



FOR IMMEDIATE RELEASE

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**TESTIMONY OF NYC SCHOOLS CHANCELLOR DENNIS M. WALCOTT BEFORE THE
STATE ASSEMBLY WAYS & MEANS AND STATE SENATE FINANCE COMMITTEES
ON THE PROPOSED 2013-2014 EXECUTIVE BUDGET**

*The following is Chancellor Dennis M. Walcott's testimony as prepared for delivery today in
Albany:*

"Good morning.

"Thank you Chairs Farrell and DeFrancisco, Education Committee Chairs Nolan and Flanagan, and all the members of the State Assembly and State Senate for the opportunity to testify today.

"Seated with me are Shael Suransky, the Department's Chief Academic Officer, and Michael Tragale, our Chief Financial Officer.

"My testimony this morning will address the impact on the education of 1.1 million New York City public school students as a result of the Governor's Executive Budget for 2013 and 2014.

"Before I address the specifics of the Governor's budget and touch briefly on the events that have transpired over the last several weeks, I want to tell you about a classroom I visited.

"I entered the room to find a vibrant discussion among six small groups of students.

"This was not surface level talk. These were deep, enriching and engaged conversations.

"One group in the corner of the room caught my attention.

"They were debating a question their teacher had posed and she was serving as the facilitator in getting them to an answer.

“Her ability to challenge her students while simultaneously instilling in them the resilience to reach collective agreement was remarkable.

“I want every student to have the opportunity to have an effective teacher like her.

“That is why we are so invested in creating a new teacher evaluation system.

“Unfortunately, as you all know, it proved impossible to reach an agreement with the United Federation of Teachers, the UFT, on a new system.

“In the last stages of our negotiations, after virtually every issue required under the law was addressed, the UFT insisted on inserting two unacceptable proposals not required by the law into negotiations.

“First, the UFT demanded to double the number of grievances that are brought to arbitration.

“Agreeing to this stipulation would have dramatically limited principal autonomy and narrowed our principal’s ability to exercise professional judgment.

“ It also would have created a complex, time-consuming architecture of procedures, consultations, and grievances that would have been paralyzing for good teaching and learning in our schools.

“It would have made it nearly impossible for principals to navigate the process of removing an ineffective teacher from the classroom.

“Second, the UFT introduced a “sunset provision” that would revert the new evaluation system back to the status quo rating system precisely when it would have effectuated consequences.

“I want to be clear about the impact of the “sunset provision” because there has been a tremendous amount of focus on this issue.

“It boils down to this: it was the UFT’s best attempt to circumvent the law to protect ineffective teachers.

“This is not an attack on teachers who work hard under trying circumstances; this is about how we help teachers become better and how we remove those who are ineffective from the classroom.

“Let me share a troubling story with you about a classroom I visited that had an ineffective teacher.

“What I saw would horrify any of you and any parent.

“Some students were asleep.

“Those who were awake were doing work for other classes or goofing off until the end of the period.

“No engagement. No learning.

“No parent wants their student in the classroom of an ineffective teacher.

“These two issues would have severely undermined the spirit of the law you passed in 2010; a law designed to ensure that accountability for teachers exists so long as every teacher receives meaningful feedback and support.

“I made two last ditch efforts on January 17th to see if there was some common ground that would allow us to reach a deal.

“Unfortunately, the UFT remained committed to undercutting the law that you passed.

“Despite our long history of working with the UFT, including reaching a deal on the restoration of days lost due to Hurricane Sandy, it is not surprising that we were not able to reach a deal on this issue.

“On a number of issues that would benefit teachers and most importantly our students, the UFT has been particularly obstructionist.

“They blocked student loan relief for new teachers who finished in the top-tier of their graduating class; prevented highly effective teachers from being rewarded with additional compensation...

“And insisted that a third party, not the Chancellor, be the final arbiter of cases that involve sexual misconduct.

“But there is another critical element of this story that should not be overlooked.

“In 2010, on the day the law was passed, then-Chancellor Joel Klein expressed skepticism about implementing an evaluation system because the law requires union sign-off, which allows issues not directly related to evaluations to enter—and spoil—meaningful negotiations.

“And last February, Tim Daly of The New Teacher Project and Kati Haycock of Education Trust advocated to implement a real backstop; a clear deadline to negotiate, but more importantly implement an evaluation system without sign-off from the UFT.

“They argued a financial trigger wouldn’t work because it would empower the parties to drag out negotiations indefinitely.

“This is precisely what happened.

“The UFT inserted issues not required under the law at the eleventh hour because there was nothing at stake for them.

“Threatening state aid in perpetuity is a misguided public policy that will never achieve what it is intended to do.

“The UFT will continue its recalcitrant behavior on this issue because they have nothing to lose.

“What we need is a solution that holds all parties accountable for reaching a deal that benefits our staff and students.

“So I want to thank Assembly Speaker Shelly Silver who rightly suggested you should consider amending the budget to annul the requirement that effectively gives the UFT veto authority in perpetuity.

“Let me explain the consequences if you decide not to act.

“On December 5th of last year, I detailed how any cuts to schools will undermine exactly what we are trying to achieve—providing important support and development opportunities to our educators and rigorous instructional programming to our students.

“The \$250 million in state aid reductions in the current fiscal year would do just that.

“As we always do, first we will look for ways to reduce our expenses centrally in order to minimize the impact on our classrooms.

“Last night, we notified our central staff of a complete freeze on new spending.

“This will allow us to avoid a universal cut to schools during the middle of the school year, but because we are now cutting into bone, we will be forced to eliminate all unfilled central staff positions that support schools’ operations.

“This includes instructional specialists, professional development, grant program management, human resources, budget, payroll and help-desk staff.

“We will be forced to cancel the Deferred Program Planning Initiative that allows principals to roll money into the following fiscal year to fund pedagogical staff and programs.

“This will result in a reduction in professional development opportunities for teachers and the elimination of extra-curricular student activities, such as chess, science, technology, student newspapers, and class trips to zoos, aquariums and museums.

“We will be forced to implement hiring restrictions in schools that will severely limit the replacement of departing teachers, assistant principals and guidance counselors.

“This will result in larger class sizes and increased responsibilities for the teachers who remain.

“Next year, the cuts for schools will be even more difficult.

“We will be forced to impose the largest across-the-board cut to schools in over a decade.

“These reductions will likely lead to the loss of 1,800 teachers through attrition and close to 700,000 hours of lost tutoring, coaching and arts enrichment programs.

“But that is not all.

“Federal funds valued at \$196 million—that have been awarded to the City—are either forfeited or at risk.

“This includes \$76 million in School Improvement Grants; \$64 million in Race to the Top funds; and Teacher Incentive Funds valued at \$54 million.

“Truth be told, the State’s entire Race to the Top award may be at stake because 40 percent of New York’s students have teachers who don’t have a new evaluation system supporting their growth and development.

“As I alluded to earlier, in his January 18th letter to me, State Education Department Commissioner John King, Jr., raised the possibility of re-directing another \$830 million in “Title I and Title II-a” funds.

“These funds provide essential resources to our most economically disadvantaged students and professional development opportunities to our teachers and principals.

“In addition, the State Court of Appeals’ order to provide New York City with additional operating aid necessary for a sound basic education is nowhere to be found in the Governor’s budget.

“This effectively means our students are \$3.1 billion short of the money they are rightly owed under the Campaign for Fiscal Equity decision.

“The Governor is also proposing to freeze the State’s expense-based aid for costs like school construction or textbooks at the levels produced by claims received through last November rather than reimbursing for all claims sent throughout the school year.

“This comes at a time when we need to increase our expenditures in order to upgrade our curriculum to ensure that it prepares our students to meet the rigorous standards in the new state examinations.

“Since many claims had not been filed just two months into the school year, this would have the effect of imposing yet another cut on the City, at a cost of \$57 million in fiscal year 13 and \$60 million in fiscal year 14.

“We encourage the Legislature to reverse this freeze.

“The Governor’s budget also strikes the \$14.9 million set-aside to the NYCDOE for school-operated prevention programs which fund our Substance Abuse Prevention and Intervention Specialists (SAPIS workers).

“Next Monday, I will be sending Commissioner King my response to his January 18th letter.

“Over the course of this week we will engage key stakeholders—including the UFT and CSA—in discussions about the plan we intend to submit.

“As you may know, over the last three years we have worked to prepare our educators for the adoption of a rigorous, multiple-measures teacher evaluation and development system.

“We did so because we know that teacher effectiveness is a critical factor in improving student outcomes.

“The plan that we will submit next week, builds on this work including an intensive pilot of the new evaluation system that started in 20 schools with approximately 700 teachers and has grown to more than 200 schools with more than 8,500 teachers.

“Among other initiatives, our plan will include training for principals and teachers on components of the new evaluation system.

“We will also continue the development of and training on rigorous and authentic New York City-developed measures of student learning that are aligned to the Common Core Standards.

“To continue this important work we will be utilizing Race to the Top and other grants. However, if we lose these dollars and an additional \$250 million in state aid in the next fiscal year, we will be forced to fund this work on the backs of our schools.

“Before I take your questions, I would like turn briefly to the subject of private preschool education as it relates to the Governor’s budget.

“The time has come to reform New York State’s system of reimbursing costs to private preschool special education providers.

“In addition to the soaring costs of the program, State comptroller audits have uncovered instances of inappropriate and fraudulent contractor spending.

“We applaud the intent of the Governor’s legislative proposal to help contain the costs of the preschool special education program. And we strongly support the proposal to allow counties to retain 75% of audit recoveries.

“However, the proposed amendment to New York State Education Law section 4410 requires significant modification to function effectively. We would like to work with the Governor’s office and the Legislature to revise these measures.

“First, we need to distinguish between Special Education Itinerant Teacher services (SEIT), where the teacher travels to the student, and Center-based Programs.

“We propose that SEIT services be taken completely out of the current State rate-setting structure.

“New York City should be allowed to procure the SEIT services competitively on a fee-for-service basis, as related services are currently handled. It makes sense that New York City should only have to pay for the SEIT sessions actually delivered.

“Likewise, the IDEA per-pupil grant funding for SEIT providers should be set at the 1/3 rate allocated to related service providers.

“We also propose that Center-based programs be taken completely out of the current State rate-setting structure.

“New York City should be able to competitively negotiate tuition rates for Center-based programs without having to reconcile with a separate State rate-setting process after the fact.

“We further believe that the proposed \$1 million in grants statewide is insufficient to build the necessary capacity to monitor the providers.

“New York City’s recurring costs alone would be much higher than this to adequately monitor the private special education provider system.

“Finally, as mentioned in the Mayor’s testimony yesterday, the State should prohibit vendors from serving students whom they have evaluated, even if under different business names.

“LEAs should be the ones to determine if exceptions need to be made. In order to ensure appropriate and objective evaluation, we need to prevent the conflict of interest that arises when the evaluator of services for students is the professional tied to the provider.

“With that, I thank you again for the opportunity to testify and I am happy to take your questions.

