COMMONWEALTH OF MASSACHUSETTS
BOARD OF EDUCATION AND DEPARTMENT OF EDUCATION
*****FORUM*****

SCHOOL INTERVENTIONS AND TURNAROUND STRATEGIES
BOSTON SCHOOL DEPARTMENT
WINTER CHAMBERS, FIRST FLOOR
26 COURT STREET
BOSTON, MASSACHUSETTS
TUESDAY, NOVEMBER 14, 2000
4:00 p.m. – 6:30 p.m.

MEMBERS OF THE BOARD OF EDUCATION PRESENT:

Mr. James A. Peyser, Chairman
Dr. Roberta R. Schaefer, Vice-Chairperson

Dr. David P. Driscoll, Commissioner of Education

PANELISTS:

Leo Klagholz, former Commissioner, New Jersey Department of Education
Thomas Payzant, Superintendent, Boston Public Schools
William Slotnick, Executive Director, Community Training and Assistance Center, Boston, MA
Todd Ziebarth, Policy Analyst, Education Commission of the States, Denver, CO

CHAIRMAN PEYSER: For those of you who are here, thank you. I know that Roberta Schaefer, Board member, is planning to come. I want to welcome you here, and I particularly want to welcome our panelists here. This is another in a continuing series of Board of Education forums on issues of particular importance to the policy-making responsibilities of the Board of Education. This subject, school interventions and turnaround strategies, is one that is particularly timely.

As I think those of you from Massachusetts know, we do have an accountability system in place here for schools and districts. That system has already been activated. We have done evaluations of eight middle schools, four of which have been determined to be under-performing, which has set in motion fact-finding teams which will produce detailed reports and evaluations of those four middle schools. The schools will in turn produce school improvement plans that will come to the Board of Education for approval, beginning a two-year process that ultimately could end if things go wrong and lead to more direct state intervention.

The Department and the Board of Education are now in a position of having to not only talk about the theoretical application of accountability systems and state intervention but also the reality of it. It's with that in mind that we are having this forum today in order to inform our decision-making and discussions as we get into the actual implementation of school district evaluation and state intervention.

I would like to introduce all of the panelists here today and then go from left to right, in arbitrary order, to hear some initial comments from our panelists, and then have some discussion. Hopefully we can have a fairly good discussion among ourselves. Then, we'll open it up to anyone here who has some questions or comments to add. Before I introduce our panelists, I would like to turn it over to the Commissioner.

COMMISSIONER DRISCOLL: Thank you very much, Mr. Chairman. First of all, let me again congratulate you for another important forum. We have learned a great deal from these forums. We are very pleased to have our distinguished panel, which includes a couple of former Commissioners -- it's not a bad thing.

As the Chairman said, this is an important time for us on a number of fronts, certainly on the school and district accountability front. We're heading into some very important stages. Today’s forum will certainly help. I want to announce that this forum will be videotaped and shared with every school in the Commonwealth through what no longer called MCET; it has a new name, Massachusetts Interaction. Mass. Interaction will broadcast this forum on televisions throughout the Commonwealth, and we will make the videotape available to all of our schools.

CHAIRMAN PEYSER: Thank you, Commissioner. I'll introduce our four panelists, and then we'll begin the discussion. Immediately to my left is Leo Klagholz, who is currently a Distinguished Scholar of educational policy studies at Richard Stockton College in New Jersey. From 1994 to 1999, as Commissioner of Education in Jersey, Dr. Klagholz successfully instituted a wide range of measures to improve education the state, including -- and this sounds quite familiar here in Massachusetts – more rigorous academic standards and graduation requirements, charter schools, public school choice, educational school technology, school finance reform and school accountability systems. Dr. Klagholz supervised the takeover of the Newark Public Schools during his tenure as Commissioner of the Jersey City District, which was the first to be run by a state-appointed administration, and which improved to the point that the state Board of Education was able to begin the process of restoring local control.

Sitting to his left is Tom Payzant, Superintendent of Schools in Boston, and our host for today. Dr. Payzant began serving as Superintendent of Boston in 1995. His goal has been to achieve 130 schools of excellence with quality teaching and high expectations for learning for every Boston student. Under Dr. Payzant's leadership, Boston has implemented a district accountability system in which each of Boston's public schools undergoes formal accountability review every four years. Prior to Boston, Dr. Payzant has served as superintendent in four communities, and was appointed by President Clinton as Assistant Secretary for Elementary and Secondary Education.

Bill Slotnik is Executive Director of the Community Training and Assistance Center in Boston, one of the leading educational reform organizations in the country. Under Mr. Slotnik's direction, the Center has assisted numerous school districts in successfully increasing student achievement. The Center has created the comprehensive district accountability system to determine district, school and classroom effectiveness. Mr. Slotnik was one of three principal authors of the comprehensive study of the state takeover in Newark, New Jersey, entitled *Myths and Realities: The Impact of the Takeover on Students and Schools in Newark*, released by CTAC in May 2000.

Finally, Todd Ziebarth is a policy analyst at the recently created National Center for Innovation in Governing American Education at the Education Commission of the States. Mr. Ziebarth has been at ECS since 1997. While there, he has coordinated the development of, and also written several reports on a variety of governance issues, such as state takeovers, school choice, and vouchers. He has also coordinated the work of the ECS-sponsored National Commission on Governing America's Schools, and wrote the National Commission's report entitled *Governing America's Schools: Changing the Rules*, released in November 1999.

Again, I want to welcome all of you here and thank you for your participation. I think something on the order of ten minutes, but not rigorously applied, would certainly be a good way to get things started, and I will turn it over to Leo Klagholz.

DR. KLAGHOLZ: Thank you. I'd like to talk about New Jersey's policies and experiences, and begin by saying that its intervention policies aren't static; they've evolved substantially, particularly in the last two or three years. That evolution has been driven by two sets of experiences that have moved along in parallel. One is the experience with the monitoring and takeover law, and the other is with court interventions in the matter of school funding. Both have been aimed at improving educational low-performing districts, but there are differences.

The monitoring law has emphasized holding districts accountable for reforming their policies and practices with more of an emphasis directly on outputs, while the court decisions have emphasized holding the state accountable for assuring the equality of inputs, particularly funding, with a relative focus more than an absolute one on equality between urban and wealthier suburban districts, such that the urban districts now are funded at a level of about $10,000 to $12,000 per pupil. I'd like to talk mostly about the monitoring system, though; that's where most of the history of experience has been, and begin by describing it briefly.

It is, I would say, parallel to the Massachusetts school and district accountability system, except for most of its life it has had a district-level focus. Districts are evaluated every seven years by a visiting accreditation team appointed by the Commissioner, and that team evaluates the district in terms of two sets of indicators: student performance indicators and district policy and practice indicators -- curriculum planning, staffing, student programs, things like that. A district can be either approved for seven years and given more autonomy or flexibility, or it can be given two-year conditional approval, if there are minor problems, or serious ones that are only first appearing, or it's disapproved, and then subject to annual evaluation.

If a district is disapproved and continues not to achieve one of the other two categories, it can be moving to Level 2, the state may send a team back in to take a closer look; but essentially the district must then develop a corrective action plan that gets state approval, and then there are continued evaluations. If that doesn't work for a period of years, the state has the option of moving the district to a third level, the criterion being lack of progress in implementing the corrective action plan. What happens at that level is that the plan is translated into state directives. So it's as much the state's plan now as the district’s, and there are continued annual reviews.

There can be interim measures as well, interim intervention. But if there is a continued lack of progress over a number of years, then the state can initiate the next step, which is a comprehensive top-to-bottom investigation, and the purpose of that literally is to build a legal case that the district central office is either not willing or not able to implement its corrective action plan. If that case is made successfully in a trial before a judge, then there is a takeover. The state has the full burden of proving the need. If it does so, then the Board and superintendent are removed, and the state Board of Education appoints a new superintendent, gives that person the powers of a school board, waives regulations so that the person can take flexible actions, and the individual reports up to the state rather than the local board. The state's role is to prevent that individual from improper influences so that he or she is better able to make the proper decisions.

During the history of the law in the last eleven years, there have been several interim interventions, the main ones being the state's stationing of a fiscal auditor in the district without taking it over, placing a monitor general with broader powers, the ability to veto the Board of Education on certain matters, and even taking over finance and personnel, but not the whole district. In addition, three districts have been taken over: Jersey City in 1989, Paterson in 1992, and Newark in 1995, all large urban districts. I would just make two points to put the experiences in context, that I think are important enough and not perceived as being the case. One is, New Jersey districts don't get taken over because they're low-performing, or because the state thinks it knows better how to fix the problems. They're only taken over when it's been proven in court, after many chances over a long period of time, that they're not trying to fix the problem -- refusal to implement the central office's own corrective action plan.

In the three cases where that's happened, the underlying reason, I think it's fair to say, has been demonstrated corruption of the governance and management system, a symbiotic relationship between employee groups and city political figures, and the central office being placed under the de facto control of both, such that the district's budget is being used to support a jobs program -- unnecessary, non-educational jobs: bus monitors, custodians, cafeteria workers in excessive numbers and excessive compensation. The other reason it happens is because the state is held constitutionally responsible, and our courts have said over and over, you can delegate that to a school board, but not indefinitely if things are not going well. Far from having preset answers, in every case the state went in reluctantly, sort of backed in, and it's been very much an extended learning process. It still is that.

Nevertheless, my second point is that I think there clearly have been improvements. I think it's fair to say that the district central offices under state control are not corrupt and they're not refusing to improve. Are they improving is a different question. But I do think, on that point, that there is progress toward the ultimate goal for the first time in decades, and I would say Jersey City is the best example. It's the one that's been under control the longest. When it was taken over, it met only 30 percent of the state indicators, and now it meets virtually all of them, such that, as was mentioned, the process of returning to local control has begun. The last two years were the first time in many, many years that it met dropout and attendance requirements. It met all requirements in all three sections of the eighth-grade test the last year I was Commissioner. It met the writing standard on the graduation test, and it would have met the others, but the test has changed. It's harder since takeover, and the criterion has moved from 75

percent of the district students passing to 85 percent of students in each school. If that were not the case, it would have met the graduation test requirements. Among the eleven largest districts in the state, comparing Jersey City to where it was in '89 and currently, it went from seventh to fourth in reading, tenth to fifth in math, and tenth to third in writing.

Now, let me shift gears to what has been learned from those experiences, if anything, and I, with great humility, talk about this. These are practical experiences of one who has been involved in various capacities, but particularly as Commissioner for five or six years. Some of these are lessons learned, and some of them are types of interventions that I think are important. The first is that I think a lesson learned is that competent and conscientious central office governance and management is essential, but not alone sufficient. That was the reason the three districts were taken over, were problems in the central office; but merely fixing that was not enough. That was the early focus, and I think after five years, it was learned that absence of corruption and even sound management, while they're preconditions to improvement, they're not alone enough to change student performance.

The second point that I would make is that the quality of people is extremely important, the quality of the whole personnel issue. You need a talented and dedicated person in each job, but especially, and this is what I would emphasize, leadership in the central office and in each principalship is crucially important. Management ability, yes. Style is important. But leadership is crucial. There are major challenges. The decisions and actions that need to be taken are often very, very difficult. Change is difficult, and there's understandable resistance, but there's also a vested interest in the status quo, and often doing the right thing is mainly met with harsh criticism. So people of vision, integrity and courage are needed in those positions. I think, in terms of an intervention, if they don't exist, then getting them is a crucially important intervention. Early takeover was predicated on replacing the superintendent, but I think over time we've learned that sometimes the existing superintendents are facing overwhelming pressure and could use state help in finding ways of getting capable people in positions.

The third type of intervention I think is important is insulating leaders from inappropriate influences. In state takeover, I think we found that just because the state appoints someone and has that person report to the state, the political influences and pressures don't go away; they're still there in full force. The state-appointed administrators experience them the same way their predecessors did, and it can be insurmountable, virtually insurmountable, even for a strong leader. The state, in a takeover situation, has to insulate the central office in a passive sense of approving sound decisions even if they're resisted, but also I think in an active sense, in terms of lending state authority to the superintendent's making of decisions, even though the pressure is transferred up to the state level big time, frankly. I think the principals have to be strong leaders, central office has to insulate them, and the state has to insulate the superintendent.

The fourth thing is that I think a school-level focus is extremely important and almost the most effective program strategy. I mentioned we learned that district-level improvement is not enough. You can improve central office operations, district-wide curriculum, district-wide staff development; but in the takeover situations, in five years, it did not trickle down such that student performance then popped out the other end. There was a need to become school-specific very, very quickly.

One thing I'll mention on that is that each of those three districts has a wide range of school performance. There are high-performing schools in every one of those districts. The legislature commissioned a study at one point, and two of them have found that the levels of performance didn't correlate as much with the students' socioeconomic status as it did with assessments of principal leadership strength, where the principal was engaging the staff in a concerted and concentrated reform effort.

The fifth thing -- I'm mentioning seven of these -- is that in the takeover experience, we found that the most effective state-level school improvement strategy was indeed working with the central office to engage each school in a cyclical strategic planning process, where we had each school annually analyze school test scores. We identified the lowest-performing ones, tried to get the school team under the central office to set targets for themselves and to hypothesize reform strategies that they felt might work. Sometimes it was as sweeping as a comprehensive school reform model; or it might be just attendance officers or more frequent teacher evaluations or block scheduling; and then there was an annual review to say, well, did that work? And then a modification of the strategy so that it would move forward, with positive and negative consequences at the tail end. I believe that that process generated the improvements in student performance in Jersey City that had not been generated when the focus was purely on the central office.

The sixth thing is that budgetary reallocation is an effective financial intervention and integral to educational reform. This is very much tied into the court decisions in New Jersey, which for 28 years had rightfully been saying, urban districts need more money, more money, more money, and there was a gradual realization that how the money is used is as important as how much money goes in; that if it's just a matter of add-on programs and funding, and 90 percent of the budget continues to support the status quo, that mainly you're going to have the same people doing the same things with a few extra people doing different things. And that can be, if not counterproductive, at least not fully productive; sort of a case of paddling the canoe in different directions at the same time. To the extent possible, there's a need to make sure that new money is used for things that are going to work, and that existing funds are moved from things that aren't working to ones that are. The philosophy is that the budget is either an instrument of reform or an obstacle to it.

This, I think, is one of the most difficult things, because funds are tied up in contracts, mainly, and they're subject to bargaining, and certainly a superintendent can only do it to a very limited point through collective negotiations, and very, very limited. This issue of reallocation has had the full attention of the three branches of state government in New Jersey over the last two or three years, and there have been a number of policy changes because of it.

Finally, school-level parent and staff buy-in are crucially important, too. Takeover is essentially an adversarial strategy, and I believe that sometimes a top-down approach is necessary to break through deeply rooted and inappropriate expectations and behavior. I also believe, and have said, that it can produce substantial improvements, but only to a point. I think you hit a wall at some point, and you won't reach the ultimate goal. Or if you do, it's going to backslide when you go back to local control unless there's the taking of initiative at the school level, and belief in the strategies, and a commitment to working hard to make them succeed -- all those kinds of things are crucial.

I'll close by saying that over the years, we've had shifts in state policy that have resulted from those things that I've just talked about, and also greater agreement between our three branches of state government on these things. One is, I think there's less inclination to portray central offices automatically as perpetrators. They're not held less accountable, but there's a greater recognition of the kinds of pressures they face and the obstacles that confront them. I don't think that there is any longer a view that, therefore, district governance and management is the sole focus or even the primary focus. There's more recognition of the need to emphasize improvement in individual schools, and these things are in policy. There's no longer the approach where the monitoring system I described took this approach of giving a district miles and miles of rope, and then hanging the district with the rope through takeover at the tail end of the process. There is much greater effort to work with the central office, try to insulate the central office from pressures that might be placed on it, to grant waivers that would be granted if it had been taken over. Don't wait until takeover; do it before then. Takeover remains in place for that circumstance where, over time, a central office will not implement its own corrective actions, for whatever reasons, but there are earlier interventions built in, and interventions that really amount to the central office and state joining forces at the school level.

With the state's authority being lent to the superintendent, which is no panacea; I can say that, too. One area of authority is the authority to reallocate funds. In a landmark court decision in '98, our Supreme Court for the first time declined a petition to put more money in the urban districts, and instead opted to require each school to adopt one of the comprehensive school reform models, and empowered the state to fund that first through reallocation; and then failing that, to ask for money on a case-by-case basis, such that the money then would go to that school's budget that had holes in it. Couldn't be done through allocation; we ask for more money, and now it goes to where the money is needed.

All those changes in policy are only that at this point. They're in the infancy stage of implementation, and I'll say this as a closing statement, that the extent to which they'll become a reality in practice remains very much to be seen.

CHAIRMAN PEYSER: Thank you very much. Tom?

DR. PAYZANT: Thank you very much. I'd like to use my time to talk a little bit about the accountability system that we're working with in Boston, and then make a few general comments about alignment with the state system. I have a one-pager that's a visual. I think you will see that this very much follows the principles of a package of standards-based reform. If you look at the top of the chart, it starts with our five-year plan, *Focus on Children*, which really made out the major goals of the school system, of which there are four, the big one being improving student achievement to high levels for all students. This five-year plan is in its fifth year of implementation, and we are in the process now of doing Part 2 for the next three to five years.

It started with city-wide learning standards in the major disciplines to align with the curriculum frameworks, because any standards-based reform system has to start with a very clear set of expectations about what we want students to learn. The strategy is for 130 schools, not just a few, and a whole school improvement plan is required annually from all schools. The whole school improvement plan is based on a model that we have established in Boston that is

not rigid with respect to detail, but clear with respect to six essentials that must be addressed in the plan.

The first element is clarity about an instructional focus, which began with literacy and subsequently with math; not to the exclusion of the other disciplines and other subjects, but recognizing that, where we have a number of students who are far behind where they need to be, given rigorous standards, that there has to be a real focus on literacy efforts across the curriculum and mathematics.

The second essential is really to use data for decision-making, and to not just use quantitative data, but also for accountability purposes, which is in this plan, to try and understand better what is working and is not working, and to allow educators to reflect on instructional practice. For example, part of that use of data is getting teachers together to look at student work, to develop rubrics to assess that work against, and to have a good sense of what the results of the teaching and learning are by using those results to improve that teaching and learning.

The third essential is to reflect on best practice, whether it be in a classroom down the hall, in a school on the other side of the district or...(distortion in videotape)...wonderful education plans, but the real plan often is the budget. If the allocation of the resources does not align with the educational priorities, something is awry. So that becomes an essential that schools have to address as they put together their whole school improvement plan.

The most valuable resource that any school has is its people who are going to work with children and students in the classroom, so there's got to be a major long-term, high-quality focused strategy for professional development that will connect with the priorities of the school. If you're going to have a balanced literacy model for reading and writing in the school, then you've got to have a very thoughtful, connected professional development plan that will help teachers develop the kinds of skills that are necessary to be effective in the classroom.

Finally, it's the whole notion of partnerships. The schools can't do it alone, but the family and community have to be engaged. This is a fundamental essential as part of a whole school improvement plan. Those essentials are not negotiable, but there is room for variability and creativity in how a school puts together its plan for addressing those essentials. You'll see next on the chart, if you've got clear standards about what students should learn, a curriculum that gives them access to it, good teaching practice supported by professional development, a support system for teachers, then with assessments of a variety of types, students should be able to demonstrate, because they have been taught what we wanted them to learn, that they have actually learned something and can apply it.

Our assessment system has several measures. In 1996, we went to the Stanford 9 Achievement Test, because it was just at the time that the state was changing its assessment system, and I believed that we had to have some data. At the time we went to the off-the-shelf test that we could use in reading and math for that purpose. We've also, in the last several years, used the state assessments in Grades 4, 8 and 10, and I'm actually happy to see that the assessments will be distributed more evenly across grade levels, because I'm a strong believer in the importance of having cohort data where you can really follow the progress that individual students are making over time. If the gaps are too great between

the administration of the assessments that you're using, it makes it very, very hard to do that.

We've also, just this past year, realized the importance of the use of interim measures during the course of the year. Now, you can say that good teachers have always used them, but we're talking about interim measures that can become part of a database, that while primarily used for the purpose of improving instruction, could conceivably be another measure to determine whether students have met benchmarks for promotion purposes or for other purposes. We are requiring schools now as part of their plan to do formative assessments in reading and math in the fall, mid-year, and in the spring. We're using instruments like the SRI and DRA for reading. There are more problems around off-the-shelf math assessments, so we're developing some of our own, and hope that we will have better diagnostic assessments that can be used for formative assessment purposes. Any good businessperson will tell me in conversation, why do you wait until the end of the year to see how you're doing? You may say you can't live week to week in school, but you could at least live quarter to quarter; we have to do it. There's a certain amount of power in that observation, because the end-of-the-year results don't give you time to make some mid-course corrections. They do allow you to use them for powerful decision-making in the years ahead.

A big piece for us was moving to performance standards and moving away from the bell-shaped curve, and even taking Stanford 9 results and reporting them as performance Levels 1, 2, 3 and 4, just as the MCAS is reported in performance Levels 1, 2, 3 and 4. That is critically important to me because when you've got the bell-shaped-curve mentality, it's too easy for people to figure out that there's always going to be a distribution. Whether it's true or not, it's perceived as winners and losers. When you've got a standard that you believe all students should meet, but some will take longer to get there than others, then it's not a question of spreading the distribution along the continuum but working to get all students to that standard. It keeps people hopeful and in the ballgame in terms of the idea that we can do it. It may take us a bit longer, but we can get there. You can't have it both ways and say you have a standard, but it's okay only to get halfway to the standard, particularly if the standard is going to be connected to access to opportunity, which it is in this day and age.

The next piece of the assessment system is what we call school quality reviews, which have two parts. There's an annual checkpoint review, which is really a report on each school, with all of the quantitative indicators that we have: attendance, drop-out rates, achievement test data from Stanford 9, MCAS and so forth. Then the school in-depth review, which really came out of something that the pilot schools in Boston tried, they're really in district charters that are the result of an agreement between the Boston Teachers Union and the School Department, that allows eleven schools to have a great deal of flexibility from union contract to school committee policies. It is really recognizing that just having the numbers isn't good enough; you've got to have a qualitative look at a school that relies on people, a team of people coming into a school and spending a couple of days looking at the whole school plan, visiting classrooms, talking with parents, students and teachers to get a sense of what really is happening day in and day out at the school, and having a rubric or a set of standards against which they can write a qualitative report that gives some help, guidance and support to the schools.

Every school will go through this review every four years. We are now in our second year of implementing this. Last year we did thirty schools, and 80 percent of them met or exceeded standards. 20 percent did not. That has led us to some targeted intervention in those schools that did not meet standards. In the next section you'll see that, as you go through this process, a school can exceed or meet standards, and we have school improvement awards that recognize that accomplishment.

Schools that do not meet standards, and there can be targeted change, which may be very specific to a standard or two that they're not meeting, or if they have broader kinds of shortcomings with respect to meeting standards, there can be intervention. Not unlike the state, often the first thing is, at the school level, a change in the leadership, the principal or headmaster. There may be selective staff changes. What we can do on that front often is limited by what the union contract says that we can do. And then there is reconstitution, which we have not done in Boston.

One of the interventions that we do collaboratively with the union, and I did last spring, was, under the contract, there can be an intervention team which is jointly selected by the superintendent and the union president that goes into the school, spends two or three days, sometimes more, and writes a report on the strengths and shortcomings of the school. While the composition of the team has three people appointed by the union president, two appointed by me, and I was a little bit skeptical about whether it could work, I was really quite pleasantly surprised, because the union president worked really hard to get top-notch teachers on the team who went in and were really seriously interested in looking at teaching and learning issues. While I got expected suggestions for change of leadership, I did not get suggested changes for moving some specific teachers out, although I got a very, very straightforward and candid assessment of the generic kinds of issues around teaching and learning that needed to be addressed in the school.

As a result of those three intervention team reports in three high schools -- South Boston, Boston High and Dorchester -- there have been major changes made this year: leadership changes in the administrative teams, all or in part, dividing the South Boston High School into four small learning communities with small learning community principals all new at that school, or three of the four new. At Boston High three small learning communities with a new headmaster and building on small learning community work and curriculum work that had been done at Dorchester High. So that is a very specific kind of intervention that can be used. The other schools that went through the in-depth review that have not met standards are getting targeted support.

All of this work has got to be reported to constituents. We do annual report cards that are issued each January, just at the time that parents are visiting schools and deciding which schools they're going to choose as part of our student assignment and school choice system.

I'd just like to end by saying that I believe very strongly in the standards-based approach. I think that in any accountability system, there has to be a focus on improvement. If you just rely on absolute rankings based on a snapshot of data at a particular point, then you run the risk of having low-performing schools, and certainly there are a greater number in our urban school districts always finding themselves at the bottom of the ranks. That can be an incentive for them improving to a point; but if they start to improve and they're still ranked as low-performing under an accountability system, then it's very hard for

them to get up every morning, teachers and principals, and say, I'm going to go to school and make a positive difference for kids today. There's got to be a tough and rigorous accountability system, but people and institutions within it need to be given support for progress that they are making, so that conceivably you can have a school in the middle of the ranking by a snapshot look against the indicators that is moving just a tiny bit, and low-performing schools that over several years are really making dramatic gains. That has got to be recognized.

The final thing I would say is that the support systems are tremendously important. It's not enough to just tell people why they're not performing; you've got to give them a chance and support and help and a plan for how to improve. At each stage, as the stakes get higher, if they don't perform, then, it seems to me, the top-down strategy, the more prescriptive strategy, has to kick in. The trade-off is, to the extent you're not performing, you're not changing, you're not doing a better job, you lose some of your flexibility and autonomy; but to the extent that you are making progress and improving, you get some of it back. That's part of the reward and incentive system. I think this is pretty consistent. I've got a few differences on some of the state system, but in terms of the overall approach, it's very similar, and I think it's important that we align state and local accountability systems so we're working together and not at cross-purposes.

CHAIRMAN PEYSER: Thank you very much.

MR. SLOTNIK: I think, as we look at this issue of state intervention, the core issue is: How do we use accountability as a vehicle for school and district improvement, rather than as a hammer on under-performers or perceived under-performers? As I discuss this issue -- and Leo has described the comprehensive efforts in one state, Tom in a district -- I'm going to speak a bit more nationally. My frame of reference is the work of CTAC in twenty years of working with school districts, primarily urban districts but not exclusively. This ranges from involvement in major state interventions, including district-wide takeovers in places such as Newark, Cleveland, and to a lesser extent, Compton, California, to initiatives that target specific under-performing schools in states ranging from California, where they're now in their second year of a major intervention that will be assisting 430 schools -- they assisted 430 last year -- to Kentucky, that works on a much smaller scale. I'll be drawing as well from other involvements that address these same issues, but from a different angle or different perspective, including Denver's current effort to become the first urban district to implement a pay-for-performance system for teachers in such a way that teacher compensation in part will be linked to student achievement; and then broad-based change efforts ranging from large districts such as Albuquerque, New Mexico, to Jackson, Mississippi, and smaller districts throughout California.

I'd like to start, though, by looking at the overall context for this. Right now, nationally, twenty-three states have the authority to take over schools or districts or both. Thirteen have already utilized this authority, and as in Massachusetts, many more are considering moving in this direction. The premise to it all is that improvement will get better under state leadership. The challenge is, I think, as people in New Jersey and California and others have discovered, demonstrating you can help is often more difficult. I think when we look at these issues of state interventions -- and this struck me actually the most when I received your program in the mail -- is state interventions at

school and district levels are very, very different kinds of interventions. Not only by type, but they also vary within type, and they differ significantly in terms of scale, in terms of scope, and even the level of prescription.

I also think that when you look at district takeovers, what works for small districts doesn't always work for large districts. For example, from the New Jersey experience, one of the requirements under the takeover legislation is within a year and a half, you have to evaluate every principal and vice-principal in a district. In a small district, that might involve evaluating twenty people, and that can be done over a year and a half period of time. In a place like Newark, it involved almost two hundred people, and was significantly more challenging.

The school interventions also vary from targeted interventions to takeovers of individual schools; yet one thing we have to bear in mind, particularly as Massachusetts looks at the possibility of school interventions, is under-performing schools by and large tend to exist in the context of under-performing school districts. Just as there are risks and dangers involved in working at the district level, there are also flaws if you don't work at that level.

The third point I'd make -- and I think the New Jersey experience has really borne this out and, I think, in very positive ways -- is state intervention is not, and cannot be, the intervention of last resort to improve a school district. At root in this country, education is a local enterprise, and there is an intrinsic tension between state intervention in a local enterprise. I think there are some things that state intervention can do, whether it be at the school or the district level. It can get very serious problems on the radar screen where they've often been overlooked. It can be a catalyst for improvement. It can address issues of corruption, and here I mean two types of corruption. One is the legal corruption. For example, at one point in Newark, there were three federal grand juries investigating past practice. It was like watching one of the legal programs on television, but with more serious stakes. But there's also another type of corruption that can exist in many districts where people don't know that there are other ways of doing business. For example, an issue that has dominated discussion nationally in elementary schools is, should we pursue whole language, or should we pursue phonics? In a number of the districts that have been taken over, that discussion is not on the radar screen. So even some core concepts that liberals and conservatives alike would agree are key to a good school are not always widely understood.

It also can address dysfunctions in fiscal systems, personnel systems -- I'd use the triage concept: It can stop hemorrhaging. Indeed, when you look at the State of California and what triggers takeovers, the Compton takeover is the only one where education was one of the triggers. At root, it's a budgetary formula that triggers takeovers in California. Ultimately, long-term improvement depends on local initiative and local capacity. So the key, from a state perspective, is how to trigger and build the foundation for that capacity.

I spoke to Jim yesterday, and having worked closely with the Newark situation, I took a guess at what some of Leo was going to talk about, and Jim asked that I focus more on interventions at the school level. As I talk about these, I'd like to also point out where I think there are implications for ways the state Department of Education needs to reorganize or adjust its capacities to help people out or find people who can do that help. I would focus on six pieces that I think the state needs to think about, and you'll start seeing some overlap between what I'm saying and what Leo and Tom have said before.

The first is that the initial intervention has got to be communicated with great care, and against a set of very, very explicit criteria. Now, these vary tremendously. The New Jersey takeover legislation, for example, spells out the entire process, and Leo walked you through the three levels of that review. In California, it's based on a fiscal involvement at the district level. But in other places it functions very, very differently. For example, in California, it's largely based on student performance against norm-reference tests. In Kentucky, they've taken it to some different levels. For example, one of the schools that was taken over in Kentucky is unfortunately one of the highest-performing middle schools in the state. The problem was, because it was already performing at a high level, it wasn't showing any more gain. This is perhaps not the best use of resources in a state that in many ways has thought through state issues very, very thoughtfully. But you also need to have an understanding of local context. For example, you may have a school that shows up as performing at the 40th percentile. You decide that's inadequate, and you decide perhaps it's a candidate for intervention. But that may be a school that has had a new principal in the last two years; and unless you can track the gain going on -- maybe that's a school that has made a jump from a 20th percentile performance to 40th percentile. In case, if you view it as where they are right now, a real estate agent would say it's not a very good school. But I don't think there's any educator in this or any other essential administration in the country that wouldn't like to see that kind of gain. So understanding local contexts is extremely important.

It's also important, as you intervene, to figure out who you need to hook up with. I think one of the things we learned in New Jersey is, even when the state bends over backwards and the state-appointed superintendent bends over backwards to reach out to the community, state departments of education are not grass-roots organizations, and they don't have the resources or skills to do that. If you don't find ways to hook into community constituencies, you can often be doomed before you get off the train because you'll be perceived as an occupying force, perhaps be perceived as arrogant, and you're already entering situations that are often highly politically charged. I think a recurring issue we see nationally is that teachers and principals get very upset when they're brushed with a broad stroke, suggesting that they're under-performing. They may not all be; and in fact, what you can be doing by broad-brush labeling is adding to the burden of those who are competent and who you're going to need as allies, because the first year of intervention is often a very rough year. So the first point is around the initial intervention and communication.

The second is to build in positive incentives. It was interesting for me, one of the points that Tom had talked about as part of his formula here in Boston, is you have to build in a very significant capacity-building function, which is to say, if you're doing a school-site intervention, you have to be able to provide people with a professional development program that relates specifically to their local, individualized needs. The state either has to have that ability or has to develop it, because again, many of these schools exist in districts that don't have that ability.

From a state perspective, you have to weigh the issue of financial resources and what kind of incentives you can build there. State intervention cannot be another unfunded mandate. It will not work. To build on what my predecessors have talked about, a budget is basically a statement of what you believe in. If the budgetary authority isn't there to back up the intervention, particularly at strategic points, you'll fall short of the mark.

I'd now like to move from those two what I would consider state process issues to really the substance of the intervention, and I think these have to be grounded in the area of school improvement planning and implementation. Here, my third point overall is that the first step of an intervention has to be diagnosis. I think we have to be very, very careful about broad generalizations we may draw about a school. By diagnosis in that first step, I'm talking about a very rigorous and comprehensive analysis of student achievement data.

Let me frame this in a national context. Some of the people in this room weren't even born forty years ago, but I think you all know that in his inaugural address in 1960, John Kennedy said that we will make it to the moon in ten years. People still remember that forty years later. I think the reason for that is, everybody knew where Earth was, and everybody knew where the Moon was, so it was a matter of bridging that distance. But that's not always the case within schools. We need to know not only what district trends are, but also school by school, grade by grade, student by student, how are we achieving? What are our levels of achievement? Because if we can't disaggregate data to this level, then we're largely going to be making our planning and general decision-making driven by intuitive assumptions about what we think would work, rather than by what the data is really telling us about student achievement. To give you a sense as to how difficult this is -- Tom referenced cohort groups. If I had a red flag, I would have put it over that comment and agree with it entirely.

In Newark, for example, when we studied the first four years of the state takeover, we were only able to track longitudinally, meaning the same kids each and every year, in a district with 44,000 students, we could only track 2,500 kids over those four years, the same kids in terms of their performance. Now, I think what that did in Newark -- and there are copies of the Newark report here for those of you who are interested -- in fact, I think that not only undercut the improvement efforts at the sites, but I think Newark has quite a story to tell at the elementary level in terms of their accomplishments which the data does not now allow them to tell.

The second area that I think we have to get at in terms of diagnosis, and also tied into school improvements -- this will be my fourth overall point -- is we have to rigorously analyze organizational conditions; and I want to tell you where that mindset comes from. Our earliest involvements were in the '80s in school desegregation in Cambridge when they came up with their voluntary desegregation plan. Despite school department slogans, such as "All children can learn," or "Student achievement is job one" -- isn't that great when we can model our slogan after the Ford Motor Company? -- the issue is, in a lot of districts, there have been a lot of kids who have been written off.

During the '80s and early '90s, a lot of times you'd see an abandoned elementary school or storefront learning center, and a bunch of kids would be put into that building with some faculty, often very young and dynamic, who believed in them; and a bunch of kids who people often thought couldn't learn, if you go back there six months later, are learning at higher and higher levels, which suggests to us there is a relationship between organizational conditions and student achievement.

By "organizational conditions," I don't mean working conditions; that's the domain of collective bargaining. I mean rigorously analyzing involving an entire school community: the administrators, all the administrators, all the teachers, significant numbers of parents, not just the nine or ten who might be in the hip

pocket of the school council or the principal. We would argue in Grades 5 and above, you can also involve students. As a matter of fact, the more we work with schools, the more I'm convinced that most students genetically are sociologists, and they can tell you a lot about what's going on in a building. What you want to look at, having rigorously analyzed the student achievement data, is the issue of causality. We've spent a lot of time in the area of education focusing on 'What are we going to do? How are we going to do it?' Let's not rush to adopt the program model without understanding why we're having the levels of achievement that we're having. Where we're having high achievement, why are we having it? Because those are the pockets of success that we want to extend throughout our school and throughout the district. Where we have underachievement, again, why are we having it?

People will say, 'Mobility is out of our control. Poverty is out of our control. We're doing really as well as we've ever done before. The problem is the kids have changed'. The minute you allow that to become embedded in the culture of the school, I think you've lost the battle. What you've got to do is look at the factors that people in a building have influence over, if not control, such as, how are we using assessment data at the school site? What's the quality of the instructional methodologies here? What are our attitudes towards the students and the parents? What's our relationship between our overall learning goals and our school improvement plans? What's actually taking place in the classrooms, and what's happening in homework? When you start doing this, even jaded faculties and very entrenched faculties often can embrace the conditions there.

From those, you then come to point five, which is the resultant plans. This, too, is an issue that some states have run into problems with, and New Jersey did initially, which is, we can't treat acceptable behavior and unacceptable behavior the same way. If we do, it's a slap in the face to the people who are behaving acceptably, and it's reinforcing the very wrong thing. If you start getting plans out of school sites, if you're doing individual school interventions, and you don't see that the school plans are based on the analysis of data, you don't see that probe for causality that involves the school community, you can't just approve that, because then you're not going to have any success. I think one of the major things we've learned through these kinds of interventions is that there's a significant distinction between accomplishment and activity. What you're trying to do is promote the former and not allow the latter to suffice for that.

My sixth point -- and I remember when I was the person who interviewed Leo as part of our study of Newark, and we spent quite a bit of time on this -- you have to have very, very reasonable time lines and targets. One of the major lessons we learned in Newark through a state takeover is the same lesson we learned previous to that in Cleveland, Ohio, through a state takeover, which is, if you set targets that are unrealistic and nobody thinks can be met, and then you don't meet them, you don't advance the cause of reform at all. (Videotape blacked out briefly; possible small section of presentation not recorded.)

The first is student achievement. Despite so many protests to the contrary, this is a bottom-line business. Our goal is to increase the levels of student achievement, so that whatever reform efforts we do, the beneficiaries are the students rather than just the adults who work with the students. I think if we're really helping kids, the adults will get helped along the way. But we have to have evidence that's both demonstrable and sustainable. I think if the state gets involved in this area, this is a marathon; this is not a sprint. We

have to have credible measures and assessments to really have validity, to really determine if we're making progress. I would stress the word progress, because what you want to have in districts -- and this, again, was a learning out of New Jersey -- is be able to show that you're having a continuing progress towards a set of achievement standards.

Our measures really do have to be valid, and I think realistically -- and the state Board has already seen this in Massachusetts -- there are basically two types of validity. One is the educational and statistical type; the second is political. And it has to work at both levels.

The second area beyond student achievement is that we also want to see gains in organizational capacity. This puts a burden in terms of judgments on the state Department of Education, or whoever works at this kind of effort. You want to see evidence that people are using planning and budgetary resources to positively improve and change both instruction and the institutions where instruction takes place. For example, in California, where they just went through what's called the IIUSP, the Intermediate Intervention in Under-performing Schools Program -- and last year it worked with 440 schools -- one of the major problems that emerged in a couple of the larger counties in California is that they had a great deal of trouble seeing after they've gone through this whole review and planning process as to whether those plans really bore any relationship to instruction. There are a lot of fix-its you can do in this field that don't necessarily bring you to the classroom. You want to make sure there's evidence that organizational capacity is moving in that area.

The third, which I think these two words are often the curse for states, is local control. Before you ever get involved in the area of intervention, the state had better factor into its game plan how, on the front end, it is planning to return schools to local control and what the criteria for that ought to be. You really don't want the intervention to turn into Vietnam. I think, under local control, there are two issues: again, the readiness and capacity to move a school or district forward on behalf of children; and the second, as Leo talked about, which is what triggered the intervention in Newark, is the intent to use this capacity. Having looked at the state takeover laws in many, many states, some of which have already been used to take over school districts, most of them are written and have a path that would lead you not to want to take over a district. That's not their goal; their goal is to avoid that.

My fourth point under success -- and I would say this is the most critical, and nationally has proven to be the most elusive -- the real measure of success long-term is, have we changed the ways people think and behave within the schools and within the school district? Because this is really the key to long-term results. Do we have schools that are really driven by the needs of children? Do we have school districts that are really driven by the needs and priorities of the school sites? From my experience, I think this takes a half-generation to accomplish. Indeed, when you look at the successful superintendents around the country, whether it be in places from Jefferson County to here in Cambridge to San Diego, when Tom was there, these are superintendents who have been there for a while because they understand it's a long-term process.

I think there's a lot more involved here than putting a few people in place or having high-quality plans. 90 percent of the people, if not more -- and I mean professionals -- who you're going to be depending upon to have the long-term success of your district and whose futures of the kids you're placing in their

hands, they're the people who are already in those districts. So you really want to see evidence of change in how they're doing business, because ultimately you're trying to move from where the reaction to the intervention by the state isn't one of compliance, but is one of a true commitment towards a new way of doing business. Thank you.

CHAIRMAN PEYSER: Thank you, Bill. And finally, Todd?

MR. ZIEBARTH: Good evening. It's a pleasure to be here with you today, and to have the opportunity to discuss the difficult, yet important issue of state interventions in public schools. I'm going to spend my time talking about more specifically about takeovers of districts and schools; and given where I come from, the Education Commission of the States of Denver, I want to provide a picture of what's happening across the nation in this issue.

As Bill mentioned, at the present time, twenty-three states have policies on the books that allow them to take over a district because of academic problems; and I think it's important to distinguish between some of these types of policies. In some states, the policies apply in general to all of the school districts within a state. They establish acceptable and unacceptable levels of performance based on certain indicators, and usually provide a succession of sanctions for academic problems, with takeovers being the ultimate sanction.

Some of the examples of these policies are in Alabama, West Virginia, and, as Leo and Bill have mentioned, in New Jersey. Other states have enacted policies that target specific districts for a takeover, by either the state or another entity such as a university, or, more commonly, a mayor. Examples of policies specifying districts for state takeover include Connecticut's policy for the Hartford Public Schools, New York's policy for the Roosevelt Union Free School District, and California's policy for the Compton Unified School District. And, as folks in Massachusetts are well aware, there are a number of states that have policies which target districts for mayoral takeover, Boston being one of them; Illinois enacted a policy for Chicago; and Ohio eventually did for Cleveland; and most recently, Michigan enacted a policy to give the mayor authority to run the schools in Detroit.

In practice, the level of state control and local influence in takeovers varies from state to state. In some cases, such as New Jersey, state officials relieve school board members and high-level administrators of their responsibilities and appoint others to manage the school district in their place. In other places, such as West Virginia, school board members and high-level administrators remain in place as an advisory group. These officials advise state-appointed decision-makers on fiscal and budgetary matters, but maintain authority to make decisions in the area of curriculum and instruction.

Most recently, several states have broadened the takeover notion to allow state takeovers of schools based on academic problems. At the present time, 15 states have enacted such policies. However, only two of these states have actually used this authority take over and run a school. These two have done it in very different ways. One is Alabama, where in 1999, they took over one school, a high school in a rural county; and then this year they took over five more schools, including elementary, middle, junior, and high schools. The other state which has begun to experiment with this is Maryland, where first in the mid-1990s they established an accountability system which categorized schools based on performance. One of these categories is termed reconstitution-eligible, and if a school is placed in this category, they are at risk of being

taken over by the state. Earlier this year, Maryland actually took over three of the schools that had been in that category for quite some time, and what is unique about Maryland's intervention is that they have decided to contract with Edison Schools to run these three schools.

Let me briefly turn to the effects of takeovers, and I think it's important to note that there is really a scarcity of research on the effects of takeovers of districts and schools, and there's also a shortage of unqualified success stories of these kinds of interventions. That said, though, I will address this issue of effects by summarizing what we do know in general about the effects of takeovers.

As Leo mentioned, for the most part, takeovers seem to be yielding more gains in central office activities than in classroom instructional improvements. As evidence, if you look across the 18 states that have actually intervened in school districts, you can pull out a handful of effects that are fairly consistent across these places. One is that takeovers have eliminated nepotism within a district's decision-making processes, specifically in the area of personnel decisions. The takeovers have improved the district's administrative and financial management processes; oftentimes they have removed the threat of teacher strikes within a district. In a couple of places, most significantly Chicago, they have upgraded the physical condition of schools within a district; and finally, they are credited with often implementing innovative programs for targeted schools within a district.

Despite these positive results, takeovers have produced effects to the contrary, such as the $70 million deficit incurred by a state-appointed administrator in Newark, and also the ten-day teachers' strike in Detroit which occurred six months after the mayor assumed control of the district. So while for the most part they've produced positive gains in the areas that I've mentioned, there are exceptions to the rule.

Furthermore, and perhaps more importantly, student achievement still often falls short of expectations after a takeover. In most cases, academic results are usually mixed, at best, with increases in student performance in some areas and decreases in student performance in other areas. The bottom line is that takeovers for the most part have failed to produce dramatic and consistent increases in student performance, as is necessary in many of the districts and schools that are taken over. Two promising experiences stand out among the takeovers, however, and I'd like to briefly note them.

Bill made an excellent point of distinguishing between takeovers in smaller districts and takeovers in larger districts, and the first example I'm going to provide is the West Virginia takeover, the Logan County Schools, which is a smaller district in rural West Virginia. In 1996, the state took over the district, and over the course of a few years, test scores have increased, management has improved, and local support was strengthened by the state's effort. According to the former West Virginia Superintendent of Schools, from his perspective, the state succeeded mostly because it kept the school board in place, albeit with reduced powers. State officials felt the district's decision-makers needed to be a part of the recovery process, largely so they would know what to do when the district regained sole control of its operations.

The other promising experience is a larger district, and it's one that has received quite a bit of publicity over the last five years, and that's the mayoral takeover of the Chicago Public Schools. This is one of the few places

where we actually have academic studies of the effects of the takeovers, and studies by the University of Chicago and the Consortium on Chicago School Research have shown both improved managerial efficiencies in the district, as well as substantial improvements in achievement in a large number of Chicago's public elementary schools.

I think it's important to point out what's unique about the Chicago takeover is that when the state legislature enacted the policy to give the mayor control of the district, they also did a couple of other things. They gave the district administrators a lot more flexibility in determining how to spend their funding allotments from the state; so a lot of the money was given to them in broad categories as opposed to specifically earmarked funding. They also tackled the collective bargaining agreement at the state level and changed the parameters of what could and could not be negotiated, which gave the administration a tremendous amount of, or relatively tremendous amount of flexibility in how they assigned teachers.

In closing, let me state that although takeovers are not a silver-bullet solution to the problem of low-performing districts and schools, they are forcing policymakers to re-examine their state accountability systems. And as they do this, at ECS we would encourage them to think about accountability and to consider the following things as they do so: (1) Use multiple indicators to measure performance; (2)Use value-added assessments to measure a school and teachers' impact on a student; (3) Disaggregate the data within a school by race, ethnicity, gender, income, language, and special education; (4)Categorize districts and schools by level of performance; (5)Provide additional and targeted funding to low-performing districts and schools as necessary; and (6)Provide technical assistance to low-performing districts and schools as necessary. The bottom line, from our perspective and our experience in looking at this issue, is that any changes in governance through takeovers need to be connected to changes in teaching and learning that happen in a classroom. By doing that, takeovers may be able to contribute to improved performance. But that connection needs to be made in a strong way.

CHAIRMAN PEYSER: Thank you very much, Todd. One of the issues that I find complicated here, and some of you have touched on it, is the relationship between the school and the state. The idea is to intervene in an under-performing school, which of course is embedded within a district. One might presume that if the school is really performing at truly unacceptable levels, that implies something is wrong in the district itself. It could be, in theory, the district that is so large that this school has just fallen between the cracks. I don't think that would typically be the case in Massachusetts. So if you're confronted with a situation, I guess the first question is, to what extent do you hold the district accountable for the performance of the school? To what extent do you attempt to either reform the district, and thereby make it possible for the school to succeed, or to create separation between the district and the school? Putting it another way, are there situations where divorce is the best solution rather than trying to reconcile the family members?

DR. PAYZANT: I think you have to look at the school in the context of the district, initially, and work with the district on the strategies for targeting ways to improve the school if the district hasn't already attempted to do so. And I say "in the context of the district," because you could have a district with a third of the schools that are not performing well, and two-thirds that are; and does that really mean that the district has got it all wrong, or just

that they really need some help and support in figuring out how to deal with their lowest-performing schools?

Now, if you go through that, and there are one or two exceptions or some number, and the district isn't being responsive, and doesn't have a plan, and can't show any progress, then I don't really have a problem with more dramatic intervention by the state. But I think the district has to be given a chance, working with the state, to show that there is a plan for improvement, and there is a reasonable time, at least a year or two, for the school to demonstrate that progress is being made.

DR. KLAGHOLZ: I'd say, too, along the same lines, that it depends; and if I saw a plan like Tom's, I'd be inclined to stay out. This is a solid effort to improve, and so I would say, what can the state do? And one thing state departments can't do is be sources of wisdom and expertise about this stuff. That's a false assumption; it's a very difficult challenge.

I think some things the state can do in a circumstance like that is that if there are decisions -- give the superintendent coverage, for one thing, that if there are tough decisions that need to be made, that sometimes state authority can help do that. Certainly fiscal support is another thing, and so forth.

The reason the New Jersey law is designed the way it is, to avoid a takeover, is the local control issue; and that is only if there's nothing like this in New Jersey, that the district isn't doing it, that then the state gets involved. The history of it gets involved at the district level; but this 1998 court decision has focused the state's attention on the school in a way that says, we're concerned -- this is the Supreme Court -- we're concerned enough, after decades of raising school funding, about lack of results in how money is being spent that we want to see a budget for each school. This is what the court is saying. If the school doesn't have an adequate budget to do what it says it needs to do, the state needs to work that out with the district central office, and has the ability to take funds from the central office or elsewhere in the district budget and put them in that school. If it can't do that without creating educational harm somewhere else, then it's got to go to the legislature and the Governor, and request an appropriation for the school, which will be used to support the changes.

This is very tough stuff, and I'd always err on the side of local control, unless there's overwhelming evidence that the central office isn't doing the job.

DR. SCHAEFER: This may have been discussed already before I came in, but I'm curious about the role of parents, when the decision is made take over the school. What role do they play? How do you address them? My second question is, you raised the issue of finances. Is there an instance of a school being turned back after it has turned around, where its finances are now independent, and the school is trying to show itself, as opposed to being otherwise under the district ... (Inaudible).

DR. KLAGHOLZ: My experience is that you can -- I think, at its essence, takeover is the suspension of local control over the school. That's what it is, and it is that for Constitutional reasons that at some point in this discussion, I think we need to talk about. So it's inherently disenfranchising, unless you take some extraordinary measures. I think my experience would say that you can make improvements that are worth making, by getting everyone out of the way and

saying, no, we're just going to do this for a concerted period of time. But it's not going to be the ultimate goal without also building local initiative, local support, commitment, involvement, all those things at the school level.

New Jersey's practices evolved within the limits of it being a takeover. Initially, the state would just remove the superintendent and announce the new superintendent, and would not have any -- they wouldn't even tell people in the community who the new superintendent was. Over time, there was a change such that by the time Newark came around, the superintendent was appointed for legal reasons on an interim basis, and then there were open opportunities for people to comment on that person's performance and so forth. But I find it’s very difficult to match the nature of takeover with the local involvement.

DR. SCHAEFER: I mean, what did parents say? Oh, that's okay, or do they pull their kids out?

DR. KLAGHOLZ: It's divided, where there are parents saying, thank goodness that someone has finally come in, and there are others who feel it's a self-determination issue, and we don't want the state in, and the state can't identify with our problems; they can't help. There are arguments on both sides.

I'll say this, using it as an anecdote, that the forces in Newark in the first year were trying to get the state out; and actually those opposed to the takeover held a city-wide election. They put it on the ballot, non-binding referendum on the work of the takeover after a year-plus; and it was 50/50, the vote. From a subjective and biased view of someone at the state level, the opponents lobbied like crazy against it, but it still didn't...

DR. SCHAEFER: So when you go and you don't initially meet with the parents and explain to them what's going on and what is happening --

DR. KLAGHOLZ: Yes. I met in Newark -- it's the only one I was there in the initial stages -- for months with the parents. Is that enough communication? There's never enough communication, and it's inherently adversarial. It's the nature of it. At some point I really want to talk about this local control issue, because that's, I think, at the heart of it, and what makes it so difficult.

CHAIRMAN PEYSER: We'll come back to that later.

MR. SLOTNIK: I'd like to respond to a couple of the issues you raised around this issue of parent involvement. The first is in the pre-takeover stage. Despite many meetings that occurred in Newark, and lesser number of meetings that have taken place in Compton, when you meet with parents in those communities and survey parents in those communities, they by and large still don't understand why the state intervened. In part, it's because the bulk of the word getting out on that was made by the state and its designees in both places. I have never seen a state Department of Education do what it did in Newark in terms of community meetings; but it was viewed as the occupier.

In the more entrenched situations, something we really have to learn from these situations is that the forces of misinformation are always stronger than the forces of accurate information, assuming you have the capability to get out accurate information. But I think that's one part, which is informing the community on the front end of a takeover. During a takeover, whether it be at the school site or at the district level, from our experience, districts and

states run into the same problems that most districts run into in general around the issue of parent involvement, which is, they fail to answer the question: Parent involvement for what? I mean, I love popcorn and I love brownies; but if you only want parents involved on the nights where you're serving those things and having parent nights, you don't truly want parent involvement. The more you can help parents see that they have a rightful role in a school improvement planning process -- I'm not talking about a Chicago type of approach that lets educators, at least in the early days, off the hook; I'm talking about more where parent involvement is seen as a complement to professional competence, not as a replacement for it, because their perceptions are really quite critical in the school improvement planning process.

In districts -- and I think this ties into the previous question about the relationship of schools and districts -- one of the reasons you really have to tie in the district component -- and I agree with what both Leo and Tom said -- is that in many districts, the problem isn't the lack of vision or even the lack of a basic plan that might have some soundness to it. From our perspective, it's a lack of implementation know-how, how to get from here to there with volume in a way that's filling the capacity of the school system. In many of the districts, you'll see problems in terms of a professional development catalogue that might have a large number of professional offerings that come out in August, yet don't relate to the issues that are emerging out of the school improvement planning process. So what you lacked is an issue of organizational alignment; and when that's a problem, that's where you need to be able to help districts if you want to be able to help school sites.

The second part of your question dealt with budgets; and here, it really ranges quite dramatically. For example, in California, where there are problems around budgets that trigger the takeovers, it involves the county offices of education, which we don't quite have a parallel to that here in Massachusetts. It also requires sort of a quasi-public entity called the Fiscal Crisis Management Assistant Team, or FCMAT, whose area of specialty is intervening with the school systems around the very operational issues that Leo was referencing in his comments before. So it's really handled differently state by state.

CHAIRMAN PEYSER: Following up on this a little bit, it seems to me that there are a number of school-based problems that are inherently structural, related to just the way the district is organized, related to the politics of a school district, related to the collective bargaining agreements, related to a lot of other things, that can't be fixed for an individual school short of its quarantining or removal from the district in some way. Returning a school that has gone through some treatment and shown some improvement to the same structural problem seems to me to be sending it back to its former condition eventually. Then there are other situations where the problems that exist in a school exist there because of a particular history at that school, certain inertial factors, other things that can be essentially shaken up and shaken loose from some intervention, and then returned into the district and into the structure, but in a healthier condition. So the question I'm raising is whether in fact there may be different strategies, different approaches, for different schools. I know in saying that, of course, it's obviously true; but does it go so far as say that in some cases, the right decision may be that this school really needs to be insulated in some substantial way from a district? Rather than the state taking on the responsibility of fixing the district in order to fix the school, it says, the district needs to deal with its own problems and own issues, but let's deal with the school and let's not contaminate the school

after we've improved it, or at least given it its treatment, by putting it back into the district?

MR. ZIEBARTH: I think up to this point, most states have opted for the former approach, and North Carolina and Kentucky come to mind as places that have had some intervention experience with specific schools, and then turned them -- they've remained in the district. One place that comes to mind, which in the future may try a different approach, is Colorado. In this legislative session, they've passed a major reform bill. As part of it, they categorized schools, and after three years, I think, if a school has not improved, the state takes it over and converts it to a charter school. So it would remove it from the district's authority and separate it that way. That's the only one that I'm familiar with.

CHAIRMAN PEYSER: One other unrelated question: I'm curious whether anyone has observed any effects of accountability systems and interventions that have been indirect on other schools, that have not been directly subject to it, so whether it's internally in Boston, through the actions of free high schools, has that created a new dynamic on the other high schools... (Tape distortion)

DR. PAYZANT: ... three or four major urban districts that are in these Level 2 and Level 3, they and their city communities just pulled things together and achieved state certification. And no question in my mind that the takeover provided a large part of the... (Inaudible)

CHAIRMAN PEYSER: If it's true that the indirect effects may be greater than the direct effects on a specific district, it seems that may raise an issue about using the authority strategically, so that, for instance, rather than having a system that somewhat mechanically says here are the districts who qualify for intervention, let's proceed to intervene in all of them, and treat them equally, that maybe we ought to be thinking about identifying those handful or even smaller number of school districts for which an intervention has the greatest chance of success, and it may send the strongest signal to other schools or districts? First of all, have you heard about anyone doing it that way? Is it actually defensible in court or elsewhere, by exercising that kind of judgment?

DR. KLAGHOLZ: I would say that it is better to do a few well-chosen strategic interventions than to do many, and it has symbolic value, in effect; but also, my experience in New Jersey is that New Jersey has not found a way to return one of these districts to local control without risk of reversion to pre-takeover circumstances. The accumulation of three districts, large urban districts, is just a logistically order of magnitude impossible.

DR. SCHAEFER: But you would say in order to have that effect on other districts, you have to do at least one?

DR. KLAGHOLZ: I think so.

DR. PAYZANT: I think the experience in Boston, the intervention strategy was used maybe seven or eight years ago with some pretty hard-hitting intervention team reports, but then nothing happened with them. Then there was a real gap until I used it last spring, and it's too early to tell what the residuals will be, but the fact that there were some immediate actions taken within a couple weeks of the report's being issued has certainly gotten people's attention so that they know that it's a strategy that's there and can be used. I was really amazed. My deputies and I spend a half a day at different high schools as a

team, each month; and we went to one of the intervention high schools today. And it's only mid-November; there's a completely new leadership team. Just walking into the school, it's a different place, and already the focus is on what's going on in the classroom.

So they've gotten through the structural pieces and created the kinds of conditions that really much earlier than you would have anticipated is resulting in them really addressing the teaching and learning issues and focusing on the bottom line: How do we help students get to higher standards, and what does it mean in terms of our work as teachers and administrators in this school?

MR. SLOTNIK: There's a dimension of this that I think we have to look at as well which is the interrelationship of the districts that are under takeover to those that could easily be under takeover but are not. For example, in Newark, when we looked at the progress being made by the high schools -- and I believe there are eleven high schools there -- in the aggregate, they not only showed improvement, but they showed significant improvement compared to a comparable group of urban districts within twenty-eight special-needs districts in New Jersey. Well, that's the good news.

The bad news is, and this is based on the high school proficiency tests in the eleventh grade in the state -- when you pull out the three magnet schools that are very high-performing in Newark, and compare their performance to the rest of the high schools in the district, you see a gap that is startling. In terms of categories of, say, high competence, middle range and low competence, you see a range, if it was in percentile points, it would be a 70 percentile point range. In other words, you've got three schools that are performing extremely highly. The others are not performing very well at all. Indeed, if you took a puppy and you wet its feet with ink and you had it run across the test, they could perform at some of those levels.

Now, this pattern, it turns out, was a pattern that was also in some of the other districts that were under takeover; but as we were exploring this data, then started looking at the district factor group data for New Jersey, we started seeing that this was a pattern even in the districts that weren't under takeover, which would suggest -- now, I'm always skeptical of approaches that just pull one level of a school system away from a broader K-12 system -- but you've got some issues that regardless of the district, a state intervention could be extremely helpful here. And not a punitive intervention, or not necessarily even a takeover, but perhaps modeled on the relationship that, for example, in Kentucky, the Louisville or Jefferson County School System had during the early years of reform in Kentucky, as they were coming across issues and findings they became essentially a regional training center or professional development center for a lot of districts in that part of Kentucky.

That kind of intervention is a creative intervention, and I think it would be an intervention that falls significantly short of takeover, but is one that would have an appeal to the other districts because they'd see there's a help with the core problem that they're having. So I think it's an offshoot of the question that you're asking.

CHAIRMAN PEYSER: One of the other core issues related to intervention which is consistent across educational reform and school improvement generally is, where do the people come from who will lead these interventions? Where are these new principals who would come in and turn a school around? On the one hand, if they're already in the system, then we're taking one good school leader out of a

place where he or she is needed and putting them somewhere else, and there may not be any net gain for the system as a whole. Alternatively, if they're somewhere else, how do we identify them, recruit them, train them, and throw them into a crisis situation, which presumably would require the kind of skill and experience that you don't typically find? Given all of our good intentions around identifying the schools that need help and putting in place plans and strategies for turning them around, how do we actually implement those things with enough qualified people to make it work?

DR. PAYZANT: In urban school districts, my experience in three over the last fifteen years -- Oklahoma City, San Diego and here -- is that you have to grow your own. That isn't to say that you can't recruit from outside and get people to come in from elsewhere, but not anywhere near the numbers that you need.

The good news is that we've had a two-year program in Boston. This will be our third year, and it's fairly rigorous in terms of selection. We get in the neighborhood of fifty to sixty applicants for eight to ten slots. It's a combination of an internship with a mentor principal, one of our best principals, which is the most costly and most important part of the program. The first year it was a three-month internship. Last year we dropped it to four or five weeks because of money. It includes a seminar networking-type experience where we work with our own people and a couple people from local colleges and universities on an academic but practically based model of learning and leadership and becoming a principal.

The other significant thing was that we get lots of interest at the elementary level, and hardly any at the high school level. The people at South Boston High School, where there are four small learning community principals, one has come directly from a classroom. Another was a teacher here, went to a suburban community as an assistant principal, and we got him back. A third was an administrator in one of the exam schools, and the fourth was an assistant headmaster at South Boston High.

The school I went to this morning, the person who was an assistant headmaster, had no experience as a principal headmaster, and once in a while you'll get someone who's ready and can move right in, and she's doing a fantastic job only three or four months in. So we've got to do a lot of different things, but you do have to have a target to grow your own program.

CHAIRMAN PEYSER: In thinking about state intervention in a particular school, would you recommend to whoever is doing the hiring that the first pool of candidates to look at would be people within the system, within the school or within the district itself, whether they're existing principals, or whether they're, you know --

DR. PAYZANT: I think that's so context-specific. I'm very sensitive obviously to the local control and the inside-outside issue; but when you're dealing with situations like this, you've got to find the best person who will be the best fit for that job. Now, you might have a school where the context was such that the inside culture would suggest that in one school, you really need to have an outsider come in and just blow it up, the culture, I mean, and change it completely.

In another situation, you might have an insider who could come in, and because you wouldn't have the inside-outside issue, but you had an insider who was very committed to the change process, could be more effective in the change process,

could be more effective in that setting. So for me, not to be glib it, it is a best-fit situation; and you've almost got to go school by school and try to get that best fit.

MR. ZIEBARTH: Jim, assuming that the staff is kept in place for the most part in the school, I think Chicago provides an example of using universities rather extensively to provide technical assistance to schools that are placed on probation, for instance. It relied heavily on a lot of university expertise in the area to provide that kind of assistance. The Consortium on Chicago School Research is actually in the midst of studying the whole intervention process in Chicago and trying to determine what works in what schools and what doesn't. I think they'll probably have a fairly helpful set of findings within the next year.

COMMISSIONER DRISCOLL: As we look backward, either in Newark or these other places, we also have to look forward. Many of the lessons we've learned, of course, are very important, and the conditions are going to change. So this issue of growing your own leaders or some of the creative things you've done -- although here in Boston we've lost some very capable headmasters to charter schools and otherwise -- is it going to be a new world very soon? We'll have a lot of retirees to pick from; but I'm not sure they're the right ones in some ways, as you talk about knowing the culture and so forth. I think the world is going to change. I'd be interested to know, on these issues of who has been used in the past and who will be available in the future, and the whole idea of having effective principals in the urban areas. I think it's going to take a lot more creativity, because if you had something that worked and could do it in the past, you may not be able to do it in this way.

DR. PAYZANT: I think that, in part, goes to the thinking outside of the box with respect to what kind of people, with what kind of experience, can really make a contribution in leadership positions; and I'm not at all a purist on this, except that if you're going to bring a non-traditional candidate into the superintendency, one who has led something else but not an educational institution, that person has got to be, I think, extraordinary in terms of having some knowledge about teaching and learning that they've picked up somewhere along the line, or they've got to be a leader who can really divide the job up into a couple of pieces where they can use all of the leadership strengths that you need to provide, create the conditions, provide the support system and so on, and then have somebody joined at the hip with them that really knows what teaching and learning is all about, because that's our bottom line. I kid about this, but I don't see anybody at the Pentagon inviting me to come down and be a military leader, because I don't know anything about the military; but I do know something about leadership and organizations. And I think that's fair.

So there's got to be the fit there with somebody that knows the work of the organization, whether it's the product produced, the service provided, or in our case, the education provided, and can get at the teaching and learning issues, because that's what's going to turn schools and districts around.

DR. KLAGHOLZ: New Jersey has an option where several years ago we got rid of the regulatory requirement that we (Inaudible)... As a principal, and there have been districts now over time that have hired non-traditional candidates, and you know, it tends to be the person who isn't the extreme non-educator, but someone who has leadership and has had some contact with kids in non-traditional ways. I think selectively, that's an option looking forward that has to be in

the arsenal; but I always think, too, that you can grow leadership internally and have the best of both worlds. Certainly our superintendents have tended to want to do that. You have a known quantity, not known by references but firsthand observation, and the candidate knows the system. And perhaps I would, too. But selectively, to have the option and to use it selectively, I think, is a good thing.

MR. SLOTNIK: Simply put, I think regardless of the field, there is a direct linear relationship between the quality of the leadership of an organization and what the organization accomplishes, whether it be at the central level or in the case of schools at the school site level. Not to disagree with the perspective of growing your own, but I think that's one part of the solution, not the solution itself, because certainly one of the dynamics that you often have is, principals are often stolen from each other's districts. Superintendents are as well.

We're even seeing that dynamic in large scale in California with teachers, where the average elementary school in the last three to four years has had a turnover of 50 percent or more of the teaching population, and when we start talking about teachers who have a range of specialized skills, it becomes even higher. Growing your own is one way to go, and I think it's a key way in large districts; but there are a lot of other intervention points. And here, in Massachusetts, there are states that you could be looking at, in terms of Kentucky and California in particular, where they've seized this issue, because as they've looked around at their districts, they've seen that not only are we going through a pattern now of interim superintendencies, which I think we've had for five or six years. So the crisis you're anticipating is already happening in other parts of the country, but increasingly we're moving in states towards interim principalships, and that's scary, because if you have to place your bet in a significant system, that's where you want to have your core leadership because they're the ones who are going to drive the site reforms.

I think this is an area where the state has got to be part of the constituency. Universities can be part of it as well; non-profits and the like. But not only in terms of developing this group, but I think we've got to start training people on more of a cross-sectional basis because there are factors that site and central administrators are facing today that really are different than the challenges they faced twenty years ago. Tom, I hate to ask you -- I'll ask you this question, but what percentage of your time do you focus on student achievement right now as compared to what you'd like to be doing?

DR. PAYZANT: Well, it has never been enough; but interestingly enough, with the exception of certain crises that come along, I am spending as much or more time now than I ever have, because I'm convinced I've got to model that behavior, or I can't convince others, starting with principals and headmasters, to do it, because we're all pulled in so many directions by so many different things.

I must confess, though, because my career is not a conventional one, I never was a principal. I never was an assistant superintendent. I taught for three years, had an administrative assistant's job, and got lucky and got my first superintendency. So I'm not one who believes that there's just one road to travel to get there; it would be disingenuous to say that given my own experience.

MR. SLOTNIK: The reason I asked the question wasn't to put you on the spot, but

if our enterprise is student achievement, we want to have our leaders focus as much on that as an area of emphasis as possible. To take Newark as an example, the effort in Newark under a takeover situation was to see with the superintendent if we could crack loose three hours a week to focus specifically on student achievement, because there were so many other issues in terms of management of core operations, de-politicizing the system, de-corrupting the system, that took up the time. So that all has to be factored into the breadth of skills that you'd be looking for in the leaders.

DR. KLAGHOLZ: I think this leadership issue is central. There are two or three things, and this is one of them. I think selection is more important than training. I think they're both important, but selection is more important, and I just really think that to get leadership quality is crucial. At least while I'm saying this, I want to comment on growing your own. Growing your own in the New Jersey system, and I think one of the places it has been linked in the certification has been succession through seniority largely through the principalship. You get your three years of teaching -- and these are all certification requirements. What are the course requirements for 24 credits?

If you looked at them, they were historically things that if you were teaching, you probably had, curriculum, and those kinds of things. And so if you boiled it down, there were these six credits that the administration... (Inaudible)

So that really was the thing, and all that was the final step to put you in line for succession. I think there's a need to encourage growing your own in different things, and that's really selecting people who have the capabilities and talents, and to bring them along. But I also agree with everything you said. You wouldn't want an internal-only system for... (Inaudible)

DR. PAYZANT: Just one more quick point on that. I mentioned it before, but I think more important than growing your own or using outside sources is that I'm convinced that a really solid full-time internship with a strong mentor, whatever the leadership position, is the best factor to build into a leadership development program; and we don't do it, not because we don't understand that, but because it's also the most costly. So one of the things that we've got to do is to put together a realistic way of thinking about the costs of doing this well. In terms of an external leadership, I work a lot with the urban superintendents program. I've had three interns over the years; I've ended up hiring all of them after six months. Full-time internship is part of the doctorate, and I don't think you can beat that kind of intensive hands-on experience with real responsibility involving not just shadowing a mentor. We've got to figure out a way to do that better.

CHAIRMAN PEYSER: We're running over the time, but I do want to ask if anyone in the audience has a comment or a question to make.

WOMAN FROM AUDIENCE: I'm a student in the urban superintendents program, so thank you for that, Dr. Payzant. You mentioned about tackling the collective bargaining contract. I have a two-part question, for all of you. One is, what kinds of things should a district keep in mind when negotiating a contract with the union to give the flexibility needed to have an accountability system that you deem a local district should have? Also, with a takeover, how do you deal with the contract? Do you just do without it, or how do you work around that?

MR. ZIEBARTH: In Chicago, at the same time that they enacted changes to the collective bargaining agreement, they gave the teachers a four-year raise; so I

think that probably helped soothe some of the hard feelings that may have been invoked because of the changes to the agreement. And in Detroit, when the state took over, the district was in the process of negotiations, so the new board just took over that process, and the teachers ended up going on strike six months later. Eventually it was resolved after ten days. But I would actually ask Dr. Payzant to talk about what districts can do in terms of the collective bargaining process to maybe link up the autonomy and responsibility that we want our leaders to have. How does the agreement affect that?

COMMISSIONER DRISCOLL: Tom, I think there was a couple weeks there that you weren't spending all your time on student achievement.

DR. PAYZANT: This is not an easy question to give a one-minute response to. First of all, it starts, with the assumption that -- let me use an analogy -- the media can be your enemy or friend. So can the union. You've got to look at the win for both the union and management, and figuring out a partnership and a way to work together.

Having said that, there will be a certain percentage of the interests that will coalesce and be the same; but occasionally, there will be interests that the union has in meeting what its members see as priorities that may be different from what management sees in terms of meeting the priorities that are more connected to the students. You've got to work through that, and sometimes you have to go to the brink of work actions and a strike to get people to really make some changes that they would never make on both sides, and be able to get to the point that you can walk away and say that both sides have won, but most of all, the kids the long haul will be better off. I think you have to realistically target two or three things that you go for. It's incremental and slow, and that's essentially what we've done in Boston this time; we really focused on some changes in hiring practices and a couple of hot-button issues that made it a very, very tough negotiation. But there were also some common interests that money would fix, which was reduced class sizes and a decent salary increase.

So at the end of the day, there were those kinds of trade-offs. Did we go as far as we wanted? No, but we got farther along than a lot of people thought we would. I guess the other irony is that in 1965, I wrote my qualifying paper for my doctorate on the Massachusetts public employee collective bargaining law, and it's been haunting me ever since.

DR. KLAGHOLZ: This collective bargaining issue has come to a head in New Jersey in the last couple years, and I'm just going to use an anecdote to say how. Jersey City was one of the districts taken over by the state because it was shown in court that the children of the district for many years have Constitutionally been denied the education they're guaranteed. As part of the process, the district had various committees, and they came up with posited certain reforms that they thought would make a difference, one of which was block scheduling in the high schools. So they requested state approval; they got state approval. They had talked this through with the union, and they didn't reach agreement in the process; and even once it was approved and ready to go, they still hadn't. It went all the way up to state employee relations hearings on the issue of the loss of the five minutes of time that you would have passing between classes in a traditional schedule.

So an issue that's come before our court, as a result of this and the school funding, has been, if there's a conflict between children's Constitutional

rights and employee rights, and the courts are saying, which they have been, it's not local control, state; you're in charge, and you make sure these things happen, how far should you go and how far should you be able to go? There's no easy answer to it, because you can answer that question legally, how it ought to work; but you're going to run into exactly what Tom said in reality, unless people are brought along. So it ends up to be a very, very slow incremental thing where you're persuading people in contract negotiations to accept longer workdays.

Related to that issue was the one with the courts of school funding. New Jersey's urban districts were grossly underfunded in the early 1970s. The court said, why is this, state? And we said it's local control; you do it through property taxes. And the court said, it is not. It's a local control state, but Constitutionally, education is a state responsibility, and put the money in. Well, it went from four thousand a pupil to five to six to seven to eight to nine, ten, eleven, twelve thousand dollars a pupil. No changes in results. And the courts would say, why aren't there any results? And the state would say, because the money's not being spent. As soon as new money gets in, it gets bargained into 10 percent salary increases, and it's locally bargained. The court said, no, not local control, state, fix it. You do it. But I'll tell you the extent to which that kind of Constitutional crisis leads the state to take the kinds of extraordinary actions suggested by it is a really tough question; and it hasn't happened in New Jersey. Contracts have been observed 100 percent, as has been the negotiations process. It's not a criticism of the bargaining process, because I think you have their people doing their jobs. But the system makes it very difficult to make major changes.

CHAIRMAN PEYSER: That's going to have to be the last word. I thank you all for coming. I especially want to thank the panelists for coming. This forum was very helpful and very productive. If there are no further comments from this side of the table, we're adjourned.