

**THE NEW YORK STATE
COMMISSION ON EDUCATION REFORM**

Ensuring Children An Opportunity
for a Sound Basic Education

FINAL REPORT

March 29, 2004
Frank G. Zarb, Chairman

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INTRODUCTION

In June 2003, New York State's highest court, the Court of Appeals, found that the New York City school system did not provide the opportunity for all children to achieve a sound basic education. The finding came as part of the Court's decision in the Campaign for Fiscal Equity case, initially brought against the State in 1993.

The Court of Appeals' ruling in *Campaign for Fiscal Equity v. State of New York* provided New York State with an historic opportunity to ensure that all of our children have the opportunity to obtain a sound basic education.

As part of its remedy in the decision, the Court directed the State to implement the following measures by July 30, 2004:

- Ascertain the actual cost of providing a sound basic education in New York City;
- Ensure that every school in New York City has the resources necessary for providing the opportunity for a sound basic education; and
- Develop a system of accountability to measure whether the reforms actually provide the opportunity for a sound basic education.

In its decision, the Court acknowledged the recent reforms made to the New York City public schools under the leadership of Governor George E. Pataki and Mayor Michael R. Bloomberg, as well as the significant increase in support to public schools under Governor Pataki and the State Legislature. In 2003 — for the first time — New York City schools received a greater share of statewide school aid than their share of statewide enrollment. In 2004, that continues to be the case.

Today, elementary and secondary education in New York State is a \$39 billion enterprise supported by State, local and Federal funds. Since 1997, when the Court issued its initial decision, State aid to schools across the State has increased by \$3.5 billion or 32 percent — nearly twice the rate of inflation. In that same time period, State aid to New York City schools has grown from \$3.8 billion in 1997-98 to \$5.3 billion in 2003-04, an increase of \$1.5 billion or 39 percent — or more than twice the rate of inflation.

In 2002-03, New York State schools spent \$11,515 per pupil, more than any other state in the nation and about 47 percent more than the national average. A National Assessment of Educational Progress (NAEP) study, often called the nation's report card, found that New York made significant gains in achievement in 2003 based on fourth and eighth grade math and reading levels. New York State is also a national leader in standards-based reforms, receiving a grade of "A" for our standards and assessments from *Education Week's* "Quality Counts" report. In addition, there has been a substantial increase in the number of students taking Advanced Placement courses over the past decade, and New York State is ranked third nationally in the percentage of high school

graduates who go immediately on to college. Finally, New York students consistently win more Intel science awards than any other state.

However, despite these accomplishments in the State, our education system still needs to work on improving achievement for all students.

Over the past three decades, various commissions have been created to report on the quality, cost and financing of education in New York State. Subsequent to the release of the Fleischmann (1969), Rubin (1982), Salerno (1988) and Swygert (1993) commission reports, there has been an ongoing debate over how to improve New York's public school system.

Despite the efforts of these commissions, many issues remain to be addressed today. While New York State has among the best public schools found anywhere in the world, as well as the most expensive education system in the nation, there are still too many schools that fail to provide children with the opportunity they need to succeed. These schools exist despite many improvements and billions of dollars that have been added to that system over the years.

It is this fundamental reality that the Commission on Education Reform was challenged to address.

The Commission has now completed its report. It has concluded that the State must comprehensively reform its education system to guarantee that every child, in every school, is afforded the opportunity to succeed in the 21st century.

EXECUTIVE SUMMARY

On September 3, 2003, Governor George E. Pataki issued Executive Order No. 131 creating the New York State Commission on Education Reform. The Governor charged the Commission with studying and recommending to the Executive and the Legislature suggested reforms to the education finance system in New York State and to any other State or local laws, rules, regulations, collective bargaining agreements, policies or practices, to ensure that all children have an opportunity to obtain a sound basic education, in accordance with the requirements of Article XI, Section 1 of the State Constitution and applicable State court decisions.

To carry out its charge, the Commission held five public meetings to discuss its overall assignments, formed subcommittees that met to discuss specific issues, held six public hearings throughout the State to receive input from the public, conducted research on various topics and considered relevant information from other groups. The recommendations contained in this report represent a consensus of the members of the Commission.

The Commission has taken it as its assignment to set forth in commonsense terms what kind of funding is needed to provide a sound basic education for our children and how accountability for the delivery of that education should be established. We have taken into reasonable account the fiscal restraints and realities under which the State operates. Its job is to propose the best system possible to comply with the judicial decision.

The State's school financing system must ensure that adequate resources are available to all school districts to provide all children with the opportunity for a sound basic education. Adequate resources must be coupled with an accountability system that holds every member of the education community fully accountable for performance. For that purpose, the Commission recommends the establishment of an independent Office of Educational Accountability. There must be no excuse for failure and scarce taxpayer resources must not be wasted. Schools must operate with maximum efficiency so that the best possible results are achieved at a reasonable cost to taxpayers.

Because these issues affect every child in New York State, the Commission summarizes its important recommendations in terms that are straightforward, concise and understandable to every parent.

1. Funding. The Commission requested that Standard and Poor's (S&P) conduct an analysis of spending by successful school districts to help determine the cost of providing all students the opportunity to acquire a sound basic education. The S&P analysis used four different options to identify successful school districts, which generated a range of additional costs from \$2.5 billion to \$5.6 billion. The educational standards used by Standard and Poor's could be used by the State in determining the cost of providing the opportunity for a sound basic education. The Commission believes the decision on which educational standard to use should be left to the State's elected leaders.

In considering the issue of funding the Commission considered a number of factors which were not included in the S&P study. After reviewing the results provided by S & P, the results of the costing out study by the Campaign for Fiscal Equity and the funding proposals of the State Board of Regents, the Commission recommends that a reasonable place to start is a range of \$2.5 billion to \$5.6 billion from State, local and federal sources. The State's elected leaders should make a choice of funding within this range. It should be phased in over five years. The State should review the selected level of funding and the performance of the poorly performing schools after three years to determine if any adjustments are needed.

Over the years, the State has added distribution formulas to the State aid system that have made it overly cumbersome and difficult to understand. Currently, there are thirty-seven categories of aid. The Commission's recommendations for changes in the State's school aid formula would make it fair, sustainable and understandable. If enacted, the Commission's recommendations would reduce the number of categories of aid to eleven. [See School Aid Simplification chart on the following page].

The Commission also recognizes the need for providing additional resources to districts with the greatest needs, based on the percentage of students in a district who are living in poverty. This change reflects the strong link between poverty and student performance. The Commission recommends that no revision of the school aid formula should result in a district receiving less than the year before, with the new resources being allocated according to need.

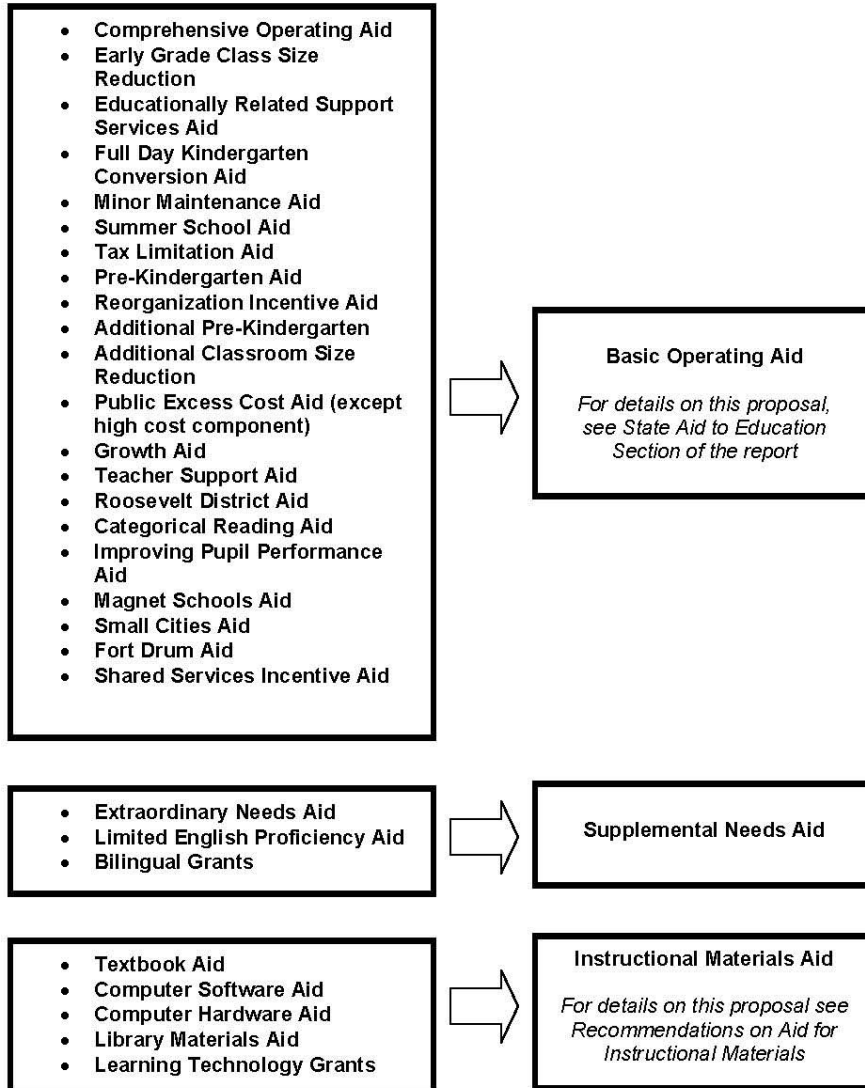
The Commission has proposed changes to strengthen and simplify the school funding system in order to ensure that every school has the resources to provide the opportunity for a sound basic education. These changes are designed to make the system less complicated and to help school districts and their local taxpayers better anticipate how much funding may be coming to schools for the next year's budget.

2. Predictability and Clarity. Under the new school financing system recommended in this report, State aid to school districts would be based on the actual cost of programs that provide children with an opportunity for a sound basic education. In order to allow local school districts and the State an opportunity to plan for this level of spending, it should be phased in over five years.

SCHOOL AID SIMPLIFICATION

Current State Aid Formulas

Commission Proposal



In order to make the financing of school systems more predictable, the Commission recommends the creation of a dedicated fund guaranteed by the State's General Fund that would pay for the State's share of the recommended changes. Initially the State should deposit proceeds from the Video Lottery Terminals into the fund. As necessary, the State should supplement this funding to ensure sufficient funding to support the State's share of the recommended changes. To assist local school districts with their planning process, the State should commit to a State aid formula on a two year basis and to no mid-year cuts in State aid.

3. Accountability and Authority. Funding alone is not enough. The link between funding and performance is accountability. The recommendations in this report strengthen that link by advancing a framework of accountability with appropriate standards, sanctions and remedies to be applied if the desired performance and progress are not achieved.

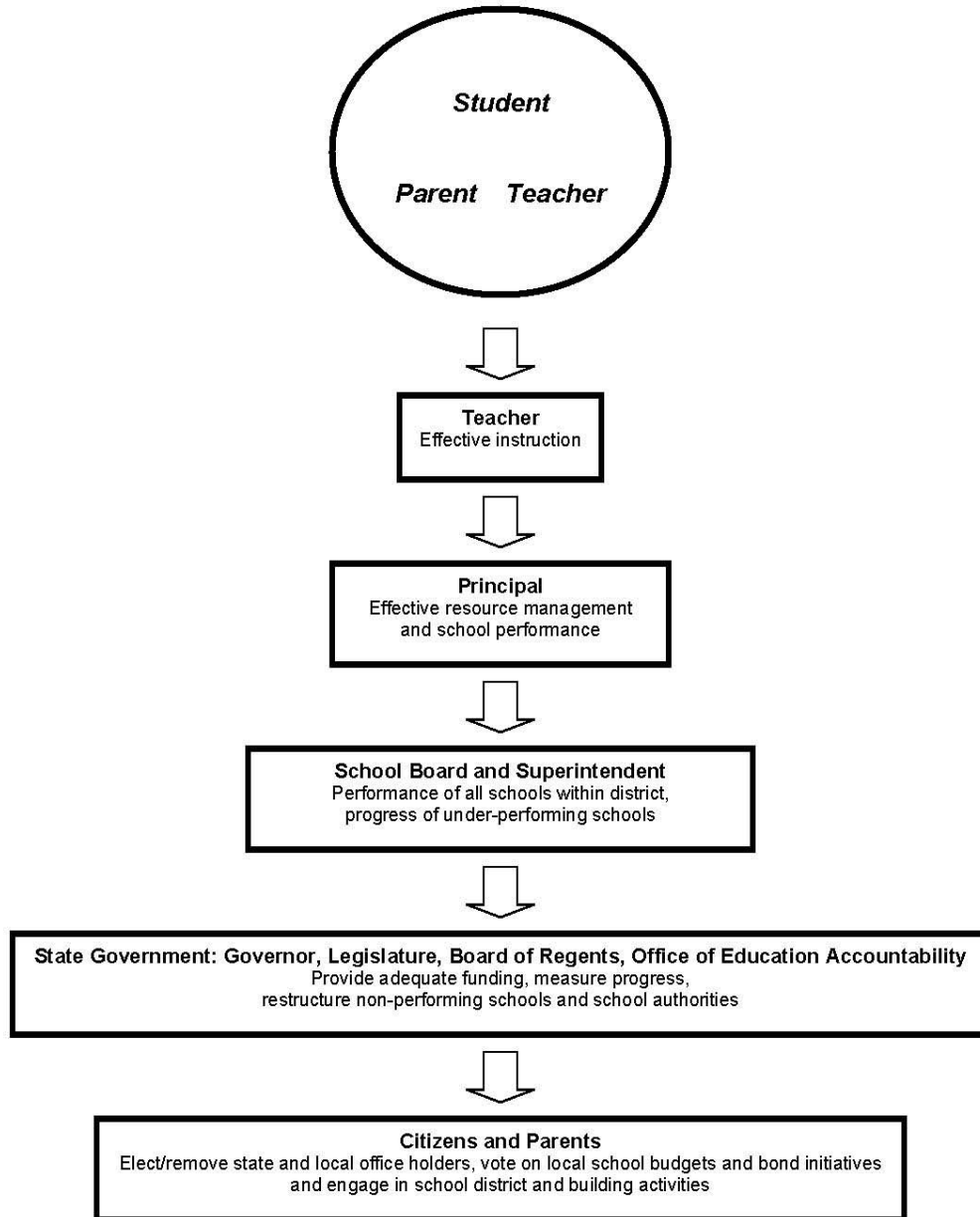
The Commission has reviewed past attempts at macro reform and concluded that the only effective approach is one school at a time.

Additional resources must be spent wisely and in a manner that produces results. A new information system, the EduStat system, should be designed and implemented to ensure that information is available to evaluate the performance of the school system and to hold it accountable for student performance. This system could facilitate identification of best practices to be used by the poorly performing schools. The system would also track the use of State and local funds and evaluate the return the State receives on its education investment.

It is important to link authority and accountability at all levels. Everyone involved in the education process, from State and local public officials to teachers and students, must be held appropriately accountable for performance. At the same time, they must have authority commensurate with their responsibility. Those accountable for a school system, whether they are mayors or school board members, must have authority to set policies within laws and regulations and to structure and staff administrative leadership. [See Framework of Accountability chart on the following page].

A clear and constructive organizational relationship between principals and teachers is essential for successful school governance. Teachers should be properly remunerated, and should in turn be held accountable for meeting standards of instructional performance. In turn, they must have sufficient authority for use of their skills and creativity to achieve desired results. Each principal should be held accountable for the performance of his or her school, and for its improvement if it is sub-standard. Teachers deserve qualified, capable and respectful leadership and principals need the authority to manage their schools. A commitment to accountability will ensure that outcomes are monitored and standards upheld. A commitment to accompany accountability with authority will allow more flexibility to meet the needs of individual schools and individual students and will enhance performance throughout the educational system.

FRAMEWORK OF ACCOUNTABILITY



When local school districts fail to live up to their charge, an independent Office of Educational Accountability must be empowered to ensure that school districts provide children in their failing schools with the opportunity they need to succeed. If a failing school is not turned around within three years, the entire school would be closed. A new, restructured school would be opened with a new principal and staff in accordance with local agreements. In addition, parents would be offered the opportunity to convert the school to a charter school.

In New York City, the Mayor has been given authority over the school system and accountability for student outcomes. That reform has already produced significant new structural changes. Consistent with this reform, greater responsibility should be given to the mayors in the four other large cities in New York State so that they can be held accountable for the management of their own public school systems. At the same time, these cities should have a maintenance-of-effort requirement for their schools similar to that currently in place for New York City.

New York has been presented with an historic opportunity to reform its educational system and ensure that all of our children are given the opportunity to achieve a quality education. The reforms being advanced in this report will help the State realize this vital objective.

If enacted together, the school funding and accountability reforms proposed by the Commission will establish — for the first time in State history — a strong and comprehensive system that provides every child attending public schools in New York State with the opportunity to obtain a quality education.

By adopting these reforms, the State's policymakers can seize this historic opportunity and ensure a bright future for our children and our State. Partisan, regional, local and parochial differences must be set aside in order to achieve this historic change. The State must redouble and strengthen its efforts to ensure that no child is without the opportunity to learn and to grow, and to function as a productive member of our society.

The body of the Commission's report touches on many of these issues. The spirit of our deliberations has reflected a deep respect for the fact that effective education is a complex and multifaceted process involving first and foremost the child, the parent, and the teacher. That is where a good education must begin, and if the roots of success are not planted there, then all the money, all the accountability, and all the good will in the world will not make it flourish. But the Commission shares the view of the Governor and the Court that the present system is in serious and unacceptable disrepair.

Parental involvement, qualified and committed teachers, adequate and safe facilities and a host of other factors bear critically on the likelihood that a given child will receive and be able to take advantage of a sound basic education. Parents have a critical role in the education of their child. They are responsible for ensuring students attend school ready to learn.

Providing every student with this opportunity has been the Commission's highest priority. The recommendations included in this report, if adopted, will not only direct additional resources to those schools that need them, but will ensure that new and existing resources are being effectively applied to address failures that have existed for far too long in our schools.

It is important to note that a substantial percentage of New York's public schools provide an excellent education for their students. The State's high-performing schools will also be given opportunities to continue their improvement by reducing administrative burdens placed on them so that they may focus on providing and improving educational excellence in their communities.

Once the recommendations contained in this report are fully implemented, each and every child will be assured the teachers, principals, instructional materials and facilities they need to receive an opportunity for a sound basic education. The recommendations are intertwined and should be enacted as a package. It is not sufficient to enact the finance reforms that provide necessary funding without the education reforms and it is not sufficient to enact the education reforms without the necessary funding. All of the areas covered by this report must be addressed to achieve fundamental change in the educational system one school at a time.

This report also includes a section containing additional ideas for policymakers to consider. These ideas could not be adequately discussed by the Commission due to the time constraints the Commission was working under. Nevertheless, these ideas are deserving of the attention of the State's policymakers.

SECTION I: SUMMARY OF RECOMMENDATIONS

The recommendations being made by the Commission represent a top-to-bottom revamping of the State’s educational financing and operating system that will help ensure an improvement in educational attainment for all children.

The school funding and accountability reforms proposed by this Commission will establish — for the first time in State history — a strong and comprehensive system that provides every child attending public schools in New York State with the opportunity to obtain a quality education.

These recommendations call for a wide range of reforms. Among the key recommendations:

FINANCE RECOMMENDATIONS:

The Commission recommends combining most existing State aid categories into a single operating aid formula. This action will streamline and simplify the school funding formula by reducing the number of categories from thirty-seven to eleven.

- The basic operating aid formula would be designed to provide the State share of the basic cost of education.
 - The basic cost amount would be set consistent with the cost of a sound basic education, including adjustments for differences in regional costs and sparsity. The State and local school districts would share in the basic cost amount based on district need measured by property wealth, income wealth and the number of high-needs students.
 - School districts would receive additional funding based on weightings for students with disabilities.
 - The proposed formula revisions will not result in a district receiving less than the year before, with new resources allocated according to need.
- A new Supplemental Needs Aid program would be designed to help districts with the extraordinary cost of educating students living in poverty and students with limited English proficiency, adjusted for differences in regional costs and sparsity.
 - The State and local school districts would share in these costs with these additional funds being reflective of these extraordinary costs.
 - Supplemental Needs Aid would be generated by pupil weightings based on the increased costs of educating students living in poverty and students with limited English proficiency.

- Each school district receiving this funding would provide a plan for the expenditure of such funds and account for these funds separately from the rest of their general fund. The State must ensure that school districts with poorly performing schools use this funding to provide students in the poorly performing schools with the opportunity for a sound basic education.
- The Commission recommends that the current formulas for textbooks, computer software, library materials and computer hardware be combined into a single formula to allow flexibility at the local level.
 - Tier 1 will include the current per pupil amounts for textbooks, computer software and library materials.
 - Tier 2 will be a new equalized formula that recognizes the difficulty low wealth school districts have in providing adequate instructional materials.
 - Students in nonpublic schools would continue to benefit from loans of instructional materials, including computer hardware, based on the new aid amounts and the flexibility among categories.
- The Commission recommends that the State should continue to provide aid to school districts for their transportation, school facilities, computer administration, career education, and BOCES costs.
- The Commission recommends reforming special education funding to eliminate any financial incentive to place a student in a restrictive special education program by combining the current weightings for students in special education based on services into a single, appropriate weighting.
- The Commission recommends that the current high cost, excess cost aid formula should be continued and combined with the private excess cost aid formula to assist districts with the cost of serving severely disabled students.
- The Commission recommends that funding for pre-kindergarten programs be stabilized through the new operating aid formula to ensure continuation and stability of this program.
- The Commission recommends that the current maintenance-of-effort provision for New York City be continued, and that a similar maintenance-of-effort provision be extended to the other four dependent school districts.
- The Commission recommends that the State commit each year to a State aid formula on a two-year basis and to not reducing State aid in the middle of a school year to ensure local school districts have the information they need to formulate local school district budgets.

- The Commission recommends the State create a dedicated fund guaranteed by the State’s general fund to pay for the State’s portion of the recommended funding changes.
- The Commission recommends that the State phase-in the changes to the education finance system over the next five years to allow for proper implementation by the State and local school districts.
- The Commission recommends that the State building aid formula be amended to simplify the reimbursement methodology to provide allowances for construction costs based on student space needs, thereby allowing school districts to better understand and plan for the amount of building aid that they will receive. The Commission also recommends that the State Education Department review current provisions pertaining to aid for leased space to ensure school districts are able to select the most cost-effective approach to address their school capacity issues.
- The Commission recommends that in order to improve the cost-effectiveness and efficiency of school construction, the State should provide school districts with access to construction management services of the State Dormitory Authority. The Dormitory Authority could assist New York City and other school districts with reducing construction costs through services that include master planning; feasibility studies; cost-benefit analyses; analysis of materials selection; and third-party review of construction documents.
- The Commission recommends that the State consider providing city school districts with needed flexibility to finance essential school construction through alternative financing mechanisms on a district-by-district basis.
- The Commission recommends that the State Education Department should review the guidelines and regulations for facilities to determine if greater flexibility should be provided to school districts with facilities that are fifty years old or more to ensure the most cost effective choice between renovations of existing facilities and new construction.

ACCOUNTABILITY RECOMMENDATIONS:

Accountability — School District

- The Commission recommends that the State should require an allocation plan be developed by New York City and school districts with poorly performing schools with such plan to be approved by the independent Office of Educational Accountability to ensure that each school has the educational resources — including qualified teachers and sufficient instructional materials — necessary to

provide the opportunity for a sound basic education, consistent with the recommended five-year phase-in.

- The Commission recommends that the State should require local school districts that have a poorly performing school to provide any such school with resources from Federal, State and local sources commensurate with the regionally adjusted amount per pupil determined by the State aid formula. This will help ensure each child receives an opportunity for a sound basic education. Each school district will be required to submit a plan to the independent Office of Educational Accountability showing how they will provide adequate funding and programs to the poorly performing schools in their district. This recommendation should be phased in over five years.
- The Commission recommends that the State create a new independent Office of Educational Accountability to oversee the accountability process and monitor the improvement of poorly performing schools.
- The Commission recommends improving accountability by using more rigorous standards to identify schools subject to improvement plans that will be monitored for implementation. These standards would be developed by the independent Office of Educational Accountability.
- The Commission recommends that the State require that school districts with poorly performing schools develop a plan with specific initiatives for improvement. Each school district with one or more poorly performing schools, as identified by its student performance data, will be required to develop a three-year plan for improving student performance for each poorly performing school. The plan would be developed in cooperation with groups representing parents, teachers and administrators from the poorly performing school.
- The Commission recommends that if a poorly performing school is not improved within three years, the entire school must be closed. A new restructured school will be opened with a new principal and staff in accordance with local agreements. In addition, parents would be offered the opportunity to convert the school to a charter school.
- The Commission recommends that in cases where a school continues to fail to make sufficient progress for three more years, an interim administrator be appointed by the independent Office of Educational Accountability to manage the school and order the district to make improvements.
- The Commission recommends creating a new value-added accountability system, called EduStat, which will provide school districts, individual schools, parents, and State officials with the detailed information they need to review the yearly progress of each student to ensure every child receives an opportunity for a sound basic education.

- The Commission recommends that the EduStat system be designed to track a wide array of information, including school performance, attendance and dropout data.
- The Commission recommends that the EduStat system also be used to help track how effectively State and local resources are utilized at the local school level. This additional financial information and data would enable State and local policymakers to make better-informed judgments on education related policies and reforms each year.
- The Commission recommends requiring the Board of Regents to report to the Governor at an annual public meeting on student performance and the impact of current and future policies on school district finances.
- The Commission recommends improving school governance in New York’s large cities by placing greater responsibility for the education system with the mayors, thus giving the voters a way to hold a public official accountable for the schools.
- The Commission recommends improving school governance in all school districts by requiring all school board members to receive training in their roles and responsibilities.
- The Commission recommends requiring poorly performing schools to develop alternative placement for disruptive students to improve the learning environment for other students. This would ensure school safety and would strengthen the existing Project SAVE law, which requires codes of conduct, school safety plans and removal of persistently disruptive pupils.
- The Commission recommends requiring school districts with poorly performing schools to develop specific plans and initiatives to ensure parental accountability and involvement.
- The Commission recommends that local school officials be required to develop specific initiatives to ensure student accountability and involvement, including academic and counseling plans to keep potential dropouts in school and to encourage dropouts to return to school.

Accountability — School Leadership

- The Commission recommends strengthening school leadership by allowing local school districts to eliminate tenure for principals and administrators and replace it with a renewable three- to five- year contract and an expedited disciplinary process.

- The Commission recommends that the Board of Regents amend certification requirements for school administrators to require 175 hours of professional development every five years to keep their certification in good standing.
- The Commission recommends that school districts and administrators should be encouraged to negotiate pay for performance plans using a system such as value added assessments.

Accountability — Teachers

- The Commission recommends that the State help school districts with poorly performing schools attract, retain and provide professional development opportunities to teachers in the poorly performing schools by continuing support for initiatives such as the Teachers of Tomorrow program, the Mentor Teacher Intern program and the Teacher Center program.
- The Commission recommends that the State allow retired public employees, such as police officers and firefighters, with appropriate qualifications and credentials, to teach, serve as security officers, or hold other positions in public school districts while still receiving their pension.
- The Commission recommends that alternative teacher certification programs be expanded to increase the pool of qualified teaching candidates.
- The Commission recommends that school districts with poorly performing schools should be encouraged to provide competitive pay scales, develop career ladders, and use a variety of approaches to attract and retain teachers for the poorly performing schools, including the use of incentives for teaching in hard-to-staff schools and teaching in hard-to-staff subjects and pay-for-performance plans based on a variety of different factors such as value-added concepts.
- The Commission recommends reforms to address teacher incompetence. The districts should first be encouraged to help underperforming teachers, and the teacher discipline and removal process should be accelerated.
- The Commission recommends that the tenured teacher discipline process should be reformed to require an expedited hearing when the charges involve the loss of State certification.

Accountability — Standards

- The Commission recommends support for the current Regents Learning Standards.
- The Commission recommends that the Board of Regents appoint an independent panel with representatives of the education community, higher education, the

business community and labor (similar to the panel convened at the beginning of the standards movement) to review the current performance standards (testing requirements) and make recommendations as to whether the tests match the learning standards and whether scoring for current assessments can be made more consistent and understandable.

- The Commission recommends that the Board of Regents monitor students in Career and Technical Education programs now required to complete Regents exams in five academic courses plus a rigorous Career and Technical Education program to ascertain if the requirements have had an adverse impact on enrollment or completion of these programs and make any adjustments required to reverse any negative trends.
- The Commission recommends the creation of the Governor's Award for School Improvement to highlight schools each year that show the most improvement.

OTHER REFORM RECOMMENDATIONS:

- The Commission recommends that the State suspend the Wicks law for school district construction projects.
- The Commission recommends that the State reduce planning and reporting requirements for local school districts.
- The Commission recommends that community-based pre-kindergarten programs receiving State funding be more closely aligned to the public school program. This would help ensure that pre-kindergarten for all children in New York is a quality experience that will properly prepare them for success in the early grades.

SECTION II: COSTING-OUT A SOUND BASIC EDUCATION

In *Campaign for Fiscal Equity v. State of New York*, the Court of Appeals directed the State to ascertain the cost of providing a sound basic education in New York City. The Executive Order charged the Commission to study the actual cost of providing all children the opportunity to acquire a sound basic education.

The Commission's review of academic, educational and governmental organizations identified three primary methods for determining the cost of a sound basic education:

- The **Econometric model** uses a sophisticated statistical model to estimate the costs associated with different levels of school district performance. This model has not been used officially by any of the states that have attempted a costing-out study.
- The **Professional Judgment model** uses panels of education professionals to determine the key elements needed in a school to produce the desired results. Costs are then assigned to the elements to determine an overall cost figure. This model uses a hypothetical approach to creating model schools.
- The **Successful Schools model** looks at the expenditures in school districts that have student performance that meets or exceeds expectations. This model looks at school districts that have a proven track record of success. This analysis is considered to be particularly useful in determining the costs of operating successful school districts because it uses real-world comparisons rather than hypothetical models.

Research also revealed that the professional judgment or successful schools models had been employed by several states, including Maryland, Wyoming and Ohio.

In New York, the Campaign for Fiscal Equity (CFE), the plaintiff in the Court of Appeals case, conducted a study that largely relied on the Professional Judgment model. The Commission considered that study as part of its work.

The Commission preferred the Successful Schools model as the most appropriate, effective and empirical approach for analysis. This model determines the cost of providing a sound basic education based on actual data from school districts that have a proven record of success. This model was utilized by the State Board of Regents as part of its proposal to reform the State aid system. However, the model also requires a number of professional judgments that cannot be empirically determined.

New York State has data similar to that used to identify successful school districts in other states. The Commission therefore adopted a list of criteria to select successful

school districts for the study. Those criteria included student performance on State tests, the percentage of students earning Regents diplomas, and dropout rates.

Using that data, the Sub-committee on Successful Schools then considered several options for defining successful school districts, and recommended that three options be analyzed to determine the cost of providing an education in those schools.

The first two options identified by the Sub-committee are based on the Federal No Child Left Behind (NCLB) Act of 2001, which requires all students to demonstrate proficiency on state-defined standards by 2014. States set the standards and the benchmarks against which student performance will be measured.

In New York State, a complex formula is used to determine whether schools and districts are meeting their benchmarks. Essentially, students who score at a level of proficient or better are awarded 200 points for their test scores; students who are at the basic level are awarded 100 points. The scores are then averaged. A perfect score on the performance index would be 200. If 80 percent of students were performing at a proficient level, and the remaining 20 percent were at the basic level, the school or district(s) score would be 180.

Based on these performance measures, the Commission developed three options for analyzing successful school districts. These options follow.

Option 1: This option, based on the NCLB criteria, demonstrates how much it would cost to meet the 2008 performance standard. It also incorporates the percentage of students who earn a Regents Diploma and the school's dropout rate. The 2008 performance index targets would be 162 for fourth grade Math, 154 for fourth grade English Language Arts (ELA), 129 for eighth grade Math, 144 on eighth grade ELA, 159 on high school Math and 165 on high school ELA.

Option 2: Similar to Option 1, this NCLB option demonstrates the cost of meeting standards in 2006 based on performance index targets, Regents Diploma rate and dropout rate. The performance index targets would be 149 for fourth grade Math, 138 for fourth grade ELA, 105 for eighth grade Math, 126 on eighth grade ELA, 146 on high school Math and 154 on high school ELA.

Option 3: The Board of Regents used a Successful Schools approach in their State aid proposal this year, and the Commission desired an analysis of this approach as well. This approach used scores on seven exams to identify Successful Schools: fourth grade ELA and Math, Regents English, Math A, Global History, U.S. History and Earth Science. Under this option, only school districts in which 80 percent of their students were proficient scoring over a three-year period were considered successful.

The Sub-committee also concluded that an efficiency factor should be used so that the Successful Schools model measured only schools that were operating efficiently. The Regents employed a similar approach in their study, described in option 3 above. The

Regents measured efficiency by ranking the expenditures of the identified districts and using the expenditures of the lowest 50 percent to create an average. This factor will be calculated for each option. In addition, expenditures will be provided for districts spending at the 25th, 50th, and 75th percentile for each option.

The Commission requested that Standard and Poor's (S&P) conduct an analysis of spending by successful school districts to help determine the cost of providing all students the opportunity to acquire a sound basic education. The S&P analysis used four different options to identify successful school districts, which generated a range of additional costs from \$2.5 billion to \$5.6 billion. The educational standards used by Standard and Poor's could be used by the State in determining the cost of providing the opportunity for a sound basic education. The Commission believes the decision on which educational standard to use should be left to the State's elected leaders.

In considering the issue of funding the Commission considered the following factors which are not included in the S&P study:

1. The ability of local school districts to operate more efficiently and effectively using the reforms proposed in this report.
2. The ability of poorly performing schools and districts to absorb and use increased funding effectively.
3. The need for the State and local school districts to plan for the effective use of the additional funds.
4. A cautious and prudent estimate of the level of effort suggested by various indicators that would be necessary to provide a significantly improved education in poorly performing schools statewide, dependent upon the extent to which those schools, their districts and the state put in place the necessary resources and accountability measures.
5. The fiscal capacity of New York State, localities and school districts.

After reviewing the results provided by S&P, the results of the costing-out study by the Campaign for Fiscal Equity and the funding proposals of the State Board of Regents, the Commission recommends that a reasonable place to start is a range of \$2.5 billion to \$5.6 billion from State, local and Federal sources. The State's elected leaders should make a choice of funding within this range. It should be phased in over five years. The State should review the selected level of funding and the performance of the poorly performing schools after three years to determine if any adjustments are needed.

The State's portion should be distributed using the school aid formula recommended by the Commission to ensure new funding is targeted to the school districts with the greatest need. The remainder will be provided by a combination of increased efficiency in operations and increases in federal and local funds. The

Commission also suggests that the work during the first year focus on the implementation of a planning and accountability system, with the bulk of the funds being provided to districts to help them plan and prepare for the utilization of new monies in the following and subsequent years.

In assessing this recommendation, the Commission recognized the uncomfortable fact that there is no compelling evidence that more money alone will improve education in the poorly performing schools. However, it is the judgment of the Commission and educational professionals that if sound, proven programs are properly funded, then there is every reason to expect that educational achievement will improve.

The Commission believes that the State has the information needed to craft an appropriate response to the decision in the CFE court case. The Commission believes that the gradual infusion of new monies into this system must be accompanied by a newly developed system of planning and accountability for resources and performance.

SECTION III: STATE AID TO EDUCATION

For many years, critics have complained about the complexity and inadequacy of New York’s school aid formula. In his 2001 State of the State address, for example, Governor Pataki referred to the school aid formula as a “dinosaur” that tied the hands of local school officials. For several years, the Governor has attempted to simplify the State aid formula, and in his 2004 State of the State address, the Governor provided a number of guiding principles for reforming education, including several directly related to reforming school aid.

It was, therefore, no surprise that at each public hearing held by the Commission, testimony was presented describing the failings of the current school aid formula. Many witnesses called for a simpler, fairer system of funding education — a system that better recognized student need and the ability of local communities to pay for their schools. Others complained that many categories of State aid direct how local school districts must spend funds, thus tying the hands of local school officials. Still others complained that the large number of aid categories made it difficult for school districts to predict how much aid they would receive in any given year.

A. SCHOOL AID SIMPLIFICATION

The Commission recommends that a simplified State aid system be created based upon the cost of providing a sound basic education in each school district. The system would be simple to understand, predictable, and totally transparent, so that taxpayers and district administrators know what to expect and why. It would take account of regional cost differences throughout the State, and would recognize additional needs of children at risk of educational failure and for those living in rural areas. Along with increased flexibility, accountability for the planning and use of the funding would be increased, as described in the Accountability section of this report, to ensure that districts maintained strong educational programs.

In order to accomplish these goals, the Commission recommends combining most existing State aid categories into a single operating aid formula. This reform will reduce the number of aid categories from thirty-seven to eleven. Basic operating aid would provide the State share of the basic cost of education, based on the cost of providing an opportunity for a sound basic education. It would include adjustments for differences in regional costs and sparsity. The State and local school districts would share in the basic cost amount, in a manner that reflected local school districts’ fiscal ability to generate local funds, as measured by its property wealth and income. The Commission recommends that no revision of the school aid formula should result in a district receiving less than the year before, with the new resources being allocated according to need.

In addition, Supplemental Needs Aid would be designed to help districts with the extraordinary cost of educating students living in poverty and students with limited English proficiency. This aid would predominately be allocated to high-need school districts. Supplemental Needs Aid would be financed primarily from a dedicated fund as

described in the Resources section of this report, and as part of a State, local, and Federal partnership.

B. AID FOR INSTRUCTIONAL MATERIALS AND EXPENSE-BASED AIDS

In its CFE decision, the Court of Appeals recognized the importance that instructional materials such as computers, software, textbooks and library materials play in providing children the opportunity for a sound basic education. The need can be especially acute in New York City and other high-needs school districts.

New York State provides aid for instructional materials in several separate categories. All districts would benefit from greater flexibility in the use of the current funding. At the same time, high-need school districts require additional help to provide the basic instructional materials to their schools.

Accordingly, the Commission recommends that the current formulas for textbooks, computer software, library materials and computer hardware be combined into a single, two-tiered flexible formula. Tier 1 would include the current per pupil amounts for textbooks, computer software and library materials. Tier 2 would provide aid based on a new, equalized formula that recognized the difficulty that low-wealth school districts have in providing adequate instructional materials.

Students in nonpublic schools would continue to benefit from loans of instructional materials based on the new aid amounts and the flexibility among categories.

In addition, New York State has several categories of aid that reimburse school districts for expenses incurred in the previous school year. These expenses, such as transportation, school facilities and services purchased from Boards of Cooperative Educational Services (BOCES), vary from district to district. It is appropriate to reimburse school districts for certain expenses rather than include these expenses in general operating aid. The Commission recommends that the State continue to provide aid to districts for these expenses.

C. AID FOR SPECIAL EDUCATION

The simplified school finance system should also reform the way that the State finances special education in order to eliminate the incentives to refer special education children to overly restrictive settings.

When compared to other states, New York serves a disproportionate number of disabled students in restrictive settings. Approximately thirty-nine percent of New York's special education students are in restrictive settings, as compared to the national average of twenty-four percent. To ensure special education placements are made without regard to funding, New York's formula should be made fiscally neutral while continuing to provide additional assistance for severely disabled students placed in high cost programs.

The Commission recommends that the various weightings for students in special education, which are currently based on the amount of services provided to children, should be combined into a single, appropriate weighting. At the same time, the Commission recommends that the current, separate aid formulas for severely disabled children be combined and continued.

D. PRE-KINDERGARTEN

In 1997, the State adopted a new universal pre-kindergarten grant program building upon the experimental pre-kindergarten program for at-risk children started in 1966. The universal pre-kindergarten program was designed to expand pre-kindergarten opportunities into all school districts around the State. Among the items cited as impacting the expansion of the program were the lack of space in existing school facilities, a lack of community-based providers willing or able to participate in the program, a lack of certified teachers, concerns by local school districts about the stability of State and local funding, as well as the belief that existing pre-kindergarten programs are sufficient.

In many school districts, pre-kindergarten funding was used to pay for programs operated by community-based organizations. During visits to New York City schools, critical commentary was given about the lack of a specific connection between the curriculum used by community-based programs and the public schools. Community-based pre-kindergarten programs receiving State funding should be more closely aligned to the public school program. This will help ensure that the pre-kindergarten experience of all children in New York is a quality experience that will properly prepare them for success in the early grades.

At each public hearing, testimony was heard from parents, administrators and teachers about the benefits of pre-kindergarten opportunities. They called for stabilizing and enhancing the coordination of these programs. The Commission supports this goal.

E. LOCAL EFFORT

Local school districts and large cities play a critical role in ensuring that schools are adequately funded. In the 2001-02 school year, the State's local school districts provided almost half of all funds across the State (46.4 percent of total school revenues), with the State providing a slightly larger percentage (48.6 percent), and with an additional 5.0 percent coming from Federal sources. The Salerno Commission recommended that all school districts, regardless of their ability to pay, continue to be participants in the State's school aid system, in recognition of the longstanding relationships between the State and local governments. The Commission recommends that the State continue this vital state-local partnership for funding public school education.

According to data obtained from the State Education Department, the property tax rate imposed by local school districts varies widely from district to district. The real

property tax rates for such districts range from \$11.00 per \$1,000 of full value for the wealthiest decile, to \$15.88 for the poorest decile. The highest average tax rate is \$17.22 (in the sixth decile). New York City's tax rate is \$14.47. The highest full value tax rate in the State is \$34.40, and the lowest is \$2.60. The State average, including New York City, is \$15.10 per \$1,000 of full value.

In CFE, the Court of Appeals noted that New York City's relative lack of local effort could merit review in any reform of the State school financing system. According to that decision, if the State believes that deficient New York City fiscal effort contributed to educational problems in New York City, the State could mandate increased effort.

However, previous efforts in New York to require a minimum local effort have been ineffective. In 1982, for example, the New York State Special Task Force on Equity and Excellence in Education (the Rubin Task Force) noted that New York State had a long history of enacting statutes requiring local effort checks but then not allowing them to operate. Nevertheless, the Rubin Task Force recommended that the State require every district with below average expenditures to meet a minimum local expenditure check or a minimum average tax effort. Subsequent to the Rubin Commission report, the minimal local effort check provisions still on the books have generally been rendered ineffective.

In addition, based on extensive research, the Commission found that the vast majority of the states do not have local effort requirements. In fact, only eight states outside of New York do have specific local effort requirements in their public school funding structure. The Commission does not recommend that the State school finance system mandate any minimum local property tax effort, or local property tax increases.

Local effort presents an additional challenge in the five Big City school districts across New York State. In these districts, the cities themselves provide funding to local schools, thus affording them the opportunity to substitute increased State aid payments for their own contributions to the education budget. The State Education Department analyzed the local contribution by the Big Four cities to their school districts from 1993-94 to 1999-2000 and found that their contribution had declined per pupil over this time period while State aid per pupil was increasing.

The following table highlights the fact that while the State share of education financing for the Big Five cities has increased, local funding as a share of the total has shown an overall decline.

**State and Local
Revenue Trends in the Big 5 City School Districts
1994-95 vs. 2001-02
(in thousands)**

	School Year	Local Revenues	Percent of Total	State Revenue*	Percent of Total	Federal Revenue	Percent of Total	Total Revenue
NYC	1994-95	\$3,898,118	50.0%	\$3,264,671	41.9%	\$629,025	8.1%	\$7,791,814
	2001-02	\$4,901,396	41.1%	\$6,124,112	51.3%	\$905,438	7.6%	\$11,930,946
Buffalo	1994-95	\$88,115	20.8%	\$299,826	70.9%	\$34,865	8.2%	\$422,806
	2001-02	\$98,209	17.5%	\$398,314	71.0%	\$64,118	11.4%	\$560,642
Rochester	1994-95	\$139,549	38.0%	\$203,415	55.3%	\$24,646	6.7%	\$367,610
	2001-02	\$127,596	25.5%	\$322,756	64.5%	\$50,187	10.0%	\$500,538
Syracuse	1994-95	\$66,335	31.2%	\$130,882	61.6%	\$15,331	7.2%	\$212,548
	2001-02	\$63,512	23.3%	\$180,534	66.2%	\$28,840	10.6%	\$272,885
Yonkers	1994-95	\$148,561	61.6%	\$84,247	34.9%	\$8,397	3.5%	\$241,205
	2001-02	\$116,944	29.9%	\$248,709	63.6%	\$25,553	6.5%	\$391,205

Note: Total Revenue includes the General Fund, Special Aid Fund, Debt Service Fund and Risk Retention Fund.

* State Revenue includes STAR in 2001-02 data.

Source: State Education Department Fiscal Analysis and Research Unit

One form of local effort check that can be effective is a maintenance-of-effort requirement similar to that in effect for New York City. In 1976, overriding Governor Carey's veto, the Legislature enacted Chapter 132 of the Laws of 1976, the Stavisky-Goodman Law. Under its provisions, this law required the City of New York to appropriate for the purposes of the City school district an amount at least equal to the average of the proportion of the City budget appropriated for schools over the three previous years. Vagaries of the law, however, prevented it from being implemented effectively.

Chapter 91 of the Laws of 2002, which reorganized the governance structure of the New York City public school system to increase mayoral control, also included a revised maintenance-of-effort provision. This provision prohibits New York City from reducing its own spending on schools from the level provided in the preceding year, unless overall City revenues decline. In such an event, the amount of City funds may not be reduced by more than the annual percentage decrease in overall City funds.

The other large city school districts that are dependent on city government for their funding have no similar maintenance of effort provision. The lack of such a provision for these cities allows them to reduce local revenues to the schools at the same time State aid is increased, a fact that, according to several witnesses, has resulted in the

four dependent school districts (Buffalo, Rochester, Syracuse and Yonkers) reducing their contribution to their school systems. The Commission therefore recommends that the current maintenance-of-effort provision for New York City should be continued and extended to the other four dependent school districts.

SUMMARY OF RECOMMENDATIONS FOR STATE AID TO EDUCATION

SCHOOL AID SIMPLIFICATION

The Commission recommends combining most existing State aid categories into a single operating aid formula. This action will reduce the number of categories from thirty-seven to eleven.

- Basic operating aid should be designed to provide the State share of the basic cost of education.
 - The basic cost amount would be set consistent with the cost of providing a sound basic education, including adjustments for differences in regional costs and sparsity. The State and local school districts would share in the basic cost amount based on district need measured by property wealth, income and high-needs students.
 - School districts would receive additional funding within operating aid based on weightings for students with disabilities.
 - The Commission recommends that no revision of the school aid formula should result in a district receiving less aid than the year before, with new resources being allocated according to need.
- The new Supplemental Needs Aid program should be designed to help districts with the extraordinary cost of educating students living in poverty and students with limited English proficiency, adjusted for differences in regional costs and sparsity.
 - The State and local school districts would share in these costs with these additional State funds being reflective of these extraordinary costs.
 - Supplemental Needs Aid would be generated by pupil weightings based on the increased costs of educating students living in poverty and students with limited English proficiency.
 - Each school district receiving this aid would provide a plan for the expenditure of such funds and account for these funds separately from the rest of their general fund. The State must ensure that school districts with poorly performing schools use this funding to provide students in the

poorly performing schools with the opportunity for a sound basic education.

INSTRUCTIONAL MATERIALS AND EXPENSE-BASED AIDS

- The Commission recommends that the current formulas for textbooks, computer software, library materials and computer hardware be combined into a single, flexible formula.
 - Tier 1 will include the current per pupil amounts for textbooks, computer software and library materials.
 - Tier 2 will be a new equalized formula that recognizes the difficulty low wealth school districts have in providing adequate instructional materials.
 - Students in nonpublic schools would continue to benefit from loans of instructional materials including computer hardware based on the new aid amounts and the flexibility among categories.
- The Commission recommends that the State should continue to provide aid to school districts for their transportation, school facilities, computer administration, career education, and BOCES costs.

SPECIAL EDUCATION

- The Commission recommends that the current weightings for students in special education based on services provided should be combined into a single, appropriate weighting.
- The Commission recommends that the current high cost, excess cost aid formula should be continued and combined with the private excess cost aid formula to assist districts with the cost of serving severely disabled students.

PRE-KINDERGARTEN

- The Commission recommends that funding for pre-kindergarten programs be stabilized through the new operating aid formula to ensure continuation and stability of this program.
- The Commission recommends that community-based pre-kindergarten programs receiving State funding be more closely aligned to the public school program. This would help ensure that the pre-kindergarten experience of all children in New York is a quality experience that will properly prepare them for success in the early grades.

LOCAL EFFORT

- The Commission recommends that the current maintenance-of-effort provision for New York City be continued, and that a similar maintenance-of-effort provision be extended to the other four dependent school districts.

SECTION IV: PLANNING AND ACCOUNTABILITY SYSTEM

The *Campaign for Fiscal Equity v. State of New York* decision requires the State to develop an accountability system to ensure that the new funding and reforms have the desired effect. Presently, the State has two primary accountability mechanisms to identify poorly performing schools. First, the Schools Under Registration Review (SURR) process uses the State's authority to register schools to hold them accountable for student performance. Through this process, the State Education Department identifies schools that have the greatest performance deficiencies and requires them to participate in a school improvement process.

The second accountability system already in place in New York is the No Child Left Behind Act adopted by the Federal government in 2001. This system links new accountability requirements to Title I education funding. This act required states to develop accountability systems based on testing and New York State's accountability system was among the first approved by the United States Department of Education under the NCLB requirements. This system establishes performance targets based on the progress that must be made to ensure that all students are proficient in State designated standards by 2014, and sets annual yearly progress targets for schools that are not making sufficient progress toward this goal.

ACCOUNTABILITY FOR PERFORMANCE: PLANNING AND ALLOCATING RESOURCES

The Court of Appeals decision recognized that the current mechanisms in place, including the Federal No Child Left Behind system and the SURR process, provide an element of accountability. However, the Commission believes that a much stronger accountability system is absolutely essential.

There is no system currently in place to sufficiently allow the State to track the allocation of resources among the schools in New York City. It is imperative that where poorly performing schools exist, resources in the form of motivated school leaders, highly qualified teachers, sufficient instructional materials and other essential inputs are available to remediate academic deficiencies. A more targeted and efficient system of tracking the success of districts in providing such resources is key to ensuring the State's success in providing the opportunity for a sound basic education to students in all schools. New York State needs to strengthen its school improvement planning and accountability system to ensure the proper allocation of new and existing educational resources.

The Commission recommends that the State adopt legislation that expands the planning and accountability process for poorly performing schools. The Commission believes that schools that have less than half of their students meeting standards on State assessments and have a significant percentage of students with serious academic deficiencies must go through an extensive improvement planning process.

The State must require that school districts with poorly performing schools develop a plan with specific initiatives for improvement. Each school district with one or more poorly performing schools, as identified by its student performance data, will be required to develop a three-year plan for improving student performance for each poorly performing school. The plan would be developed in cooperation with groups representing parents, teachers and administrators from the poorly performing school. If the administrators or teachers do not agree with the plan approved by the board of education and submitted to the State, they may submit their objections to the State with the plan. The State Education Department will assist the school district in developing this plan by identifying similar schools with successful student performance, and identifying the differences in educational programs between successful schools and poorly performing schools.

The process requires that the school community identify the problems in a poorly performing school. The district must show a clear analysis of the school's needs based on the data available to identify the problems. The problems may include: poor attendance, poor leadership, lack of parental involvement, lack of student discipline and school safety, overcrowding, excessive class size, uncertified, underperforming teachers, lack of standards based instruction to provide continuity from grade to grade, lack of experienced teaching staff, lack of a clear and consistent professional development program for staff, lack of up-to-date instructional materials or technology, and other problems.

Once the problems are identified, the district staff must demonstrate how they plan to solve the problems. This portion of the plan must contain specific actions to be taken and a timeline for taking them. The actions to be taken by a poorly performing school must have worked in another location or the district must provide reasons why the action will work in their district. In poorly performing schools experiencing a problem with disruptive students, the plan must include creation of alternative placements for disruptive students to improve the learning opportunity for other students.

In addition, the State Education Department should provide the district with information on the characteristics of similar schools that have improved performance such as school culture; administrative leadership and support; use of data for instruction and program improvement; specialized staff development; mentoring for new teachers and administrators; parental involvement; student and family support services; supplemental programs for small group literacy and math instruction; school uniforms; alternative placement for disruptive students; and time on task.

In the last section of the plan, the school district will identify the resources necessary to carry out the plan. The Commission recommends that the State should require local school districts that have a poorly performing school to provide resources from Federal, State and local sources equal to the regionally adjusted amount per pupil necessary to ensure an opportunity for a sound basic education to students in each poorly performing school. This recommendation should be phased in over five years.

Similarly, planning is an important part of continuous school improvement for all school districts. School districts should always be looking ahead to foresee changes and challenges that must be addressed in the school system. In recent years, several states have instituted a system of comprehensive school planning to ensure schools are prepared to meet the needs of their students. Currently, school districts in New York are required to complete at least 112 plans and reports annually. The existing planning and reporting requirements are said to be duplicative and do little to promote continuous school improvement and close the student achievement gap. Many school districts in New York have done an excellent job of planning for the future. These districts should be supported by eliminating duplicative planning and reporting requirements contained in State law and regulation.

The Commission recommends that the State adopt legislation to require all school districts to adopt a three-year comprehensive school improvement plan. Development of the plan should include all members of the school community. The plan should consider issues such as student performance, educational programs, State and federal impacts, staffing, enrollment, facilities, technology and the financial condition of the district. In order to ensure this planning requirement does not become an additional burden to school districts, the State should adopt the recommendation to streamline the current planning and reporting requirements contained in the mandate relief section of this report and the school aid formula simplification recommendations contained in the State aid section of the report to reduce the paperwork burden on local school districts and free up the time of administrators to conduct a more meaningful planning process.

ACCOUNTABILITY THROUGH RESTRUCTURING, SANCTIONS AND THE OFFICE OF EDUCATIONAL ACCOUNTABILITY

The Commission recommends that the State establish an independent Office of Educational Accountability to oversee implementation of the improvement plans for poorly performing schools and schools under registration review. This Office must be kept separate from the technical assistance being provided to school districts by the State Education Department in the development of the improvement plans, to ensure that the results of these improvement efforts are assessed by an entity that was not involved in planning them. The Director of the independent Office of Educational Accountability should be appointed by the Board of Regents with the approval of the Governor for a term of six years that may be renewed by the Regents with the approval of the Governor.

A school accountability system must have real sanctions for those schools that fail to improve. The Federal No Child Left Behind Act has provided parents with two options to be used during the initial years of identification of a school as poorly performing. In the first year, parents are offered the option of choosing another school in the district. In the second year, parents continue to receive choice and are also offered vouchers for supplemental educational services or tutoring. Although these options provide some students with assistance, a majority of students remain in attendance at the poorly performing school. Something must be done to improve this school for the students still in attendance.

If, after the third year, a school fails to meet performance expectations after implementation of an improvement plan, the school will be closed. A new, restructured school will be opened with a new principal and staff in accordance with local agreements. In addition, parents would be offered the opportunity to convert the school to a charter school.

At the end of the sixth year, if the school fails to meet performance expectations after closure and re-configuration or conversion to a charter school an interim administrator will be appointed to manage the school and order the district to make recommended improvements. The interim administrator should assume the powers of the local school board and superintendent for the designated school, including hiring a principal and staff and ensuring improvements are made.

Funding for the independent Office of Educational Accountability should be provided from the revenue stream established to fund the reforms. The Office should have the following responsibilities:

1. Evaluate student performance data and ensure the annual report to the Governor, the Legislature, the Board of Regents and the public on student performance statewide is made in a timely manner.
2. Ensure local school districts report to the public on their student performance.
3. Ensure school districts notify parents when a school is identified as poorly performing.
4. Ensure school districts notify parents of their options under No Child Left Behind (school choice and vouchers for tutoring).
5. Establish criteria for identifying poorly performing schools that will be required to develop three-year improvement plans.
6. Review and approve the school improvement plans.
7. Make periodic site visits to ensure that plans are being implemented on the proposed timeline.
8. Hold school districts accountable for implementing the school improvement plan.
9. Order districts to take the actions contained in the approved plans with a set of sanctions for districts that fail to follow through. These sanctions may include speeding up the timetable for closing or re-configuring the school.

10. Review and approve a plan for the allocation of resources among the schools in New York City and all other school districts with poorly performing schools to ensure each poorly performing school has adequate educational resources to provide an opportunity for a sound basic education, consistent with the recommended five-year phase-in.

ACCOUNTABILITY FOR PROGRESS/EDUSTAT

In addition to the current difficulty in tracking how resources are allocated among schools within a district, New York's current assessment and accountability system fails to provide a clear sense of the performance of individual students. It therefore can only inform programmatic changes that may improve student performance generally. A stronger system would allow an individual student's progress to be tracked longitudinally, regardless of whether that student remains in the same school or even the same class. To achieve these objectives, the Commission recommends the creation of a new tracking and accountability system called EduStat under the oversight of the independent Office of Educational Accountability.

The EduStat system would better enable teachers, administrators and parents to improve each student's performance based on assessments that tracked progress over time, rather than tests that measure knowledge at a moment in time. Furthermore, such a system would allow systemic improvement and ensure that each participant in a child's education could be appropriately held accountable. This system will allow school officials to be more efficient in their program planning and implementation by providing an analysis of return on investment.

The EduStat system should also be used to help track how effectively State and local resources are utilized at the local school level. This additional financial information and data would enable State and local policymakers to make better-informed judgments on education related policies and reforms each year. The Commission recommends that EduStat be designed to track a wide array of information, including school performance, attendance and dropout data.

A review of the State's dropout data, graduation rates, enrollment data and student performance data indicates some school districts in New York State have alarmingly high numbers of dropouts. These students are often lost in the system, and simply walk away without notifying school officials that they are dropping out. In 2002, the State's public school enrollment was 2,832,217 students. A grade-by-grade analysis of the data shows higher than expected enrollment in 9th grade due to repeaters and then a sudden drop off in enrollment in 11th and 12th grade due to dropouts. Based on the statewide enrollment figures, average grade enrollment should be more than 215,000 students. However, New York State graduates only about 150,000 students each year. These figures provide compelling evidence of the need to dramatically overhaul New York's school accountability system.

The State should track every student in the education system. The Commission recommends that a system be created to track student performance as they change schools or districts. The Board of Regents has begun to develop a student tracking system. It is needed now so that EduStat may be implemented to enhance the data-driven decision making of local school officials based on accurate and individualized information.

The Commission also recommends that local school officials be required to develop specific initiatives to ensure student accountability and involvement, including academic and counseling plans to keep potential dropouts in school and to encourage dropouts to return to school.

ACCOUNTABILITY — A SHARED RESPONSIBILITY

As noted earlier, it is important that the role and responsibility of each participant in the educational system be clearly defined so that they may be appropriately held accountable. Currently, New York is one of two states where the State board of education is appointed without input from the Governor. In order to enhance accountability, the Board of Regents should be required to report annually to the Governor at a public meeting on student performance, the impact of policy and regulatory changes on school district finances and possible future changes in policy and regulations and their financial impact.

While superintendents, principals and teachers must have authority commensurate with accountability, parents also exercise their voice in how schools are run. They are responsible for ensuring that their children come to school prepared to learn. At the same time, they, too, should recognize their authority. According to several studies, children do better when their parents are involved in their education. Principals and teachers must seek new ways to build lasting partnerships with parents. The Commission hopes that such steps will encourage parents to inspire their children to read at home, complete their homework, and limit the number of hours spent in front of the television.

A new law enacted last year is creating community district education councils across New York City as a way of encouraging greater parental involvement in local schools. Parents have the opportunity to participate in monthly meetings, evaluate the district's needs and help shape their children's schools in a way that meets their children's needs. Parents should also be involved as citizens. Parents need to take the time to understand the governing of their school districts. They should know the members of their school boards and participate in the governing process.

Parents have a critical role in the integrated education of their child. These obligations can be succinctly formulated and a public education program should be developed and implemented to ensure that every parent becomes committed to discharge their obligations in the education of their child.

And, of course, regular attendance plays a critically important role in a student's ability to achieve a sound basic education. School district administrators, teachers and parents must redouble their efforts to place a strong emphasis on proper attendance practices, and strengthen their policies to respond effectively to students who display poor attendance patterns.

The Commission recommends that poorly performing schools be required to develop specific plans and initiatives to assist and ensure parental accountability and involvement.

Children at an early age must also come to understand the importance that education will play in their lives and how they can help themselves and their peers in gaining an adequate education. The attitude of a child toward his/her school or teacher or fellow students is an important factor as is the willingness of children to help each other along the way. Some of the more successful schools the Commission has examined have achieved remarkable results in motivating and encouraging their pupils.

Currently, many schools removed from the SURR list because of improved performance take steps to recognize the improved student achievement that led to removal from the list. A good accountability system should include recognition for good performance, as well as consequences for poor performance. Recognition gives schools something to strive for while consequences give schools something to avoid. The Commission recommends that the State create the Governor's Award for School Improvement to highlight schools each year that show the most improvement.

SUMMARY OF ACCOUNTABILITY RECOMMENDATIONS

Planning and Allocating Resources

- The Commission recommends that the State should require an allocation plan to be developed by New York City and school districts with poorly performing schools with such plan to be approved by the independent Office of Educational Accountability to ensure that each school has the educational resources — including qualified teachers and sufficient instructional materials — necessary to provide the opportunity for a sound basic education, consistent with the recommended five year phase-in.
- The Commission recommends improving accountability by using more rigorous standards to identify schools subject to improvement plans that will be monitored for implementation. These standards would be developed by the independent Office of Educational Accountability (OEA).
- The Commission recommends that the State require that school districts with poorly performing schools develop a plan with specific initiatives for improvement. Each school district with one or more poorly performing schools, as identified by its student performance data, will be required to develop a three-

year plan for improving student performance for each poorly performing school. The plan would be developed in cooperation with groups representing parents, teachers and administrators from the poorly performing school.

- The Commission recommends that the State should require local school districts that have a poorly performing school to provide any such school with resources from Federal, State and local sources commensurate with the regionally adjusted amount per pupil determined by the State aid formula. This will help ensure each child receives an opportunity for a sound basic education. Each school district will be required to submit a plan to the independent Office of Educational Accountability showing how they will provide adequate funding and programs to the poorly performing schools in their district. This recommendation should be phased in over five years.
- The Commission recommends requiring poorly performing schools to develop alternative placement for disruptive students to improve the learning environment for other students. This would ensure school safety and would strengthen the existing Project SAVE law, which requires codes of conduct, school safety plans and removal of persistently disruptive pupils.
- The Commission recommends that local school officials be required to develop specific initiatives to ensure student accountability and involvement, including academic and counseling plans to keep potential dropouts in school and to encourage dropouts to return to school.
- The Commission recommends that all districts be required to plan for continuous improvement and that districts in which no schools are identified by the criteria developed by the Office of Educational Accountability should be provided relief from the currently required plans by consolidating reporting requirements into a single comprehensive plan.

Restructuring, Sanctions and the independent Office of Educational Accountability

- The Commission recommends that the State create a new independent Office of Educational Accountability to oversee the accountability process and monitor the improvement of poorly performing schools.
- The Commission recommends that if a poorly performing school is not improved within three years, the entire school must be closed. A new restructured school will be opened with a new principal and staff in accordance with local agreements. In addition, parents would be offered the opportunity to convert the school to a charter school.
- The Commission recommends that in cases where a school continues to fail to make sufficient progress for three more years, an interim administrator be

appointed by the independent Office of Educational Accountability to manage the school and order the district to make improvements.

EduStat

- The Commission recommends creating a new value-added accountability system, called EduStat, which will provide school districts, individual schools, parents, and State officials with the detailed information they need to review yearly progress of each student to ensure every child receives an opportunity for a sound basic education.
- The Commission recommends that the EduStat system be designed to track a wide array of information, including school performance, attendance and dropout data.
- The Commission recommends that the EduStat system also be used to help track how effectively State and local resources are utilized at the local school level. This additional financial information and data would enable State and local policymakers to make better-informed judgments on education related policies and reforms each year.

Shared Responsibility

- The Commission recommends requiring the Board of Regents to report to the Governor at an annual public meeting on student performance and the impact of current and future policies on school district finances.
- The Commission recommends requiring school districts with poorly performing schools to develop specific plans and initiatives to ensure parental accountability and involvement.
- The Commission recommends that the State create the Governor's Award for School Improvement to highlight schools each year that show the most improvement.

SECTION V: SCHOOL FACILITIES AND BUILDING AID

The Executive Order charged the Commission to evaluate reforms to State financing and school facilities. The Commission has concluded that the financing of school facilities should be reformed to make better use of State and local resources, and to ensure that our children have the quality educational facilities they require to learn and succeed. School districts must utilize the most efficient construction practices to ensure construction costs fall within reasonable cost limits, and these cost limits must be carefully crafted to provide realistic allowances for construction costs and student-based space needs.

To assist New York City and other school districts in enhancing the cost-effectiveness of their school construction programs, the Commission supports legislation that would provide schools across the State with access to construction advisory services from the State Dormitory Authority. These services could include assisting school districts with their development of construction master plans, development of detailed feasibility studies and cost-benefit analyses, and independent third-party reviews of construction plans and designs.

BUILDING AID IN OTHER STATES

In many states, school facilities have been a local responsibility with state funding supporting operational and instructional needs. Recently, states have begun to take a greater role in funding facilities. As a result, school facilities may be funded by state or local sources, or a combination of the two.

The level and type of support range from states that fund school facilities fully to states that provide no aid at all. In addition, there are many different funding options: subsidies, reimbursement, matching funds for projects; establishment of a funding formula for all school districts; low-interest loans for less wealthy schools; and legislative and gubernatorial approval of projects. Some sixteen states fund schools primarily through local sources, with twelve of these states providing no state funds for school facilities; thirteen states fund them primarily through state sources; and twenty-one states share the expense with local school districts.

There are twenty-six states that require school districts to submit long-range facilities plans to the state for approval. Although some states allow local districts to choose how to spend their capital finance aid from the state, most require some level of state oversight and approval for each individual project receiving state aid. There are 19 states that do not require any state approval of projects.

Five states (Alabama, Indiana, Kentucky, South Carolina and Virginia) have some form of flat grant that provides districts with a standard amount of financing for capital costs. There are twenty-two states that have equalized funding programs, providing aid in an inverse relationship to a district's wealth.

BUILDING AID IN NEW YORK

Building aid in New York State is available for approved public school expenses incurred in the construction of new school buildings, additions and alterations to, or modernization of, district-owned buildings. Such approved expenditures may also include the purchase of existing structures for school purposes and, in some cases, lease and installment purchase payments. The building aid formula is wealth-equalized, with the State providing higher percentages of reimbursement to low property wealth school districts (school district income wealth is not considered in building aid, except in the most limited circumstances) and lower percentages to high property wealth school districts.

State aid for all construction projects is paid over the useful life of the project. In most school districts State aid is paid over 15 years for reconstruction, 20 years for major construction/additions and 30 years for new buildings. In New York City, the State aid is paid over a 30-year period consistent with pre-existing statutory provisions.

For the 2003-04 school year, building aid to support school building projects throughout the State (including reorganization incentive aid for building expenses incurred by those school districts that reorganize under section 3602 of the Education Law) will total nearly \$1.17 billion. This represents a dramatic increase of over \$630 million or 118 percent since 1994-95.

RECENT SCHOOL BUILDING AID TRENDS

In the 1997 legislative session, the State agreed to enhancements of the State's building aid program. A regional cost adjustment was included in the calculation of the maximum allowable project expense, effective July 1, 1998, to address the expense of building and repairing school facilities in high cost regions of the State. This enhancement particularly benefited New York City since the regional cost index now utilized in the formula for New York City is the highest in the State at 1.79, compared to a floor of 1.0 for the lowest cost regions of the State. Also, the State aid ratio (the State's share of allowable costs) was modified so that school districts received a minimum State aid ratio of 10 and a maximum of 95 percent with most other school districts also benefiting from enhanced aid ratios.

The State aid amounts shown in Table I depict State aid for school construction from 1998-99 to 2003-04. As the table demonstrates, between 1998-99 and 2003-04 State support for school construction increased from \$888 million to \$1.17 billion — an increase of over 30 percent. During this same time period, State support for school construction in New York City increased from \$243 million to \$405 million, an increase of \$152 million or over 66 percent. This dramatic increase, particularly in New York City, is reflective of the introduction of the regional cost allowance and other school construction incentives provided by the State.

The State aid decreases in the last two years displayed in Table I were largely the result of recent reforms to building aid. Instead of having their building aid based on actual debt service payments, districts are now aided based on the useful life of the facility and an average interest rate. This approach is more consistent with the way that the State pays New York City building aid, i.e. over a period of thirty years.

TABLE I
Recent Trends in New York State Building Aid*

<u>School Year</u>	<u>State Total</u> (amounts in millions)	<u>New York City</u>	<u>Percent of State Total</u>	<u>Rest Of State</u> (amounts in millions)	<u>Percent of State Total</u>
2003-04(est.)	\$1,168.69	\$404.77	34.63%	\$ 763.92	65.37%
2002-03(est.)	1,234.90	412.38	33.39	882.52	66.61
2001-02	1,616.57	427.89	26.47	1,188.68	73.53
2000-01	1,182.34	295.30	24.98	887.04	75.02
1999-00	1,135.43	289.11	25.46	846.32	74.54
1998-99	888.34	242.72	27.32	645.62	72.68

*Includes Reorganization Incentive Building Aid
Source: New York State Education Department

BUILDING AID FOR NEW YORK CITY

Historically, a wide array of problems has plagued New York City school construction efforts. These problems, highlighted by the Moreland Commission established in 1999, included dramatic cost overruns and poor budget planning. The historic school governance law enacted in 2002 by Governor Pataki and the Legislature provided Mayor Bloomberg with greater control over the School Construction Authority (SCA). This will allow the City to better coordinate its overall school construction efforts, reduce administrative costs, and ensure greater accountability for future projects, construction and renovation.

New York City's percentage of aidable costs for renovation projects appears to approximate, or even exceed, that of other school districts, with over ninety percent of New York City's expenditures being reimbursable. However, despite changes in aid ratios and regional cost adjustments to cost allowances, New York City's school construction efforts continue to face unique challenges.

In addition, construction costs for the SCA remain out-of-line with comparable costs in New York City. The unusually high cost of school construction and school construction cost overruns for SCA buildings have been a contributing factor that has led to the comparatively lower percentage of allowable costs for new construction in the

City. The State Dormitory Authority has developed an expertise in the cost-effective and efficient construction of public facilities. New York City and other school districts throughout New York State could benefit from this expertise.

According to State Education Department data the average cost to construct a seat for a high school student in New York State is just over \$25,000. The same seat costs \$40,000 in Westchester Country, but in the New York City proposed five-year plan that seat costs over \$70,000. Under the newly unified School Construction Authority in New York City, design standards have been modified to reduce building costs. However, at \$315 per square foot, these construction costs are more than 20 percent higher than comparable construction in the City. A new simplified State reimbursement methodology along with access to the State Dormitory Authority advisory services could narrow the remaining gap.

The Court's primary focus regarding school facilities in the *Campaign for Fiscal Equity v. State of New York* case, as noted above, is in relation to classroom overcrowding. The building aid incentives enacted in 1997 appear to have contributed to an increase in building aid activity in New York City. Based on enrollment projections and current capacity, New York City continues to need additional space. New York City attempts to address some of the overcrowding issues through its Five-Year \$13.2 billion capital plan for the 2005-09 school years. New facilities (or capacity, as the New York City plan calls it) account for thirty-one percent of New York City's capital plan. Under existing State building aid provisions, the State would provide New York City reimbursement for over sixty percent of allowable costs. However, if project costs continue to fall outside the regionally adjusted cost allowances, the school district will incur a greater proportion of the cost of such project.

OTHER ISSUES

At the public hearings, representatives of several school districts indicated their school district was experiencing difficulty with their constitutional debt limit that was making it impossible to finance needed projects despite high State aid ratios. Several years ago, the Legislature passed special legislation to allow Buffalo to use an alternative financing mechanism for their building projects. Other school districts should be afforded this option on a district-by-district basis.

Several Commission members raised concerns about the current building aid guidelines that push districts to renovate older structures rather than build new ones because more of the renovation costs are eligible for aid. This could lead school districts to opt for renovations that cost more than a new replacement facility. When structures are more than fifty years old, renovations are not always the best approach.

SUMMARY OF SCHOOL FACILITIES AND BUILDING AID RECOMMENDATIONS

1. The Commission recommends that the State Building Aid formula be amended to simplify the reimbursement methodology to provide allowances for construction costs based on student space needs, thereby allowing school districts to better understand and plan for the amount of building aid that they will receive. The Commission also recommends that the State Education Department review current provisions pertaining to aid for leased space to ensure school districts have sufficient flexibility to select the most cost-effective approach to address their school capacity issues.
2. The Commission recommends that in order to improve the cost-effectiveness and efficiency of school construction, the State should provide school districts with access to construction management services of the State Dormitory Authority. The Dormitory Authority could assist New York City and other school districts with reducing construction costs through services that include master planning; feasibility studies; cost-benefit analyses; analysis of materials selection; and third-party review of construction documents.
3. The Commission recommends that the State consider providing city school districts with needed flexibility to finance essential school construction through alternative financing mechanisms on a district-by-district basis.
4. The Commission recommends that the State Education Department should review the guidelines and regulations for facilities to determine if greater flexibility should be provided to school districts with facilities that are fifty years old or more to ensure the most cost effective choice between renovations of existing facilities and new construction.

SECTION VI: RESOURCES

The Court of Appeals' decision and its call for additional resources comes at a challenging time for New York, as State leaders are now working to close a multi-billion dollar deficit for the 2004-2005 fiscal year. In addition, with the State's economy still continuing its recovery from the economic damage caused by the tragedy on September 11, 2001, any new resources must be produced without having an adverse affect on the State economy. Moreover, without adequate planning and sufficient time to manage change, additional resources could be wasted.

During the Commission's six public hearings held across New York State, one common theme was repeated at each location. The State must make the school aid formula more stable and predictable. Under the current system, school districts must go through their entire budgeting process without knowing how much State aid to include in district revenues. Fluctuations in State revenue make it impossible for school districts to predict the level of State aid.

Since the State funds nearly half of school district expenditures, school boards are at a disadvantage when attempting to adopt a budget to put before the voters on the third Tuesday in May. The Legislature is now considering moving the beginning of the State's fiscal year to May 1. In this event, it is even more likely that school boards will not know their State aid amount prior to adopting their budget. Local school districts need State action to make State aid to education more predictable. Funding to pay for the changes to the State's school finance system must be stable and guaranteed.

In December 2001, the State agreed on legislation to expand the State lottery to generate future funding for education as part of the response to the fiscal crisis brought on by September 11th. The expansion involved the licensing of eight racetracks around the State to install lottery machines known as Video Lottery Terminals (VLTs). In recent years, several states have installed similar machines at racetracks. It has become a stable new source of revenue for these states.

The first VLTs began operation this year. The State Division of Budget projects revenue of \$240 million in this fiscal year and \$325 million for the 2004-05 school year providing new dedicated revenue for a down payment in a response to the Court of Appeals' decision. When fully phased in, the total VLT funding of more than \$2 billion per year will provide the State with a significant source of revenue to address the Court of Appeals' decision.

SUMMARY OF RESOURCES RECOMMENDATIONS

1. The Commission recommends that the State commit each year to a State aid formula on a two-year basis and to not reducing State aid in the middle of a school year to ensure local school districts have the information they need to formulate local school district budgets.
2. The Commission recommends the State create a dedicated fund guaranteed by the State's general fund to pay for the State's portion of the recommended funding changes.
3. The Commission recommends that the State phase-in the changes to the education finance system over the next five years to allow for proper implementation by the State and local school districts.

SECTION VII: IMPROVING SCHOOL LEADERSHIP AND TEACHER QUALITY

Accountability and authority must flow throughout the education system. It is especially important in New York State that accountability and authority be balanced to accommodate the fact that conditions differ in each district, each school, and each classroom.

Administrators need greater authority. Principals are accountable for successful schools and successful teaching outcomes. Their success depends in part on their authority. Principals need from their school districts more authority to run their schools. While teachers are entitled to be treated like professionals and to due process, principals need greater authority in hiring, removing, evaluating and motivating teachers. Likewise, superintendents should also have the power to hire and remove principals.

Having an effective school leader is one of the keys to good schools. School leaders set the expectations for teachers and students and make sure they have the tools to achieve those expectations. If you identify a successful school, you are likely to find strong stable leadership. These leaders seek out professional development opportunities in order to keep up-to-date on the latest information in their field. Under current certification requirements, teachers are required to participate in one hundred and seventy-five hours of professional development every five years to maintain their certification in good standing. Currently, there is no such requirement for school leaders.

School districts need the tools to make school leaders accountable for what goes on in their buildings. In the Executive Order, Governor Pataki asked the Commission to explore ways of holding all of the participants in the education system accountable for student performance.

In 2000, New York City negotiated a landmark change in its contract with the principals' union changing from lifetime tenure to three-year renewable contracts with expedited due process for principals recommended for non-renewal. This provided the New York City Department of Education with an additional accountability tool as it worked to improve student performance. It allows the Department of Education to hold principals accountable for student performance in their building. It also makes it easier to remove principals who are not performing at expected levels.

SUMMARY OF RECOMMENDATIONS TO IMPROVE SCHOOL LEADERSHIP

1. The Commission recommends strengthening school leadership by allowing local school districts to eliminate tenure for principals and administrators and replace it with a renewable three- to five- year contract and an expedited disciplinary process.

2. The Commission recommends that the Board of Regents amend certification requirements for school administrators to require 175 hours of professional development every five years to keep their certification in good standing.
3. The Commission recommends that school districts and administrators should be encouraged to negotiate pay-for-performance plans using a system such as value added assessments.

TEACHER QUALITY

Throughout the six public hearings, the Commission heard testimony about the importance of teaching in improving student performance. A recent national Commission on Teaching chaired by Louis Gerstner, former chairman of IBM, highlighted the importance of having a high quality teacher in every classroom.

We believe that teachers should have adequate authority to address their students' needs. Their authority must be commensurate with their accountability. In any successful organization, managers have not only accountability for results but authority to carry out their assignments, meet expectations, and assist employees. The key to attracting and retaining talented professionals is to ensure that they have the authority to use their skills and dedication. This same rule of thumb must apply to school systems across the State.

The Commission is concerned that nationwide one in five new teachers quit within three years, and in urban districts half of new teachers leave within three years. Even more disturbing, in New York City, approximately forty percent of new teachers quit within three years. In 2003, New York City lost six thousand teachers when they retired. New York is expected to face a severe teacher shortage in the decade ahead.

When teacher turnover is high, student achievement suffers. The Commission agrees that a key factor in student success is teacher quality. Good teachers help make good schools.

Why are teachers leaving their jobs at such a fast clip? The report *Pursuing "A Sense of Success"* reveals that teachers cite as reasons for leaving their profession "low pay and prestige, inadequate resources, isolating work, subordinate status, and limited career opportunities." But, according to the study, the critical factor was whether teachers could be effective with their students. A good workplace, the report declared, could increase a teacher's chances for success and satisfaction, while a deficient workplace is likely to increase uncertainty and fuel a teacher's dissatisfaction.

In the original CFE court decision, Judge DeGrasse pointed to the high number of uncertified teachers in New York City as one of the inputs missing in the system. Since the lower court decision, the State has taken action to address this problem. The State is no longer issuing temporary licenses to uncertified teachers. In order to increase the pool of certified teachers, the State created an alternative route to certification.

The Commission recognizes that many qualified individuals from a variety of professional fields including business, academia, public service and health care would enter the field of teaching if certain barriers to their transfer to a new career were removed. The current shortage of certified teachers particularly in the areas of mathematics and science could be particularly well served by individuals who could bring real-world perspective to these subjects. The State has made a number of changes recently that provides an alternative route to certification through approved programs primarily in the New York City metropolitan area.

The City Department of Education, working with the United Federation of Teachers and institutions of higher education, has also taken steps to increase the pool of certified teachers in the City. The most recent teachers' contract included improved starting salaries to make teaching in New York City more attractive. The City improved recruitment practices and created the Teaching Fellows program in conjunction with institutions of higher education to take advantage of the new alternative route to certification created by the State. Even with these great strides, more work is needed to meet the goal of attracting and retaining highly qualified teachers in every classroom in the State.

There remain significant impediments to improving school leadership and teacher quality. New York State continues to have an aging teaching force approaching eligibility to retire, necessitating the need to ensure there are solid plans in place for the future of the teacher workforce. This creates a significant problem for teacher continuity.

Meanwhile, many poorly performing schools continue to have difficulty attracting teachers, and many of the best teachers leave teaching for administration due to lack of career advancement in teaching. Adding to the problem is that it remains so difficult to remove incompetent teachers that many administrators have given up on the process, thereby allowing incompetent teachers to remain in the classroom.

SUMMARY OF RECOMMENDATIONS TO IMPROVE TEACHER QUALITY

1. The Commission recommends that the State help school districts with poorly performing schools attract, retain and provide professional development opportunities to teachers in the poorly performing schools by continuing support for initiatives such as the Teachers of Tomorrow program, the Mentor Teacher Intern program and the Teacher Center program.
2. The Commission recommends that the State allow retired public employees, such as police officers and firefighters, with appropriate qualifications and credentials, to teach, serve as security officers, or hold other positions in public school districts while still receiving their pension.
3. The Commission recommends that alternative teacher certification programs be expanded to increase the pool of qualified teaching candidates.

4. The Commission recommends that school districts with poorly performing schools should be encouraged to provide competitive pay scales, develop career ladders, and use a variety of approaches to attract and retain teachers for the poorly performing schools, including the use of incentives for teaching in hard-to-staff schools and teaching in hard-to-staff subjects and pay-for-performance plans based on a variety of different factors such as value-added concepts.
5. The Commission recommends reforms to address teacher incompetence. The districts should first be encouraged to help underperforming teachers, and the teacher discipline and removal process should be accelerated.
6. The Commission recommends that the tenured teacher discipline process should be reformed to require an expedited hearing when the charges involve the loss of State certification.

SECTION VIII: DIPLOMA REQUIREMENTS

The Executive Order included within the charge to the Commission exploration of alternative diploma requirements for students who have acquired a meaningful high school education and not met the current diploma standards. In order to consider alternatives, it is important to look at high school graduation requirements.

REGENTS GRADUATION REQUIREMENTS

In 1996, the State Board of Regents adopted new graduation requirements for students in New York. The requirements included additional coursework and the achievement of a score of 65 on five Regents exams (English, math, global studies, U.S. history and science). Students would be required to complete twenty-two credits in high school including four credits of English and social studies, three credits of math and science, two credits of physical education, one credit of the arts and languages other than English, one-half credit of health and three and one-half credits of sequence courses or electives.

When the Board of Regents originally adopted these new graduation requirements in 1996, they provided for a phase-in of the new Regents exam and course requirements. In the first year, students were required to pass the English Regents. In the second year, the Math Regents was also required. In the third year, global studies and U.S. history requirements were added. In the fourth year, science was added for a total of five exams.

During this time, school districts were provided the option to award a local diploma for students receiving a score of between 55 and 64 on the required exams to receive a local diploma. Most school districts offered this option. During the fifth year, which affects students expected to graduate in June 2004, the local option for 55 was originally scheduled to end for English, global studies and U.S. history.

In the sixth year, the local option for 55 would be eliminated and all students would be required to pass five exams with a 65 to receive a Regents diploma. At this time, the local diploma option would be eliminated for all students except those with disabilities. In addition to the passing score change, students graduating in 2005 will be required to take 22 units, up from 20.5 units currently, with additional units of math and science required.

With their recent action in November of 2003, the Board of Regents continued the phase-in period for the new exam requirements and allowed local school districts to offer a local diploma to students receiving a score between 55 and 64 on the five tests. Students receiving a 65 or above on all five tests would receive a Regents diploma. The higher course credit requirements would still begin with the class of 2005.

The vote by the Regents to extend the local option for a passing score of 55 came about because of two main factors:

1. Problems with the June 2003 Math A exam caused the Commissioner to throw out the results for juniors and seniors and to re-score the exams for freshmen and sophomores; and

2. A large number of students, particularly in the Big Five school districts, fell into the 55 to 64 range and would not be able to graduate. The problems with the Math A exam led to the appointment of a panel of experts to review the problem. The panel recommended changes to the curriculum and test process. Following the vote to extend the phase-in, several Regents have suggested additional changes to the requirements that could lead to an extension of the local diploma option.

At the six public hearings held statewide, the Commission heard strong support for the current Regents Learning Standards. In addition, New York State has received high marks in national surveys for the learning standards. A review of course and graduation requirements in other states indicates New York's requirements are some of the toughest in the country. No evidence was presented to the Commission to justify a change in the learning standards or course requirements.

At the same time, many witnesses expressed concern about the rigid system for assessing students' attainment of the standards. The high stakes nature of the Regents exams has raised concerns about whether students get discouraged and leave school when they believe they will be unable to pass the five exams and graduate. Concerns were also raised about whether the current tests truly measure what students need to learn and whether requiring career and technical students to pass five academic exams as well as a rigorous career and technical program impedes their ability to graduate on time. A review of enrollment data for the career and technical education programs shows a sharp decline following the adoption of the new examination requirements. Although enrollments have begun to increase in the most recent year, the Commission believes enrollment patterns should be monitored closely.

The Commission received input on a wide array of proposals designed to address concerns raised at public hearings about the Regents performance standards. While no change in the Regents standard is being recommended, the Board of Regents should continue to examine the concerns that have been raised regarding performance standards.

SUMMARY OF DIPLOMA REQUIREMENTS RECOMMENDATIONS

1. The Commission supports the current Regents Learning Standards and is not recommending any change.
2. The Commission recommends that the Board of Regents appoint an independent panel with representatives of the education community, higher education, the business community and labor (similar to the panel convened at the beginning of the standards movement) to review the current performance standards (testing requirements) and make recommendations as to whether the tests match the

learning standards and whether scoring for current assessments can be made more consistent and understandable.

In carrying out their work, the independent panel should consider surveying parents, students, teachers, administrators and the business and labor communities for their views on the issues raised above.

The Regents should request the report of this panel be available prior to their next decision on the passing score for Regents exams. This discussion should be broadened to a discussion of performance standards.

3. The Commission recommends the Board of Regents monitor students in Career and Technical Education programs now required to complete Regents exams in five academic courses plus a rigorous Career and Technical Education program to ascertain if these requirements have had an adverse impact on enrollment or completion of these programs and make any adjustments required to reverse any negative trends.

SECTION IX: SCHOOL GOVERNANCE

MAYORAL CONTROL

As is the case in New York City, the city school districts of Buffalo, Rochester, Yonkers and Syracuse are fiscally dependent school districts — relying on actions of the mayor and city council for their budgetary support. Since the enactment of Chapter 91 of the Laws of 2002 however, the governance structure of the public school systems in the Big Four cities is no longer the same as that in New York City.

Chapter 91 gave the Mayor of New York City greater control over the City's public schools including the power to appoint the New York City Schools Chancellor. Among other issues, by placing primary responsibility for the school system with the Mayor, it was argued that long-standing conflicts over school funding between the Mayor and the Board could be eliminated. Concerns over micro-management of the school system by the Board were also addressed by replacing responsibility for the day-to-day operations of the schools with the Chancellor. Similar conditions exist, and have existed for many years, in the Big Four City School Districts, particularly in relation to disagreements over budget issues.

RECOMMENDATION ON MAYORAL CONTROL

The Commission recommends improving school governance in New York's large cities by placing greater responsibility for the education system with the mayors, thus giving the voters a way to hold public officials accountable for the schools. The mayors of Buffalo, Rochester, Syracuse and Yonkers should be given the power to appoint a superintendent of their city school districts and to appoint the majority of members of educational policy boards. Under this new structure, the expanded board would have responsibility over the citywide educational policies and standards while the superintendent (serving at the pleasure of the mayor) would have responsibility for the administrative operations of the schools.

MAYORAL INVOLVEMENT

In New York State's 57 small city school districts, the local elected boards of education (and the districts) are fiscally independent, preparing their budgets without mayoral input, such budgets requiring voter approval, similar to all other non-city school districts in New York. In the small cities, the mayor is clearly the most visible elected official and, generally, the most influential community leader. It is important that the Mayor's office has a positive working relationship with the city's school district, recognizing that the school district is important to the future of the city.

The city of Albany is unique among small cities in the State. Earlier in its history, it was classified as a big city. After a population decline, it was reclassified as a small city, even though it maintains many more of the characteristics of the big cities than other small cities around the State. During the public hearing in Albany, testimony was about

the need for a stronger link between the city of Albany and the school district in Albany. Therefore, the Commission is making the following recommendation which is unique to the city of Albany.

RECOMMENDATION ON MAYORAL INVOLVEMENT

The Commission recommends that the State permit the mayor of Albany (or the mayor's designee) to become a non-voting member of the board of education.

SCHOOL BOARDS

School boards form the basis of public accountability for the public schools. They are charged with being trustees on behalf of the public for the governance and oversight of the school district. School board members must provide leadership in creating the vision, mission, and culture of the school district, and leadership in the development of the comprehensive plan. School boards are responsible for hiring of a superintendent, approving the hiring of principals, teachers and other staff, the development of the annual school budget and the adoption of school policies. The role of the school board is crucial to the implementation of the reforms proposed by the Commission. School boards will be creating new district priorities, budgets, policies and procedures in the collective effort to ensure that all students have the opportunity for a sound basic education. These heightened responsibilities reinforce the need for school board member training to provide appropriate leadership and governance of the school district.

RECOMMENDATION ON SCHOOL BOARD TRAINING

The Commission recommends improving school governance in all school districts by requiring all school board members to receive training in their roles and responsibilities. This will further enhance the skills and professionalism of local school board members in order to ensure that they are well prepared to meet the complex fiscal and managerial challenges they encounter on a regular basis. It will also provide students, parents, and taxpayers with an additional measure of assurance that their school district is being professionally managed in the best interest of their local community.

SECTION X: MANDATE RELIEF

Mandate relief received quite a bit of attention at the Albany public hearing. Several groups spoke about the need for greater flexibility at the local school district level. Several proposals were put forth that are supported by the Commission.

WICKS LAW

The Wicks Law dates back to 1912 and requires the award of separate “prime” contracts for electrical, plumbing, and HVAC (heating, ventilating and air conditioning) work, with the remainder covered under a general contractor. School districts have the ultimate responsibility of coordinating the work of all of the prime contractors. This places the school district in the position of managing the construction project and resolving disputes among the prime contractors. New York City, and more recently, Niagara Falls and Buffalo, have been spared from these provisions through special legislation.

All school districts should be provided with an exemption from the Wicks Law. They should have the option of hiring a single prime contractor to coordinate the work of the numerous contractors. This would enable schools to make someone ultimately accountable for project completion on time and on budget. This change is estimated to save school districts 10 percent on construction costs. In addition school districts should consider the potential benefit of negotiating project labor agreements to ensure timely completion of projects.

RECOMMENDATION ON WICKS LAW

The Commission recommends that the State suspend the Wicks law for school district construction projects for a period of ten years. At the end of eight years the State Education Department should conduct a study to determine the savings generated by this change in law.

PLANNING AND REPORTING REQUIREMENTS

Last June, the State Education Department issued a report detailing the large number of planning and reporting requirements placed on local school districts by the State and Federal governments. Their report to the Governor and the Legislature recommends that all existing school district planning and reporting requirements be replaced with a new, comprehensive and streamlined system that eliminates or reduces excess reporting requirements.

Currently, school districts are required to complete more than 112 plans and reports annually. The existing planning and reporting requirements are often duplicative and do little to promote continuous school improvement and close the student achievement gap.

Therefore, a streamlined and coordinated system should be established with full consideration of available technology, staff capacity, accountability systems and strategic goals. Implementation of the recommendation in this section will ensure that the planning requirements in the Accountability section will not be a burden to local school districts.

RECOMMENDATION ON PLANNING AND REPORTING REQUIREMENTS

The Commission recommends that the State implement the recommendations from the State Education Department report on planning and reporting requirements for local school districts that will reduce the number of plans and reports required annually.

SECTION XI: ADDITIONAL IDEAS FOR CONSIDERATION BY POLICYMAKERS

A number of additional issues were advocated by one or more Commission members for further study. Commissioners, due to the truncated timeframe for deliberation, were unable to thoroughly evaluate these issues sufficiently to establish a consensus. Commission members who raised these issues believe that they should be evaluated and considered by State policymakers as the State moves forward with a plan to ensure that all students in New York State are provided the opportunity for a sound basic education.

Some of the issues listed below received preliminary review by the Commission, but none of these issues were either endorsed or rejected by the Commission.

Early Intervention: The Commission discussed the concept of early intervention and expanding access to pre-kindergarten programs for economically disadvantaged three-year-olds. However, there was not sufficient time to examine all of the costs, benefits and other consequences of such a proposal. The State should consider reviewing this issue.

Longer School Year: Many industrialized nations commonly utilize a longer school year than the 180-day school year that is common in the United States. The State should consider the potential benefits of lengthening the school year.

Longer School Day: The State should consider the potential benefits of lengthening the regular school day to increase instruction time, increase student safety and encourage positive behavior.

Board of Regents Reform: New York is one of the few states where the governor does not have the power to appoint the State board of education. The State should consider providing the governor with a role in the appointment of the State's Board of Regents.

Education Commissioner: Many governors in other states have the power to appoint the State's Commissioner of Education. This enables voters to hold an elected official accountable for school performance. The State should consider changing how the Commissioner is appointed.

School Uniforms: Some schools have found the use of school uniforms help improve student morale and discipline. The State should consider reviewing the benefits of expanding the use of school uniforms.

Charter Schools: Charter Schools have been operating in New York for several years. The State should consider whether the number of schools should be expanded and whether the funding system for charters schools should be adjusted.

Social Promotion: Policies that prevent students in certain grades from being promoted on to the next grade, if they cannot pass a State or local assessment of skills, may improve student performance in future grades, reduce over-classification and placement of students in special education, and reduce the dropout rate. The State should consider encouraging all school districts to review the benefits of ending social promotion.

Smaller Schools: New York City is currently moving forward with an effort to open smaller schools in order to provide a wider range of educational options for students and parents. The State should consider policies designed to support such efforts.

Class Size: The Commission did not come to a conclusion on class size but did recognize that overcrowding in some districts has caused higher than average class sizes. The State should consider additional review of this issue.

Teacher Tenure Reform: Alternatives to teacher tenure have been discussed for many years. The State should consider reviewing the costs and benefits of reforming teacher tenure.

Teacher Colleges: There have been significant changes in the requirements for teacher preparation. The State should consider reviewing how teacher colleges can be further strengthened and improved to help increase the State's pool of qualified teachers.

Teacher Testing: The State should monitor developments in teacher testing and should consider testing that enhances the quality, performance, and accountability of the State's teaching force.

Student Discipline: The State should consider reviewing the benefits of enhancing the discipline authority of school principals. Reforms to be studied could include extending the duration of suspensions from school for students who break rules and disrupt the learning environment for other students.

Custodians: All school districts need to achieve savings and utilize their resources in a more cost effective manner. Overly restrictive and expensive custodian labor agreements should be reviewed to assist local school districts.

Middle School Reform: The Commission discussed middle schools and raised concerns about student performance. The State should continue monitoring to determine the effect of reforms on improving the performance of the State's middle schools.

Special Education Reform: In addition to the changes to the special education funding formula, the State should consider studying the system to ensure students receive the services to which they are entitled in the least restrictive and most appropriate setting.

SECTION XII: APPENDIX



No. 131

EXECUTIVE ORDER

ESTABLISHING THE NEW YORK STATE COMMISSION ON EDUCATION REFORM

WHEREAS, the education of our children is among the most vital and critical functions of government;

WHEREAS, Article XI, Section 1 of the Constitution requires the State to provide for a system of common schools wherein the children of this State may be educated; and

WHEREAS, on June 26, 2003, the Court of Appeals issued a decision in the case of Campaign for Fiscal Equity v. State of New York, holding that the State must do more to ensure that children in New York City receive the opportunity to acquire a sound, basic education required by the state Constitution.

NOW, THEREFORE, I, GEORGE E. PATAKI, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and Laws of the State of New York, do hereby order as follows:

1. There is hereby established the New York State Commission on Education Reform ("Commission") which shall consist of at least sixteen and no more than twenty-five members appointed by the Governor, including one member of the State Senate who shall be appointed on the recommendation of the Majority Leader of the State Senate and one member of the State Assembly who shall be appointed on the recommendation of the Speaker of the State Assembly. The Governor shall designate the chair from among the members. The members of the Commission shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their duties pursuant to this Order.

2. The chair shall retain and, at his or her pleasure, remove an executive director and such other personnel as he or she may deem necessary for the performance of the Commission's duties pursuant to this Order and shall fix their compensation within the amounts made available therefor. The chair may also contract with outside experts and organizations as he or she may deem necessary, within the amounts made available therefor.

3. The chair may request and shall receive from any department, division, board, bureau, commission or agency of the state or any political subdivision thereof such assistance, data and cooperation as is necessary to enable the Commission to carry out the powers and duties described herein.

4. The Commission shall study and recommend to the Governor and the Legislature reforms to the education finance system in New York State and to any other state or local laws, rules, regulations, collective bargaining agreements, policies or practices, to ensure that all children have the opportunity to obtain a sound basic education, in accordance with the requirements of Article XI, § 1 of the State Constitution and applicable decisional law.

5. In carrying out its responsibilities pursuant to subdivision 4 of this Order, the Commission shall study and make recommendations regarding the following issues:

a. The actual cost of providing all children the opportunity to acquire a sound basic education in the public schools of the State of New York.

b. Reforms to the State's system of education finance to ensure an effective, efficient and accountable system of funding public education, including federal, state and local resources, that provides all public school students with the opportunity to acquire a sound basic education.

c. Reforms to state and local laws, rules, regulations, collective bargaining agreements, policies and practices to ensure the effective and efficient provision of educational services. Such reforms may address:

i. The allocation of educational resources, including funding, teachers and other essential educational inputs, within local school districts;

ii. The proportion of educational resources, including funding, teachers and other essential educational inputs, that reaches the classroom;

iii. The funding obligations of local school districts and cities containing dependent school districts, including maintenance of effort requirements;

iv. The over-referral and over-placement of students in restrictive special-education settings;

v. Educational governance at the State and local levels;

vi. Mandate relief; and

vii. The construction, maintenance and financing of school facilities.

d. Improved accountability systems to ensure that all public schools are offering students the opportunity to acquire a sound basic education and are operating in an efficient and effective manner. Such reforms may include:

i. Alignment of the implementation of existing federal and state accountability mechanisms, including the federal No Child Left Behind Act and the Schools Under Registration Review (SURR) process, to the sound basic education standard;

ii. Methods to improve the accountability of State and local officials and entities charged with overseeing and managing the State's public schools;

iii. Methods to improve the accountability of school administrators, teachers and other school personnel for the efficient and effective delivery of educational services; and

iv. Methods by which to improve the accountability of students and their parents for regular attendance of classes, appropriate discipline and adequate preparation.

e. Exploration of alternative diploma standards for students who have acquired a meaningful high school education that enables them to function productively as civic participants in contemporary society.

f. Alternatives for generating any new State and/or local resources which may be required as a result of the Commission's recommendations. The Commission shall consider the effect of its recommendations on school property taxes, particularly for elderly and disabled homeowners.

g. Any other issues that the Commission deems necessary or desirable to remove impediments to providing all children with the opportunity to acquire a sound basic education in an efficient and effective manner.

6. The Commission's study and recommendations shall be guided by the following principles:

a. Every school district should have the resources necessary to provide its students, including those students at-risk of academic failure, with the opportunity to obtain a sound basic education.

b. School districts should provide educational services in an effective and efficient manner.

c. The education finance system should allocate state resources in an equitable manner reflective of need and local fiscal capacity.

d. Major changes in the education finance system should be implemented over a reasonable, multi-year transition period to ensure the sustained and stable long-term provision of resources.

e. All persons involved in the State's education system, including state and local officials, school administrators, teachers, other school personnel, parents and students, should be held accountable for carrying out their responsibilities in an efficient and effective manner.

7. The Commission shall issue a final report to the Governor and the Legislature no later than March 1, 2004 and may issue interim or supplemental reports in its discretion.



BY THE GOVERNOR

/s/ John P. Cahill

Secretary to the Governor

G I V E N under my hand and the

Privy Seal of the State

in the City of Albany

this third day of

September in the year two

thousand three.

/s/ George E. Pataki

NEW YORK STATE COMMISSION ON EDUCATION REFORM MEETING SCHEDULE

Commission Meetings:

- October 10, 2003: TIAA-CREF Headquarters, 730 3rd Avenue, Manhattan
- December 5, 2003: Citigroup, 153 East 53rd Street, Manhattan
- January 16, 2004: TIAA-CREF Headquarters, 730 3rd Avenue, Manhattan
- February 6, 2004: TIAA-CREF Headquarters, 730 3rd Avenue, Manhattan
- February 27, 2004: TIAA-CREF Headquarters, 730 3rd Avenue, Manhattan

Public Hearings:

- December 12, 2003: Adam Clayton Powell State Office Building, 163 West 125th St., New York City
- December 18, 2003: Senator Walter J. Mahoney State Office Building, 65 Court St., Buffalo
- December 19, 2003: Monroe County Office Building, 39 Main Street, Rochester
- January 8, 2004: Suffolk State Office Building, 250 Veterans' Memorial Hwy., Hauppauge
- January 12, 2004: Senator John H. Hughes State Office Building, 333 E. Washington St., Syracuse
- January 13, 2004: The Museum Theater, Empire State Plaza, Albany

NEW YORK STATE COMMISSION

ON EDUCATION REFORM MEMBER BIOGRAPHIES

Commission Chairman Frank G. Zarb currently serves as Managing Director and Senior Advisor at Hellman and Friedman, LLC and also serves as the Chairman of the Nassau County Interim Finance Authority. Previously, Mr. Zarb has served as the Chairman of the NASD, Inc. and the NASDAQ Stock Market. Additionally Mr. Zarb served in executive positions in several Fortune 500 financial services companies and served in various capacities in the Nixon, Ford, Reagan, Bush and Clinton Administrations. He earned his B.A., M.B.A., and L.H.D. degrees from Hofstra University.

Herb Allison, the Chairman, President, and CEO of TIAA-CREF. Mr. Allison is also a public member of the New York Stock Exchange Board, a board member of Alliance for Lifelong Learning (AllLearn), a board member for the United Negro College Fund, and was appointed by George W. Bush to serve as the Chairman of the Board of the Vietnam Education Foundation. Prior to his current duties, Mr. Allison has also served as the past President and Chief Operating Officer at Merrill Lynch & Co. and the past President and Chief Executive Officer of the Alliance for Lifelong Learning, Inc. Mr. Allison earned a B.A. in Philosophy from Yale College and a M.B.A. from Stanford University.

Kenneth Bialkin, a partner in the firm of Skadden, Arps, Slate, Meagher & Flom, LLP. Mr. Bialkin is a Director and Chairman of the America Israel Friendship League and a Trustee and Secretary of Carnegie Hall. Mr. Bialkin has previously served as the former Director of the New York City Municipal Assistance Corporation, as an adjunct professor at New York University School of Law, and as a former legal representative of the American Institute of Certified Public Accountants. Mr. Bialkin earned an A.B. from the University of Michigan; a certificate of attendance from the London School of Economics; and a J.D. from Harvard Law School.

Wellington Chen, appointed by Governor Pataki to the CUNY Board of Trustees in 2000, is Senior Vice President at TDC Development Corporation, a Queens real estate company. Mr. Chen was the first Chinese-American in Queens to serve on a community planning board. He served as Commissioner of New York City Board of Standards and Appeals and was a Senior Associate at I.M. Pei and Partners. Mr. Chen earned his B.S. from the School of Architecture and Environmental Studies at City College.

Randy A. Daniels, New York State Secretary of State, a position he has held since 2001. He also serves as a member of numerous boards including the Governor's Task Force on Campus Fire Safety, Vice Chairman of the SUNY Board of Trustees and Co-Chair of the Committee on General Education and Charter Schools. Previously he has served as the Senior Vice President of Canyon Johnson Urban Fund, LLP, as the Senior Vice President and Deputy Commissioner of Economic Revitalization at the Empire State Development Corporation and as a Press Secretary to the Prime Minister of the Bahamas. Mr. Daniels received his B.A. from Southern Illinois University.

Margaret DeFrancisco, former Director of the New York State Division of the Lottery. Prior to becoming Lottery Director, she served as Executive Deputy Commissioner of the

New York State Department of Motor Vehicles, Monroe County Clerk and was President of Print It! Inc. Previously, she has been a classroom teacher, active in parent teacher associations, a member and vice president of the Fairport School Board, a trustee of Bishop Kearney High School, a trustee of St. John Fisher College, and the Council of Governing Boards.

Dolores Fernandez, President of Eugenio Maria de Hostos Community College of CUNY. Fernandez is a nationally renowned expert on bilingual education and founder of the College's Language and Cognition Department. Previously, she served as Deputy Chancellor of Instruction and Development for the New York City Board of Education, Deputy Director for Program Services and former Director of Education for the New York State Division for Youth and Co-Director of the New Urban Educators Program at Hunter College. Fernandez earned her A.S. from Nassau Community College, B.S. from SUNY Old Westbury, M.Ed. from Long Island University - CW Post College and Professional diploma in reading and Ph.D. in Language and Cognition from Hofstra University.

Reverend Floyd Flake, the Senior Pastor of the Allen African Methodist Episcopal Church and non-profit corporation which includes expansive commercial and residential development in Queens, a 500-student private school, and a number of commercial and social services enterprises. Reverend Flake also serves as a Senior Fellow at the Manhattan Institute, a columnist for the New York Post and a member of many boards including the Fannie Mae Foundation, Export-Import Bank, The Initiative for a Competitive Inner City, and Edison Schools. Previously he has served as a U.S. Representative in New York's Congressional delegation. Reverend Flake earned his B.A. from Wilberforce University, and a Doctor of Ministry degree from the United Theological Seminary in Ohio.

Steve Frey, current President of the Yonkers Federation of Teachers; high school social studies teacher. Has previously served as the Project Director of Federal First Grant. In 1989, Mr. Frey received the Jenkins Award for Teacher of the Year, and he has a B.A. from Hunter College, and a M.Ed. from Lehman College.

Peter Goldmark, former Chairman and Chief Executive Officer of the International Herald Tribune, and currently with the Environmental Defense Fund. Previously he has served as the President of the Rockefeller Foundation and as a Senior Vice President for the Times Mirror Company. He also served as the Executive Director of the Port Authority of New York and New Jersey and Director of the Budget of the State of New York under Governor Hugh Carey. Mr. Goldmark earned a B.A. in Government from Harvard University.

Gerald Jennings, the three-term Mayor of Albany. Before being elected mayor, he was a member of the Albany Common Council, a school administrator of Albany High School and a teacher.

William Johnson, Superintendent of Rockville Centre Union Free School District, a position he has held for over 15 years. Prior to becoming school superintendent, Mr. Johnson served as an administrator with the District since 1979. Mr. Johnson also serves as the chair of the budget committee for the New York State Council of School Superintendents and is a former president of the Council. Mr. Johnson earned his B.A. from St. Bernard's College, his M.A. from Fairfield University and his M.Ed. from Columbia University.

Michael Joseph, the Associate Director for the Rural Schools Program. He has previously served as the former Executive Director of the Rural Schools Program, as a Superintendent for the Marathon Central School District, as the Department Chair for Social Studies, Mathematics and English at Homer Central School, and as an adjunct instructor of Education Finance in the Graduate Program for school administration certification at SUNY - Cortland. Mr. Joseph holds a B.S. from SUNY Geneseo and an M.S. from Syracuse University.

David Levin, the Superintendent of KIPP (the Knowledge is Power Program) Academy in the Bronx and President of the Board of Directors of KIPP, New York. Mr. Levin is the co-founder of KIPP Academy and a Teach for America alumnus. He holds a degree from Yale University.

Frank Macchiarola, President of St. Francis College, Brooklyn and Chair of the Charter Revision Commission. He previously served as Chief of Staff of the Emergency Management Control Board and as NYC Schools Chancellor. Additionally, he served as President of the New York City Partnership, as a dean of Benjamin Cardozo Law School and as a professor and Assistant Vice President of Columbia University and Baruch College and the Graduate School and University Center of CUNY.

Juan Tapia Mandoza, M.D., Pediatrician in private practice. Previously, Dr. Mandoza served as an Instructor of Pediatrics at Columbia University and Mt. Sinai School of Medicine. Dr. Mandoza has undergraduate degrees from Towson University, Maryland and Universidad Central Del Este in the Dominican Republic and received his MD from Centro Estudios Technologicos (Centec University), also in the Dominican Republic.

Most Reverend Timothy A. McDonnell is the Auxiliary Bishop of the Archdiocese of New York. He currently serves as Vicar General of the Archdiocese of New York. Prior to that, he was the Pastor of St. John and St. Mary Parish in Chappaqua, NY. He also served as Chief Operating Officer of The Catholic Charities of the Archdiocese of New York.

Ninfa Segarra, Executive Director of the NYPD Museum. Previously, Ms. Segarra served as President of the New York City Board of Education, was Deputy Mayor for Education and Human Services under Mayor Giuliani, Director of the New York City Voter Assistance Corporation and Director of the Center of Latino Leadership and Organizational Excellence. Ms. Segarra has earned degrees from NYU and New York Law School.

David Shaffer, President of the Public Policy Institute and Corporate Secretary for the Business Council of New York State. Previously he has served as the Executive Director of the Public Policy Institute and as the Business Council's general manager. Mr. Shaffer is the author of "The Comeback State" - and founder of two magazines published by the Council: New York Alive and Business/New York.

Kenneth "Buzz" Shaw, Chancellor of Syracuse University, a position he has held since 1991. He also chairs the NCAA task force on intercollegiate basketball, serves as the Chairman of the Board of Trustees of the Commission on Independent Colleges and Universities, and as a member of the Board of the American Council on Education. Before coming to Syracuse, he was the President of the University of Wisconsin System and Chancellor of Southern Illinois University at Edwardsville. Chancellor Shaw received his B.S. from Illinois State, Master in Education from University of Illinois at Urbana and Ph.D. from Purdue.

Caroline "Tarry" Shipley, a member and past-president of the Canandaigua City School District Board of Education, she has served as a member and President of the Board of Directors of the New York State School Boards Association. Ms. Shipley is also a member of the State Professional Standards and Practices Board for Teaching, and a Trustee of the Canandaigua National Bank and Trust Company; as an elementary school teacher; and a businesswoman. Ms. Shipley earned a B.S. in elementary education from Syracuse University.

Randi Weingarten, President of the United Federation of Teachers and Vice-President of the American Federation of Teachers. Ms. Weingarten is also a board member of the New York State United Teachers and is Chairwoman of the Municipal Labor Committee. She has previously served as counsel to then-UFT President Sandra Feldman and as a social studies teacher in Brooklyn public schools. Ms. Weingarten earned her B.S. from Cornell University in Industrial and Labor Relations and J.D. from Cardozo School of Law.

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Diploma Requirements

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ON EDUCATION REFORM STAFF**

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