

**Remarks by
NYC Comptroller William C. Thompson, Jr.
at a Monthly Meeting of the
Chancellor's Parent Advisory Council (CPAC)
Tweed Building, 52 Chambers Street, 3rd Fl. Conference Room
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11:00 AM**

Good morning and thank you, Tim, for that kind introduction. I want to express my appreciation to you and all the members of CPAC for inviting me here this morning to share my views on public education in the New York City schools.

As Tim mentioned, I come to this discussion as a former president of the Board of Education. While my focus has shifted in recent years, I am no less concerned about the future of New York City's school children.

As Comptroller, I am the city's Chief Financial Officer. In that capacity I have been particularly attentive to fiscal accountability at the Department of Education.

While we grapple with the details of the third reorganization of our school system in five years...and as we see a significant increase in education funding...it is imperative that we understand where our education dollars are being spent.

I am responsible for enforcing the laws and regulations designed to encourage fair and open competition through my office's role in registering City Contracts.

Under the tenure of this Department of Education, the use of non-competitive bids has soared, tripling in value between 2001 and 2003 from 15 to 45 million dollars. Pressure from my office cut that figure nearly in half in recent years, but I have to wonder how much higher it would be if it were not for our scrutiny.

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

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

There is in the end a public vote....This is a process that, while not always perfect, is at least transparent.

By contrast, since the Board of Education became the Department of Education, it has exploited a grey area in the law...one that allows it to treat itself as a State

agency whenever it is convenient to do so...and then as a City agency when it is likewise convenient.

That is neither good government nor good public policy, and has led to a number of questionable contracts in recent years. Almost everyone has heard of the Snapple debacle, in which a failed bid evaluation process was defended by the bizarre claim that the DOE's own guidelines needn't be followed.

More recently, the DOE entered into a no-bid contract with the firm of Alvarez and Marsal. Here is a firm hired to cut costs in the DOE budget that then charges Tweed a whopping 16 million dollars for seventeen months of work, including almost five hundred dollars an hour for one employee.

You all remember A&M's role in last year's bus routing fiasco. It revealed the risk we take in following the advice of outside experts who don't understand our school system....It also underscored the fundamental problem of the original decision to hire A&M without a competitive bidding process.

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

And yet despite the best efforts of my office, in the past two years the DOE has processed millions of dollars in contracts outside of the competitive bidding process. We are pushing for a new bill in Albany to make the New York City DOE transparent and accountable once and for all.

As I noted above, the Department of Education is in the midst of its third reorganization in five years. I am the chief investment advisor to the New York City pension fund and we would identify a company that had gone through three fundamental reorganizations in five years as a high risk investment.

The people of New York City have a right to expect better fiscal management from those who run our educational system....They also have a reason to be cynical about claims that the new reorganization will lead to savings and improvements.

In response to the Chancellor's claims that they had saved the City 250 million dollars between 2002 and 2004 and redirected that money into the classroom, my office conducted a review in which we found no evidence that any savings had made its way into the classrooms of the City.

At a time when Tweed is demanding more accountability from our principals and our teachers, we must demand accountability from them. At a time when the

DOE is receiving additional funds as a result of the CFE lawsuit, this is more imperative than ever.

The CFE case clearly established that we have no money to waste in the effort to bring a sound education to every child in New York City.

A tough and renewed focus on accountability in the management of our public schools is the first and best place to begin in our quest to provide students with a truly sound education. This is as true on the planning and policy side as it is on the fiscal side.

Indeed, such accountability was exactly what I was attempting to bring about when, as President of the Board of Education, I pushed for a series of reforms in 1996.

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

The feeling was that if the Chancellor is to be held accountable for educational performance, then he or she must be given clearer authority.

What did we do? Individual school boards were stripped of the responsibility for day to day operations of schools. That power was given to superintendents.

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

We mandated school leadership teams in every school – made up of parents, teachers and administrators and funded to provide childcare for parents who might otherwise be unable to participate.

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

As we look ahead to the sunset of mayoral control, we must not only reauthorize the law, but we must build upon it.

There must be a way to bring the public into the decision-making process when it comes to education policy in New York City. The current Panel for Education Policy is not a meaningful vehicle for parental involvement. Nor are the Community Education Councils.

Parents, who have an enormous stake in their children's educational success, MUST have a true voice in the decisions that impact their children's schools.

How can they feel they have such a voice when they see, as I recently saw, that Latino parents, whose children make up some 40 percent of the students in New York City schools, are sadly under-represented in the DOE's Office of Family Engagement and Advocacy.

How can they feel empowered when they discover, as my office recently discovered, that the Department of Education is not effectively ensuring that all violent and disruptive incidents in its high schools are being properly recorded and reported to the State.

And, yes, even when CPAC two years ago asked the Chancellor to publish a monthly account of how many schools have functioning PTAs, you received press coverage in the New York Times, but no response from Chancellor Klein.

As you well know, any Presidents Council that is not up and running by October 1 because it does not have sufficient PA's or PTA's officially "ceases to function." As we sit here today, only 21 of the 38 required Presidents' Councils exist.

Why does this matter? It matters because the Presidents Councils are critical for CPAC to have broad representation of parents across this City. There was supposed to be a push for new School Leadership Teams this year, but without functioning Parent Associations there can be no leadership team.

With its top-down approach, the current administration has sought to avoid debate and public scrutiny. That is what makes the work of CPAC so important, and that is why you must continue to address the needs and concerns of parents with passion and persistence.

Let us be clear: mayoral control of the schools, when exercised wisely, is a means of bringing efficiency, transparency and accountability to decision-making. But it was never intended to be a green light for unchecked executive power.

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

That is an assignment we cannot, we must not, and – with your great efforts – we *will* not fail.

Thank you very much. And now I would be happy to answer any questions.