideration in preparing the DCPS budget. As a result, later in the fiscal year as funding runs out, it becomes necessary to reprogram funds from other line items that still have money remaining in them. As was noted under the personnel management function, the largest continuing unrealistic budget item has been for personnel. Each year, the personnel function is underbudgeted by millions of dollars.

- **Hundreds of funds are reprogrammed annually**

Because of unrealistic budgets, hundreds of reprogrammings are required each year. A reprogramming of funds becomes necessary when adequate funds are not available in a particular account. Some reprogrammings are necessary for unforeseen events—such as a colder winter driving up utility costs. However, DCPS constantly reprograms funds during the year to compensate for unrealistic budgeting or unforeseen spending. With the large number of budget reprogrammings, it is evident that the current budget documents are useless as management and planning tools.

- **In some cases, significant amounts of funds are moved without being reprogrammed**

In other instances, funds have been shifted without any required reprogramming. A significant example of this occurred in the food services program. Over the past three years, more than \$12 million from the food service program has been used to fund non-food service operations. Specifically, in FY 94, \$2.4 million in food service funds was spent on programs not related to food service operations; in FY 95 \$5.4 million was spent; and in FY 96 \$4.5 million was spent in non-food areas.

Frequently this shifting of funds occurs without the knowledge of the managers overseeing the program. In one instance, the Facilities Maintenance Division lost \$2 million in the process of balancing budgets without any prior warning. In other examples, funds budgeted for supplies were taken from school principals to fund underbudgeted items. For example, last spring numerous principals complained that the loss of supply funds would result in fewer supplies for this school year. The results of the school readiness survey confirmed this prediction: as many as 20 percent of the selected sites said that adequate supplies were not available.

- **The focus of short-term savings precludes budget planning**

DCPS budget problems include the lack of planning. Like other District agencies, efforts to keep within the overall budget focus on short-term, one-time savings, such as furloughs, rather than structural improvements. For example, at the beginning of FY 96, DCPS knew they had to reduce budgeted expenditures by \$32 million to stay within the budget. In February 1996, DCPS submitted a gap-closing plan. According to the DCPS-CFO, an analysis of this plan showed that 80 percent of the reductions were one-time measures. Only 20 percent were permanent structural changes in the District's budget or spending.

The overall state of DCPS' financial management is best summarized by DCPS' appointed CFO. On September 4, 1996, the CFO testified before the Authority and stated that:

"The current financial condition and financial management of the District of Columbia Public Schools is in disarray. The budget process is lacking fundamental attributes of sound financial management and budgetary principles. There is little planning that sets a road map for the preparation, formulation and implementation of the budget. The lack of accurate and timely financial information generally, and the absence of accurate student enrollment numbers specifically, are impediments to establishing a credible funding formula and space utilization plan. The Capital Improvement budget for the District of Columbia Public Schools is generally ignored."

Efficient and effective budgeting is critical to long term stability for DCPS. Educating children becomes difficult if budgets are not effective planning and management tools because resources will not be allocated adequately. Our children only suffer more when the systems does not properly plan its spending on education.

#### **Procurement: questionable and costly practices**

Like other DCPS management areas, the procurement office exhibits clear indications of mismanagement. Contracts have been entered into with unqualified vendors that have not provided adequate service in the past. Other contracts have been executed without required competition. These practices have resulted in overpayment for some services and payment for other services that have been substandard. For example, a contract with an unqualified food service vendor resulted in cold breakfast cereal being served to students for lunch, and a contract with an unqualified firm resulted in seriously deficient conditions for some special education students.

There are several aspects of DCPS' contracting operations that raise concerns:

- **The quality of contract files is poor**

The Authority consistently receives contracts from DCPS that are incomplete, incorrect, and filled with miscalculations. Such poor quality contract files are not abnormalities, but the standard for the system. In one instance, a textbook contract was miscalculated, resulting in a contract value that was incorrect by several hundred thousand dollars.

- **Inadequate procurement planning forces DCPS to issue emergency contracts**

The lack of adequate procurement planning by DCPS results in an atmosphere of crisis management. For example, in many instances, contracts arrive at the Authority without a significant amount of time available for review and approval. These contracts have an "emergency" status and must be approved quickly to prevent service stoppages. In the most egregious case, the Authority received a food services contract on July 14, 1996 with an execution date of July 16, 1996. Had the Authority approved this contract, it would have unnecessarily increased DCPS' financial liability by several million dollars. In another case, DCPS submitted for review a contract extension for the rental of vans to transport special education students. Immediate approval was requested since this contract was needed to comply with a court order. In yet another example, DCPS submitted a contract for a tutoring services provider on September 30, 1996, the end of the fiscal year, and wanted approval that same day in order not to disrupt the provision of services. Such last minute procurement efforts make it difficult for DCPS to ensure that contractors will provide quality goods or services at the lowest rates. Furthermore, it typifies an organization that does not have a long-term planning process to ensure that all required services will be delivered without disruption.

- **Lack of performance measures makes it difficult to determine efficiency rates**

The lack of performance measures within the procurement office makes it impossible to measure its efficiency rates. No data exists about the percentage of error-free contracts, cycle times to bring a contract to completion, contractor compliance rates, or average procurement costs.

- **Mismanagement permeates DCPS' procurement function**

The following examples of mismanagement further illustrate the poor quality of the DCPS procurement function.

**Food services contracting.** The Authority rejected DCPS' proposed food services privatization contract on August 9, 1996. The contract was rejected because the procurement process used was neither normal, fair, nor efficient. In the Authority's view, the regular process was circumvented in order to expedite the contract's award. Controls did not exist in the contract to cap costs for DCPS. In fact, the costs may have been fixed at amounts greater than it would have cost DCPS to provide those services internally. The DCPS Food Services Branch estimated that providing food services would cost \$17.4 million; however, DCPS decided to contract out this service for \$21 million. In summary, DCPS ignored standard practices in order to expedite the award of a contract that did not contain a dollar limit, potentially costing DCPS millions of dollars in unforeseen financial liability.

*"My concern with the food service contract was why only three board members, including myself, thought fit to . . . get every conceivable question answered."*

*—Karen Shook,  
School Board  
President*

The poor quality of contract administration in the food service area is also affecting the ability of other offices to perform their missions effectively. In one case, the food services director levied fines totaling almost \$91,000 against a food vendor. However, the contract administrator in the Procurement Office failed to notify the vendor of these contract violations and the resulting fines. As a result, the vendor is liable for significantly less than the total sum of the fines.

**Facilities maintenance contracting.** DCPS currently has a custodial services contract, including several amendments, with a janitorial services provider. The initial consulting contract turned into a \$5 million contract for cleaning services and basic repair (termed "Level 1 maintenance") that the company has held since 1993. The second amendment, effective October 1, 1996, expanded the company's responsibilities, at an additional cost of \$8.6 million, to include Level 2 maintenance which includes plumbing, carpentry, equipment repair, electrical and mechanical work, masonry, roofing, and other services. The contract gave the janitorial company responsibility for the bulk of services provided by DCPS' Division of Facilities Management. A more detailed description of facilities maintenance contracting follows.

In 1992, when the service provider won a competitive bid to study and develop a comprehensive plan to improve DCPS' custodial and maintenance operations, the contract was worth \$105,100. The Request for Proposal (RFP) indicated that a prime purpose was to evaluate the "Offeror's ability to conduct a guaranteed performance-based program that will provide for improved management of custodial services, and a significant enhancement of the quality of the school building environment." Impressed by the company's study, DCPS then negotiated an amendment to have the provider plan and manage Level 1 maintenance. The maintenance workers remained DCPS employees. This multi-million dollar contract was executed without any competition.

Last May, DCPS proposed expanding the contractor's role in repair by contracting out all Level 2 maintenance. Under this contract, the entire Level 2 function would be contracted out and the approximately 250 DCPS Level 2 maintenance employees began working for the company. The annual cost of the amended contract was \$8.6 million. Again, this contract was not bid competitively.

In July, the Authority agreed to allow the Level 2 amendment to be executed. DCPS officials had argued that the amendment was needed to assist with fire code violations. The Authority conditioned the approval on the fact that DCPS must, as soon as possible, prepare and send out a RFP for competitive bids on the provision of Level 1 and II maintenance of DCPS facilities. Contrary to the agreement, more than three months later, DCPS has yet to advertise the RFP.

Effective October 1, 1996, Public Law 104-208 provisions gave the Authority control over DCPS' operational funds for maintenance and capital funds. The Level 2 contract comprises most of the operational funds. The Authority enlisted the support of the GSA to review the Level 2 contract.

**Special education services contracting.** Another contract that raises serious concerns about DCPS' ability to manage its procurement functions is the Kedar School contract which allowed an unqualified individual to operate an \$875,000 special education program. At no time did the procurement office raise any questions about the responsibility and responsiveness of the bidder to adequately provide those services.

*"I would imagine that, for this contract, the persons who recommended it and were with my staff who work with special education didn't do the background check on that individual. They were very much familiar with the people who had the resumes attached who were going to provide the service in our school system . . . Background check, again, probably should have been done, but I doubt seriously, based on what I'm now reading and I still don't know for a fact what I am now reading—probably was not done for that one individual."*

In 1995, DCPS awarded contracts to several vendors to provide special education services to the school system. One of the awards was an \$875,000 contract to operate a school for severely emotionally disturbed students. The contractor had no qualifications to operate such a school. Almost from the start, the school had problems—with few qualified staff, scarce materials, and only a handful of the proposed 30 students. Over the course of the year, the Kedar School, as the program was known, failed to provide adequate staff, teaching supplies and textbooks, and school lunches to these students.

**Textbook contracting.** DCPS' poor procurement processes have also hampered one of the most basic school procurements—textbooks. In past years, textbooks have not arrived at the various schools before the beginning of the academic year. This year, a school readiness survey conducted by an independent auditor found that twelve percent of the school classrooms observed in September 1996 did not have the required textbooks. Significant differences appeared to exist between schools with respect to the availability of textbooks. While some schools appeared to have the textbooks required to

*—Franklin L. Smith,  
Superintendent*

begin instruction, others were poorly prepared. These differences occurred regardless of whether the schools' students had been relocated to another building during the first days of the school year due to fire code violations.

DCPS performs little analysis to determine how many textbooks will be needed from a particular publisher. In fact, textbook contracts have been executed for as little as \$200 and then are expanded through modifications to over \$1 million. Furthermore, procurement officials typically do not have the latest price lists, rendering accurate estimates impossible even if the number of textbooks are projected correctly.

In addition, textbook purchasing is further complicated because textbooks are ordered centrally, but received locally. Thus, DCPS officials frequently cannot determine how many textbooks have been ordered and delivered, or how much money has been expended.

## Planning and Implementation

The failure to adequately plan is the most significant trend running through DCPS' management problems.

- **In the educational area there may be overall plans; however, no one is held accountable for their implementation**

For example, in special education, DCPS is required to submit a three-year plan according to a U.S. Department of Education (DEd) requirement. DEd rejected the latest plan submitted earlier this year, calling it inadequate. Several conditions were placed on DCPS before the DEd agreed to fund its special education plan.

In another example, the District's failure to adequately plan and implement a math and science program was a key reason that the National Science Foundation (NSF) rescinded a \$13.5 million mathematics and science grant awarded to DCPS last year. NSF revoked the grant not because the funds were misspent, but simply because DCPS was unable to properly implement the program it had promised to create in its application for the grant.

*"Unfortunately, in our system, we are operating with a process that requires more emergencies than anything I have ever seen."*

*—Franklin Smith,  
Superintendent*

- **Few strategic plans exist in the management area**

Although the School Board president and the Superintendent continue to admit that many DCPS management functions are beset with problems, neither the Superintendent nor the Board have developed plans to address these issues. There is no overall plan or strategy as to how each operational unit (facilities maintenance, personnel, budget and finance, transportation, and procurement) contributes to the educational mission of the school system, what their goals are, what level of quality services they should be providing, or how they add value to the operations of the public schools.

In facilities maintenance, while capital assessments exist, there is no strategic facilities improvement plan as discussed earlier in this report. As a result, DCPS wastes significant sums of money repairing facilities that probably should be closed rather than redirecting funds to other sites. In personnel, the lack of a staffing plan prevents DCPS from efficiently hiring personnel prior to the start of the school year. Year after year, DCPS waits to hire teachers, custodians, and other personnel one month into the school year when funds are finally available to pay them. Most recently, the lack of a strategic staffing plan, in conjunction with the previous year's reduction-in-force (RIF), has created a situation where educational staff believe the RIF was discriminatory, biased, unethical, unprofessional, and vindictive in nature. A strategic plan can be useful to DCPS in acting as a guide to setting goals, measuring performance, and planning staff needs.

The lack of planning in DCPS also is clearly evident in the procurement office. The procurement office does not engage in any type of planning that could potentially reduce its workload or improve the quality of its services. Because DCPS has little purchasing foresight, it operates in a mode of constant crisis. The lack of planning and the subsequent procurement actions most likely cost DCPS more money than if these services had been competitively bid.

These examples of poor planning and implementation illustrate some of the management problems plaguing the District's public schools. Even in the formulation of a guiding vision and implementation plan, there is a clear inability to deliver upon the promises made to students. The Chamberlain students that may experience delays in receiving their degrees and licenses (as described earlier in this report) as a result of DCPS' poor planning and implementation are only one group of individuals that had to suffer as a result of the DCPS' leadership's inability to create and implement a guiding plan in every major functional unit.

## Information and Documentation

Poor planning and implementation, as well as mismanagement of daily operations in the school system, are due in part to poor data upon which to base policy and management decisions. Within DCPS, three kinds of data problems exist:

- **Data may exist, but is difficult to obtain**

This condition is a result of constant restructuring. The school system has reorganized itself in each of the past five years. The constant reorganization blurs the relationship between the organizational units from year to year. It becomes difficult for anyone, inside or outside the system, to gain a clear understanding of spending within a particular RC or Agency Reporting Category<sup>21</sup> from year to year. This increases the difficulty of tracking actual spending for a given function on a comparative basis. Furthermore, it makes the budget less useful as a planning tool, since making year-to-year comparisons becomes impossible. The lack of useable data in the financial area is not unique to the system. DCPS restructures constantly, engaging in what the City Administrator calls "bureaucratic subterfuge."<sup>22</sup>

- **Data exists but is often conflicting, thus lacking credibility**

DCPS provides conflicting information about how the school system operates. Organizationally, there is a lack of reliable data coming from DCPS. For example, data indicates that some schools that are closed still have teachers and students assigned to them. A closer inspection of the food services expenditures leads to a conclusion that food services did not actually cost \$25 million as was stated in a previous year. In addition, the \$21 million proposed food services outsourcing contract was overstating the true cost of providing food services. Personnel figures, FTE calculations, budgetary numbers, and student enrollment and facilities assessments—many of the major areas reviewed in this report—contain the most inconsistent data. This creates a problem for individuals and organizations attempting to analyze DCPS' expenditures, budgetary priorities, and spending needs for any given year.

One of the most serious data problems is the lack of credible information on the number of students. DCPS does not have an accurate count of its students. Estimates vary between 72,000 and 81,000. The 1990 federal census estimated that 72,810 students attended District schools, yet DCPS' Student Information Management System (SIMS) has 80,978 student records. Although a 1995 sample student enrollment count authorized by the Superintendent identified 80,450 students, its usefulness for validating enrollment was "limited because of mistakes

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<sup>21</sup> Agency Reporting Category (ARC) is the source of funding for an account or program.

<sup>22</sup> Michael Rogers, spending plan meeting on DCPS budget for Fiscal Year 1997, September 18, 1996.

made in selecting the sample" according to a 1995 GAO letter report. GAO estimated that SIMS may contain approximately 5,000 obsolete or duplicative student records.

Despite significant declines in the population of the District over the last five years, DCPS reports that there are still approximately 80,000 students in the system. Demographers and other experts have questioned the accuracy of these counts. The number of students is obviously one of the most critical factors in assessing staffing, facilities, supplies, and textbook needs, as well as budgetary priorities and other functions of DCPS.

The end result is a lack of credibility in the information provided by the school system in terms of what they have accomplished, what type of resources they need, and what can be expected in the future.

- **Data does not exist**

The final data problem is simply a lack of data. When asked for historical data, DCPS is unable to provide a great deal of detailed data going back more than five years. The data systems within DCPS are not capable of providing the level of detail that researchers, analysts, and other experts would expect if they were doing a historical analysis of DCPS. Furthermore, in the areas of performance measures, activity based costing,<sup>23</sup> or cycle time, data simply does not exist. Thus, it becomes difficult to establish criteria upon which to gauge performance improvements in DCPS.

The combination of these data problems makes sound planning and policy decisions difficult, if not impossible. The data problems all suggest that the system is unable to measure its performance against either baselines or benchmarks, internally or externally, and therefore cannot undertake continuous improvements in their processes, either incrementally or through radical change. The challenge then becomes recreating transactions and systems in order to be able to understand what DCPS has done in the past, rather than using quality data to plan for the future.

### **Impact on Educational Quality and Services**

Collectively, these management failures establish the DCPS central administration as an organization with little managerial competence. Site visits to 20 schools in September 1996 found many shortcomings in regard to the readiness of the schools to open.<sup>24</sup> Figure 15 is a result of the findings.

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<sup>23</sup> Activity Based Costing is a method whereby the cost of performing a specific activity (i.e., payroll, personnel action) is computed.

<sup>24</sup> For more detail, see KPMG Peat Marwick's September 20, 1996 report to the Authority.

**Figure 15: Percentage of Classrooms Reporting Materials Unavailable**

Item	Percentage unavailable
Textbooks	12
Instructional Supplies	20
Teachers' Supplies	12
Office Supplies	17
Instructional Equipment	11

Source: KPMG Peat Marwick LLP, September 10, 1996

Note: Significant differences existed from school to school

The management failures of the support functions of DCPS are evident in the number of classrooms and schools not ready on September 3, 1996 for the start of the 1996-97 school year. While individuals familiar with DCPS might not be surprised at these results, and perhaps expected even more classes not to be ready for the start of school, the expectation should be 100 percent readiness. Not having textbooks, supplies, and equipment necessary for the educational process to begin is inexcusable. For the Board of Education and the Superintendent to allow this situation to even arise, let alone persist, is unpardonable. As the report states, "The best prepared schools perceived themselves (not DCPS' central office) to be responsible for both placing and following up with vendors on textbook order status."<sup>25</sup> The current condition of educators not trusting central administrators is a result of the support services' inability to meet the needs of students, teachers, and principals.

### **Impact on Students**

All of these operational and systemic failures within DCPS hurt the students more than any other group in the educational process. The failures result in an unsafe educational environment that is detrimental to learning. Furthermore, the learning process is hampered by a lack of basic educational materials. It is difficult for students to learn under conditions when textbooks, supplies, facilities, and food services are inadequate and safety and violence concerns distract students' thoughts from learning.

At the same time, it appears that the school system has lost sight of its educational mission. The constant reorganizations have not improved the quality of education in the District. In fact, they may have impeded the educational process by requiring employees to learn new organizational relationships. Unfortunately, the confusing and contradictory data prevents closer scrutiny of the educational system. As noted, the actions of the school system suggest that it is interested only in alleviating the current crisis rather than engaging in any constructive long-term planning. The crisis framework in which DCPS operates creates tension, anxiety, and an "under siege" mentality that prevents it from addressing systemic problems.

<sup>25</sup> KPMG Peat Marwick LLP report, September 20, 1996.

Parents, teachers, educators, and the community all lose as the system continues to degenerate. However, it is the children—*our children*—that lose the most as a result of the District's substandard educational service delivery system. Many leave the District's public schools disappointed, disenchanted, confused, even angry at what they have had to endure in their schools and classrooms. We, as parents, educators, policymakers and concerned citizens, have made a promise to them that we will provide a first class education. We can still keep that promise. The District must make education reform its highest priority if it is to save itself. More importantly, however, we must act to improve education to save our children.

Our children's futures depend on it.

## 2. Accountability for the Condition of DC's Public Education System

Ultimate authority and accountability for education rests with the District of Columbia Board of Education (the "Board"). Section 495 of the Home Rule Charter states, "The control of the public schools in the District of Columbia is vested in a Board of Education to consist of eleven elected members."<sup>26</sup> While the charter does not go into great detail, it is clear that control and responsibility for the public schools lies with the Board.

The powers of the Board are further clarified in Title 31 of the DC Code which states the Board's responsibilities as the following:

- Sect. 102 - determining all questions of general policy relating to the schools, appointing the executive officers hereinafter provided for, defining their duties, and directing expenditures
- Sect. 106 - developing jointly with the Mayor procedures to assure maximum coordination of education and other municipal programs and services in achieving the most effective education system
- Sect. 107 - appointing the Superintendent for a term of three (3) years, and authorizing any delegation of its authority to the Superintendent
- Sect. 110 - removing the Superintendent at any time for adequate cause affecting his character and efficiency as Superintendent

While the Home Rule Charter empowers the Board to control the schools, Title 31 focuses that authority by assigning the Board responsibility for specific functions related to the school system. However, this does not mean that the Board should operate the school system. As President Karen Shook testified on September 4, 1996, "the responsibilities of the Board of Education are to conduct oversight and set policy. We are not the managers of the day-to-day operations of the school system."<sup>27</sup> That responsibility rests with the Superintendent of Schools (the "Superintendent"), DCPS' educational leader and chief executive officer.

Both the Board and the Superintendent have failed to carry out their responsibilities.

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<sup>26</sup> District of Columbia Self-Government and Governmental Reorganization Act, 87 Stat. 820, Pub. L. 93-198 ("Home Rule Act").

<sup>27</sup> Board President Karen Shook, Public Hearing on September 4, 1996, 26.

## Oversight and Policy

To carry out oversight and policy, the Board created four committees:

- Facilities
- Education
- Special Programs and Compliance
- Budget and Management

All committees report monthly to the Committee of the Whole and provide annual action plans and evaluations.

The committee structure is envisioned as providing effective policy guidance and oversight over the school system and the Superintendent. However, the reality is quite different.

Examining the two main roles of policymaking and oversight, one sees that the Board has failed to fully carry out its statutory functions as embodied in the DC Code. In every area examined, the Board has delegated its authority and responsibility for carrying out certain functions to the Superintendent. However, retaining its oversight functions, the Board created processes within each committee to oversee specific programs. As Board member Jay Silberman stated in an Authority hearing, "oversight is equally important or more important, in my opinion, than the policymaking itself."<sup>28</sup> However, examining the specific oversight processes within the Board, it is evident that the Board's oversight processes are incapable of preventing the system from disintegrating even further.

Chapter 1 of this report outlined DCPS' management failures and the impact that they have had on the educational environment. The lack of oversight by the Board of Education is a primary cause of these failures. The Board's complicity is described in this chapter.

The Board's oversight processes contribute to ineffectiveness and lack of accountability in the public school system.

- **The Board has limited oversight of the procurement process**

The authority for entering into contracts does not lie with the Board. President Karen Shook made this clear in the September 4, 1996 Authority hearing when she said, "We [the Board] don't approve contracts."<sup>29</sup> The authority has been delegated to the Superintendent. As Jay Silberman describes the contracting review process:

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<sup>28</sup> Board member Jay Silberman, Authority Public Hearing, August 9, 1996, 124.

<sup>29</sup> Board President Karen Shook, Authority Public Hearing, September 4, 1996, 39.

"The Board rules provide, and practice of history have provided, that the Board has review of all contracts over \$100,000. There is a monthly report, a list of the contracts, to whom it's being awarded, the subject or the nature of the contract and the amount of the contract and any Board member who wishes to research any background about the nature of the contract is free to request that information and in terms of the committees' oversight, individual committees' in any given area, in the monthly meetings, those Board members are free to raise . . . what is the impact of the contract, what is it for, is it cost effective."<sup>30</sup>

However, how can the Board effectively carry out its oversight function in contract review, if the authority for contracts is delegated to the Superintendent and the information being provided to the Board is minimal?

There is no automatic structural mechanism within the Board's process that requires review of certain types of contracts as, for example, sole source or high dollar contracts. Similarly, the review process is completely dependent upon board member initiative to ensure that any review takes place. If no one raises a question, researches any background about the contract, or generally takes the initiative in this process, no oversight in the contracting process will occur. Furthermore, the Board often does not see contract summaries until after the contracts have already been approved by the DCPS Procurement Office. As a result, when the Board does take an interest in a particular contract, the vendor has already begun to draw funds against the contract. In many cases, the oversight process, as structured, cannot declare an action or contract contrary to the interests of DCPS until it has already happened.

■ **The Board has limited oversight of facilities maintenance**

Facilities maintenance, especially fire code violations abatement, is another area in which the Board neglects its oversight responsibilities. Because it has responsibility for setting the policy on how to deal with fire code violations, the use of the committee process should facilitate the creation of such a plan. However, in this case as well, the Board delegated the responsibility for ensuring that schools comply with fire codes to the Superintendent. DCPS' basic stance on fire code violations was to fix only violations identified by the fire inspector. The Board at no time questioned this position, thus implicitly ratifying a "hands off" approach to the abatement of fire codes, a problem that has become quite serious within the school system. There was no collective decision by the Board on how to address the fire code problem. Instead, individual board members traveled from school to school, bringing along news crews and fire inspectors to cite additional violations in the school system.

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<sup>30</sup> *Ibid.*, 127.

- **The Board has limited oversight in personnel and financial management**

Similarly, minimal oversight occurs in personnel or financial management. Board members have testified that they were aware of critical failures in these management functions, but did little to fix them or to hold the Superintendent accountable for fixing them.

### **Performance Evaluation of the Superintendent of Schools<sup>31</sup>**

With such complete delegation of functions to the Superintendent, an annual performance evaluation becomes a critical document for holding the Superintendent accountable for results.

The Board evaluates the Superintendent annually on eleven evaluation criteria.

- **Board relations.**<sup>32</sup> Prepares appropriate materials and recommendations for the Board. Keeps Board informed. Implements Board actions effectively. Responds to Board requests in a timely manner.
- **Overall management style.** Develops and implements realistic and appropriate plans. Articulates objectives clearly. Chooses personnel effectively. Develops and implements resolutions to problems in a timely fashion.
- **Curriculum and instructional management.** Initiates new programs to meet Board objectives. Modifies or discontinues instructional programs in need of change. Develops a curriculum which promotes multi-cultural education. Monitors and evaluates the effectiveness of current instructional programs.
- **Overall management style (personnel).** Provides for the appropriate employment utilization and evaluation of personnel. Develops and administers personnel policies and procedures. Promotes co-operative employee relations. Plans for in-service and implements staff development.
- **Facilities management.** Effectively provides, utilizes, and maintains physical facilities, buildings, and grounds. Provides for the security and safety of personnel, students, and property.
- **Business and fiscal management.** Determines the educational needs of the system. Prepares realistic forecasts and budgets. Manages and controls fiscal

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<sup>31</sup> All references to Superintendent evaluation criteria are from the Superintendent's contract.

<sup>32</sup> The numbering of the criteria reflects the order in which they appear in the Superintendent's evaluation form.

resources effectively. Administers an effective procurement program. Provides appropriate and timely financial reports.

- **Comprehensive planning.** Develops and implements realistic and appropriate short and long range plans. Develops and implements appropriate accountability procedures. Evaluates planning results.
- **Community-public relations.** Interprets programs, policies, and concerns to the community and media. Responds to community concerns. Keeps the community and the media appropriately informed.
- **Management of student services.** Manages enrollment and attendance policies and procedures. Provides for the health and safety of students. Coordinates with other state and community agencies concerned with student services. Develops, implements, and administers programs to manage student behavior and discipline.
- **Professional and personal development.** Presents a professional appearance. Maintains physical and mental health. Participates effectively in related professional organizations. Maintains the respect of his professional peers.
- **Student achievement.** Increase student performance as measured by the Comprehensive Test of Basic Skills (CTBS). Decrease by five percent the number of students in the first quartile (1-25% percentile). Increase by at least three percent the number of students who move from the second quartile (26-50% percentile) to the third quartile (51-75% percentile). Increase by one percent the number of students in the fourth quartile (76-99% percentile).

Only one of these eleven criteria currently has any quantifiable performance measures that provide a measure of objectivity—student achievement—and it is listed *last*.

### **Performance Evaluation Process**

With the delegation of much of the Board's authority to the Superintendent, the evaluation process becomes even more critical, requiring the full participation of every board member to be truly effective. In the latest round of evaluations, only seven members submitted evaluations of the Superintendent.

Beyond the evaluation tool, the evaluation process used by the Board also affects the effectiveness of its oversight process. In the current process, members are provided a blank evaluation form and asked to rate the Superintendent's performance numerically in each category and supply any written comments that they may have. These evaluations are then collected and the sum of the numerical scores comprise each individual board

member's rating of the Superintendent.<sup>33</sup> These eleven scores, assuming that everyone provides an evaluation, serve as the basis for assessing the Superintendent's performance. If six or more board members rate the Superintendent with a cumulative score of 34 or more points out of 55, then a seven percent bonus of base salary is given to the Superintendent.<sup>34</sup>

There are several shortcomings with this process. In addition to the lack of quantifiable evaluation criteria, the Board's evaluation is simply a collection of the individual evaluations that are submitted to the Committee of the Whole. There is no consensus evaluation. At no time do the board members discuss, as a group, their reasons for the ratings they give. Instead, individuals submit their personal evaluations of the Superintendent with the majority position becoming the "official" position of the Board. The wide range of scores between board members on particular criteria further complicates the process. This is the result of a lack of an internal reconciliation process to examine the reasons for these differences in opinion. The result is an evaluation process that fosters subjective individual action, not objective collective action.

### **Performance Evaluation Results**

In general, the Board evaluated the Superintendent generously across most evaluation categories. Even when the sparse comments indicate otherwise, the Superintendent still received high scores. The majority of board members gave the Superintendent above average or excellent in most categories. Each year, the Superintendent received above average ratings from six or more board members. As a result, each year the Superintendent received a bonus.

The poor state of the management functions at DCPS would appear to contradict the Board evaluations. Contributing to the confusion of the system is the following statement made by President Shook in the September 4, 1996 hearing: "There are still things that are broken. I don't want to give you the impression that I am satisfied with the procurement process or I think our budget and finance numbers are good."<sup>35</sup> Yet, several members gave high ratings in these areas, implicitly ratifying the procurement, budget, and finance systems currently in operation. Even in facilities management, the Superintendent received several excellent ratings from individual board members in August 1996, yet six schools did not open on time for the school year.

On the single quantifiable criteria—student test scores—the evaluations do not reflect the available evidence. Board members gave the Superintendent an excellent rating in this category when it is obvious that the Superintendent has not met this criteria. Test scores have declined over the past five years, not improved. Thus, the positive evaluations of

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<sup>33</sup> Rating scale: 1 (Poor) to 5 (Excellent) points for each criteria. Total points: 47-55 outstanding; 34-46 above average; 25-33 average; 14-24 below average; 1-13 poor.

<sup>34</sup> The Superintendent's base salary is \$90,704.

<sup>35</sup> Board President Karen Shook, Public Hearing, September 4, 1996, 61.

the Superintendent's performance contradict the available evidence, suggesting that the Board supports the Superintendent's ineffective policies and programs.

### **Performance of the Board of Education**

Examining Board voting patterns on key issues provides an example of its inability to collaborate and illustrates how divisive the Board has become. In the past several years, the Board has voted 6-5 on many key issues concerning education in the District. In a democracy, there is nothing inherently wrong with split votes. The problem with this Board, however, is the failure to make a serious attempt to reconcile differing positions and bring about a consensus. Such a failure often results in policies that are not fully implemented as a result of a deeply divided Board. For example, Board members are split philosophically on such educational and management issues as school closing, privatizing services, and bringing in a private firm to manage several schools. Similar 6-5 votes occurred between 1994 and 1996 on education policies such as:

- Curriculum and Instruction Reform and Bring Educational Services to Students (BESST) in 1994
- Management Services Contract Police in 1995
- Closing six schools in 1996 and six more in 1997
- FY 96-97 budget reduction package
- Fees for Adult Education, teacher certification, and teacher accreditation programs in 1994, 1995, and 1996 respectively

To reiterate the point, an examination of voting patterns of the Board on key issues provides an example of the inherent lack of Board collaboration and illustrates how the political process and the organizational culture are undermining our children's ability to learn effectively.

Another interesting insight into the Board is their priorities. In several meetings with the Authority, the Board spent the majority of time discussing their salaries, health benefits, and parking spaces. Furthermore, substantive issues are not always the focus of Board meetings. In one four-hour public Board meeting, very little time was spent dealing with critical issues detracting from the educational experience. It was difficult to tell from the proceedings, including the awards handed out, whether the Board recognized that DCPS faces a serious educational crisis. The meeting left one student to ask, "Was anything important discussed tonight?"

Several conclusions about the Board's functions can be drawn.

■ **The Board's oversight and policymaking process is weak and ineffective**

This is a result of processes that promote individual, rather than collective behavior. Furthermore, the oversight processes are triggered only through individual initiative on the part of a board member. Oversight should be routine and automatic. Consensus and collective action is difficult to achieve on the Board, and issues and actions are often uncoordinated because of a lack of agreement among the eleven members, further complicating what should be a simple process.

*"I'd say we're doing about a C job, given the budget cuts, the fact that we can't generate money, the fact that we have a very fractured board, which I find unfortunate."*

*—Karen Shook, from the transcript of public hearing before the Authority on September 4, 1996, p. 51*

■ **The Board is accountable for overseeing the performance of the Superintendent**

While it may have delegated the majority of its administrative authority to the Superintendent, the Board cannot abrogate its responsibility for ensuring that these duties are performed. Accountability, ultimately, rests with the Board. All eleven members collectively bear responsibility for the current condition of the school system and its component parts, even if they cannot act collectively. The evaluation of the Superintendent is the primary method of ensuring administrative accountability. As the Superintendent is to be held accountable for his management performance, the Board also must be held accountable for its failure to oversee his performance.

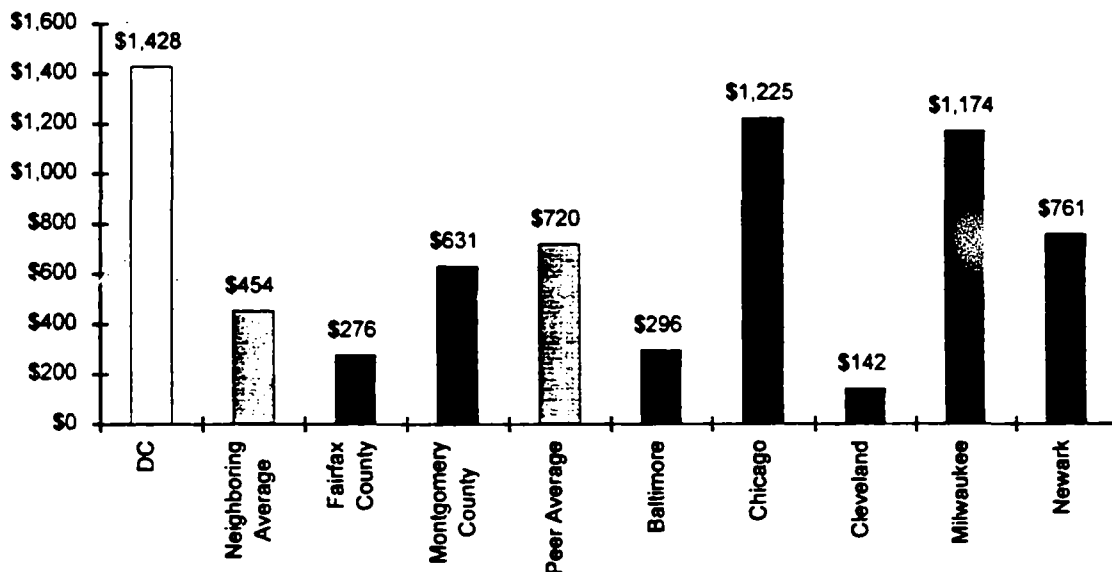
*"You know, I would probably put myself in the same category of a C. When I look at efforts in terms of trying to do what I want, obviously it gets much higher than that, but that doesn't get you there. That only counts in horse shoes and this is not horse shoes, the closeness."*

*—Franklin L. Smith, from the transcript of public hearing before the Authority on September 4, 1996, p. 157*

- DCPS spends significantly more on its Board compared to peer and neighboring districts

In FY 1995, DCPS spent over \$1.4 million on the Office of the Board of Education—more than three times the average of \$454,000 spent by neighboring Fairfax and Montgomery counties. DCPS even outspent Chicago Public Schools by more than \$200,000, despite the fact that the Chicago Board was responsible for overseeing a public school system with 400,000 students—five times as many as DCPS. Figure 16 shows these differentials.

**Figure 16: Board of Education (or Equivalent) 1996 Adopted Budget (In Thousands of Dollars)**



Source: School District Budgets or Comprehensive Annual Financial Reports, FY 1996

### **3. Looking for Solutions in Alternative Approaches**

Most observers agree that DCPS has many problems. There is no question that the current financial condition and managerial shortcomings have a significant impact on the education, safety, and development of the children attending DCPS. However, the issue that causes controversy is not "Is there a problem?", but "How large is it?" and "How can it be solved?"

DCPS is not the first school system to face educational and operational problems. Other jurisdictions have had to deal with failing school systems as well. Several states have realized the importance of a quality education, have stepped in to stop the hemorrhaging within the a school system, and are working to restore managerial and educational competency.

#### **State Intervention**

The State of New Jersey is an example of a state that reformed school systems to improve outcomes. Over the past several years, New Jersey has intervened in three school systems (Paterson, Jersey City, and Newark) to prevent continuing educational failure. As the administrative law judge who ordered the state education department to take over the troubled Newark school system stated, "Evidence shows that the longer children remain in the Newark public schools (NPS), the less likely they are to succeed academically." It is failure such as this that New Jersey hopes to stop. In each of the three school systems, the locally elected Board of Education was abolished, the Superintendent was fired, and a new Superintendent was appointed by the State. While it is too soon measure educational improvements, the new administrations have resulted in better management within the school systems and more efficient allocation of resources. In NPS, the difference was noticeable to students from the first day of school—bathrooms were cleaned and doors were installed for privacy. Classrooms were cleaned so that students could, at a minimum, have a clean environment in which to learn. Under state leadership, NPS developed first-year action goals, one of which was to improve the efficiency and effectiveness of the central administration. To meet this goal, NPS redesigned its educational and operational functions as well as its overall organization.

In this instance, the state realized that the school system, left to its own devices, would collapse. As a result, New Jersey took action to correct educational and management shortcomings, improving the overall efficiency and effectiveness of the educational process.

Another example of state intervention occurred in California. In 1993, the State of California declared Compton Unified School District a financial and academic failure. The district was accruing debt, and its students' test scores were among the lowest in the

state. When the district requested a \$20 million bail-out from the state, a judge ordered that a state-appointed administrator assume the powers of the School Board and replace the current Superintendent. Compton Unified was in need of substantial reform: school books and materials were in short supply, facilities needed repair, and the system was the city's largest employer when it could least afford to be.

The state-appointed Superintendent stopped the school district's financial hemorrhaging and increased academic achievement in three years. The district planned a \$12 million building repair "blitz," repaid a portion of its debt, and balanced its budget. Academic programs were rewritten and test scores for students in elementary and junior high schools increased.

### **City Intervention**

States are not the only government entities that have taken over school systems. The City of Chicago also intervened in the Chicago Public Schools (CPS). The Illinois State Legislature passed a law that gave the Mayor of Chicago responsibility for the school system. The Mayor quickly intervened to prevent any further degradation in the educational and management capacity of the school system.

The team that was selected by the Mayor from his own staff to operate the public schools has made significant strides in turning the management and the educational programs of CPS around. Within the first few weeks, the new Chief Executive Officer (CEO) balanced the budget, erasing a \$1.3 billion deficit over four years. The CEO also ended labor unrest, improved facilities, and created new education programs designed to eliminate waste, fraud, and abuse.

While these managerial improvements are significant, they are only the beginning in revitalizing CPS. Without improvements in educational outcomes, managerial efficiency becomes insignificant. Realizing this, CPS began to improve its educational program. It has created an educational program that encompasses all grade levels and all types of educational offerings. It no longer allows social promotion. In short, CPS, with the assistance and support of the Mayor of Chicago, has improved the quality of education being offered to its students.

Similar to Chicago, the City of Seattle sought leadership and managerial skills, rather than educational experience. Faced with fiscal crises, declining enrollment, mediocre test scores, and low test scores for minority students, the Seattle School Board wanted a leader with management and leadership abilities to turn the school system around before the State did it for them.

Since accepting the position in June of 1995, the new Superintendent has developed system-wide standards for students at each grade level, instituted a district-wide reading campaign, and established corporate partnerships with the schools. In a short period of time, student achievement on standardized tests improved. The Superintendent was able

to rally the public's support for a school district operating expenses levy—only one year after a similar proposal failed. His efforts to fix the district's financial problems, while encouraging principals and teachers to improve educational methods, have succeeded.

### **Focusing on Student Success**

In all these examples, what was missing before state or city intervention was a focus on the educational mission of the school system. It took an outside party to refocus the school system on its primary mission: educating children. Prior to state or city intervention, there was no link between responsibility and accountability and no concern to ensure that all the resources were allocated as efficiently and effectively as possible. Likewise, the systems lacked any real business support to effectively manage multi-million dollar operations.

### **Lessons Learned**

Currently, DCPS is where Chicago and Newark Public Schools were two or three years ago—managerially inept and educationally ineffective. The experiences of sister school districts suggest some positive steps that the District can take to improve its public education system.

- **New managerial and educational capacity** - need to be injected into the education system in order to stabilize and improve it
- **The linkage between individual responsibility and accountability for results** - must be reestablished if the public education system is to value success
- **Performance goals must be set** - if the system is to make any progress toward improving education and operations

#### 4. The Children Come First

There is no question that the District's children are its most important resource as well as its most important responsibility. Furthermore, there is no question that the leadership charged with ensuring that our children receive a quality education in a safe environment has failed to carry out its responsibilities. Already too many children have suffered as a result of the mismanagement, uninspired leadership, and institutional disregard of the current public school system. If nothing is done to correct this failure, then the community and the leadership of the District also will have failed these children.

The Authority recognizes that the District of Columbia Public Schools must be revitalized. If the community is ever to do justice for these children educationally, it must demand an end to the school system's inept methods. Revitalizing the school system requires radical change. The current system has consistently failed to serve the students adequately and must be replaced by one more committed to meeting our children's needs. If the quality of education is ever to improve and we are to make a difference in the lives of our children, then parents, teachers, public officials, and other members of the community must insist upon a new direction.

We can and must improve the quality of education for our children's and our city's future. The Authority's expectations of any education reform are quite simple:

- Improve academic achievement
- Increase attendance and graduation rates, and expand linkages to higher education and employment opportunities
- Improve physical conditions and safety in the schools
- Ensure that an effective management structure supports the education of every child

This is the minimum that the Authority expects from any public school leadership.

In the preceding four chapters, we have detailed the failures of the entities charged with leading and managing the public schools. It is clear from this appraisal that the situation is critical and that failing to act immediately will only condemn our children to unacceptable conditions, educationally, physically, psychologically and emotionally. Failure is not an option. The Authority is determined to improve the quality of education within the District. We owe it to the citizens of this community, but most importantly, we owe it to the children who attend the District's public schools. They must come first.

*"We need to stop and admit our failures and start all over again for the children in the District of Columbia . . . The DC Board of Education is in crisis and we are not serving our children well and we need to own up to it and fix it."*

*—Wilma Harvey, Ward 1 School Board representative, from the transcript of public hearing before the Authority on August 9, 1996, p. 109*

*"Maybe we need an all powerful schools czar, with complete and total authority to fix it up. It's terrible, but at this point in time, maybe some drama is needed."*

*—Jack Evans, Council Member, from The Washington Post article "Leaders Absent from City's School Crisis" published on August 21, 1996, p. A17*