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MAKING THE GRADE? EXAMINING DISTRICT OF COLUMBIA PUBLIC SCHOOLS REFORM PROPOSALS

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

APRIL 28, 2006

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MAKING THE GRADE? EXAMINING DISTRICT OF COLUMBIA PUBLIC SCHOOLS REFORM PROPOSALS

FRIDAY, APRIL 28, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The committee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. Tom Davis (chairman of the committee) presiding.

Present: Representatives Tom Davis, Cummings, and Norton.

Staff present: David Marin, staff director; Larry Halloran, deputy staff director; Keith Ausbrook, chief counsel; Rob White, communications director; Shalley Kim, professional staff member; Teresa Austin, chief clerk; Sarah D'Orsie, deputy clerk; Kim Trinca, minority counsel; Earley Green, minority chief clerk; and Jean Gosa, minority assistant clerk.

Chairman TOM DAVIS. The committee will come to order. Welcome to today's hearing on the District of Columbia's public school system.

The District of Columbia Financial Responsibility Management Assistance Authority was put in place by Congress in April 1995 to turn around the city during a financial crisis.

The control board conducted an extensive review of the District of Columbia Public Schools and concluded that the system was in disarray. "The deplorable record of the district's public schools by every important educational and management measure, has left one of the city's most important public responsibilities in a state of crisis, creating an emergency which can no longer be ignored or excused," the Control Board said. "DCPS is failing in its mission to educate the children of the District of Columbia in virtually every area and every grade level, the system has failed to provide our children with a quality education in a safe environment in which to learn."

Today, at a time when so many things are going right in the Nation's Capital, DCPS continues to be plagued by management problems, declining enrollment, crumbling facilities, escalating violence and substandard academic achievement.

The fact is, the District's improved health cannot be sustained without a better public school system. Families are left with unenviable or unattainable choices, move out, try to switch to charter schools with mixed records themselves, win the lottery for a scholarship for the private school through the DC School Choice

program, or succumb to the fact that their children are going to have to succeed in spite of, rather than due to, the educational climate.

It is not impossible to succeed in D.C. public schools, but the journey is difficult. One of our witnesses today, Cedric Jennings, is here to talk about those obstacles and how he was able to overcome them.

The number of D.C. schools identified as in need of improvement increased from 15 in 2003 to 71 in 2004, and 80 in 2005. According to the Nation's report card, a report released in 2005 by the National Center for Educational Statistics, only 10 percent of fourth graders and 7 percent of eighth graders are proficient in mathematics. And only 11 percent of fourth graders and 12 percent of eighth graders are proficient in reading.

DCPS is currently at the lowest levels of State educational agency performance as measured by the National Assessment of Educational Progress.

Superintendents have come and gone with different ideas about how to reform the system. Past experience demonstrates that change cannot happen in a relatively short period of time, and progress will not be easy.

No plan can succeed without perseverance and stable leadership. Superintendent Clifford Janey gives D.C. a chance at stability. Dr. Janey has the burden to fix many problems that predate his arrival.

Almost a year ago, Superintendent Janey testified before this committee and discussed a new strategic plan called the "Declaration of Education: Keeping Our Promise to the District's Children."

The initiatives aimed at raising academic achievement in every classroom and in every school.

There are three goals that guide the declaration, academics, management systems and communication, including the plan as a framework to raise student achievement by retaining and training high quality teachers and principals, engaging parents and communities, improving business operations in school facilities, and implementing new curriculum standards.

We are interested to hear today how these plans are working. But we hold this hearing against the backdrop of a decision of the U.S. Department of Education to declare D.C. schools a high risk grantee, once again highlighting the weak managerial and financial controls in the system. The high risk designation means that special conditions will be imposed on all existing grants issued by the Department to DCPS, and if corrective action is not taken, the loss of Federal dollars is a real possibility.

I am interested to hear about how this designation came about, how this move can perhaps benefit D.C. students in the long run by forcing changes in the public school system and by bringing more widespread community resources to it.

We also need to know what exactly is at stake and what is expected of DCPS. According to the Department, DCPS failed to meet accountability time lines and repeatedly submitted reports late.

The Department also faulted DCPS's inability to monitor federally funded programs and services and highlighted systematic external control weaknesses.

In addition, the district has to do a better job incorporating the provisions of No Child Left Behind into planning and implementation for systemwide change.

Failure to make progress as defined by the law carries specific and serious consequences. If the Department determines that DCPS has not made substantial progress or met special conditions, then the Department can consider discontinuing all or part of one or more grants for the public school system or take other remedial action.

This hearing gives us the opportunity to examine the current situation and discuss the resources needed to meet the standards set by Federal law.

I also hope to re-examine how the district exercises State and local functions in the educational realm. No Child Left Behind requires State education agencies to exert authority over local school districts.

Accountability, school improvement, teacher quality, and increased reporting requirements are four core features. There are four areas that the D.C. needs to significantly improve. The district must navigate a complex relationship between State and local educational functions. DCPS is both the State and local educational education agency, and therefore monitors its own Federal compliance. Previously, DCPS was the only local school district in the District of Columbia. However, there are no charter schools that serve a significant population of students.

Under this arrangement, the DCPS superintendent also serves as the chief state educational officer responsible for carrying out State level functions, including oversight of DCPS operations. The responsibility is that in almost every other jurisdiction would be carried out by a separate State educational agency.

While public charter schools are not under the auspices of DCPS, and are each considered an independent local education agency for State-level purposes, the school system performs State-level functions on their behalf.

Faced with pressures to have State-level functions performed by an entity other than DCPS, the District created the Office of the State Education, allowing public school system to concentrate its resources on improving teaching and learning.

Currently, the SEO exercises limited State functions, auditing annual enrollment, issuing rules for annual verification of D.C. residency, studying and making recommendations on the uniform per student funding formula, and State agency functions for the Department of Agriculture grants.

I am eager to learn how reform efforts are proceeding and how students, teachers, administrators parents and elected officials can support the plan.

As policymakers, educators and citizens, we have to determine our priorities and marshal the right resources. I know we are all hoping to give all D.C. students a chance at a brighter future. I would now recognize Ms. Norton for her opening statement.

[The prepared statement of Chairman Tom Davis follows:]

Opening Statement of Chairman Davis
Committee on Government Reform
April 28, 2006
10:00 a.m.
Room 2154 Rayburn House Office Building

The Committee will come to order. Good morning, and welcome to today's hearing on the District of Columbia's Public Schools System.

The District of Columbia Financial Responsibility and Management Assistance Authority was put in place by Congress in April 1995 to turn around the city during a financial crisis. The Control Board conducted an extensive review of DCPS and concluded the system was in disarray:

"The deplorable record of the District's public schools by every important educational and management measure has left one of the city's most important public responsibilities in a state of crisis, creating an emergency which can no longer be ignored or excused," the Control Board said. "DCPS is failing in its mission to educate the children of the District of Columbia. In virtually every area, and for every grade level, the system has failed to provide our children with a quality education and safe environment in which to learn."

Today, at a time when so many things are going right in the nation's Capital, DCPS continues to be plagued by management problems, declining enrollment, crumbling facilities, escalating violence, and substandard academic achievement. The fact is, the District's improved health cannot be sustained without a better public school system.

Families are left with unenviable or unattainable choices: Move out. Try to switch to charter schools with mixed records themselves. Win the lottery for a scholarship to a private school through the D.C. School Choice program. Or succumb to the fact that their children are going to have to succeed in spite of, rather than due to, the educational climate.

It's not impossible to succeed in D.C. public schools, but the journey is difficult. One of our witnesses today, Cedric Jennings, is here to talk about those obstacles and how he was able to overcome them.

The number of D.C. schools identified as "in need of improvement" increased from 15 in 2003 to 71 in 2004 and 80 in 2005. According to "The Nation's Report Card," a report released in 2005 by the National Center for Education Statistics, only 10 percent of 4th graders and 7 percent of 8th graders are proficient in mathematics, and only 11 percent of 4th graders and 12 percent of 8th graders are proficient in reading. DCPS is currently at the lowest levels of state educational agency performance as measured by the National Assessment of Educational Progress.

Superintendents have come and gone with different ideas about how to reform the system. Past experience demonstrates that change cannot happen in a relatively short period of time and progress will not be easy. No plan can succeed without perseverance and stable leadership.

Superintendent Clifford Janey gives D.C. a chance at stability. Dr. Janey has the burden to fix many problems that predate his arrival.

Almost a year ago, Superintendent Janey testified before this Committee and discussed a new strategic plan called the "Declaration of Education: Keeping our Promise to the District's Children." The initiative is aimed at raising academic achievement in every classroom, in every school. There are three goals that guide the Declaration: academics, management systems, and communication. Included in the plan is a framework to raise student achievement by retaining and training high-quality teachers and principals, engaging parents and communities, improving business operations and school facilities, and implementing new curriculum standards. We're interested to hear today how those plans are working.

But we hold this hearing against the backdrop of the decision by the U.S. Department of Education to declare D.C. schools a "high risk" grantee – once again highlighting the weak managerial and financial controls in the system. The "high risk" designation means that special conditions will be imposed on all existing grants issued by the Department to DCPS. And if corrective action is not taken, the loss of federal dollars is a real possibility.

I am interested to hear more about how this designation came about, and how this move can perhaps benefit D.C. students in the long run by forcing changes in the public school system, and by bringing more widespread community resources to it. We also need to know what exactly is at stake and what is expected of DCPS.

According to the Department, DCPS failed to meet accountability timelines and repeatedly submitted reports late. The Department also faulted DCPS' inability to monitor federally funded programs and services and highlighted systemic internal control weaknesses.

In addition, the District has to do a better job incorporating the provisions of No Child Left Behind into planning and implementation for system-wide change. Failure to make progress, as defined by the law, carries specific and serious consequences. If the Department determines that DCPS has not made substantial progress or met special conditions, then the Department can consider discontinuing all or part of one or more grants awarded to DCPS, or take other remedial action. This hearing gives us the opportunity to examine the current situation and discuss the resources needed to meet the standards set by federal law.

I also hope to re-examine how the District exercises state and local functions in the educational realm. No Child Left Behind requires State Education Agencies to exert authority over local school districts. Accountability, school improvement, teacher quality, and increased reporting requirements are four core features. These are four areas D.C. needs to significantly improve.

The District must navigate a complex relationship between state and local education functions. DCPS is both the state and local education agency and therefore monitors its own federal compliance. Previously DCPS was the only local school district in the District of Columbia. However there are now charter schools that serve a significant population of students. Under this arrangement, the DCPS Superintendent also serves as the chief state education officer responsible for carrying out state-level functions, including oversight of DCPS operations – a responsibility that in almost every other jurisdiction would be carried out by a separate state education agency. While public charter schools are not under the auspices of DCPS and are each

considered an independent local education agency for state-level purposes, the school system performs state-level functions on their behalf.

Faced with pressure to have state-level functions performed by an entity other than DCPS, the District created the Office of the State Education, allowing DCPS to concentrate its resources on improving teaching and learning. Currently, the SEO exercises limited state functions: auditing annual enrollment, issuing rules for annual verification of D.C. residency, studying and making recommendation on the Uniform Per Student Funding Formula and state agency functions for Department of Agriculture grants.

I'm eager to learn more about how reform efforts are proceeding and how students, teachers, administrators, parents, and elected officials can support the plan. As policy makers, educators, and citizens we have to determine our priorities and marshal the right resources.

I know we're all here hoping to give all D.C. students a chance at a brighter future.

I now recognize the distinguished ranking member, Mr. Waxman, for his opening statement.

Ms. NORTON. Thank you very much, Mr. Chairman. I appreciate your courtesies in agreeing to hold this hearing only after the superintendent had gotten his bearings and outlined his comprehensive reform plans for oversight by the Mayor, school board, D.C. Council, and the residents themselves.

By the time Superintendent Clifford Janey became superintendent in 2004, the D.C. public schools had been without a superintendent for so long and had slipped into such steep decline, many feared that the Nation's Capital could not attract a competent superintendent equal to the considerable task.

We are fortunate that Superintendent Janey took the job and that his efforts have quieted those fears. But Dr. Janey had to be a brave and confident man to come to the District with a determination he has shown to pick up the pieces of a shattered school system and take on the task of recreating the D.C. public school system.

The D.C. schools, like the schools of every local jurisdiction, constitute the very essence of what is meant in the United States by local control and self-government.

But the District, like other public schools, received some Federal funds, particularly title 1, IDEA, and some grant funds.

This committee's approach has been consistent with the balance between home rule and legitimate congressional concern and interest in DCPS. I appreciate that balance, that balance along with the tough criticism the D.C. public schools have gotten and deserve from this committee.

I wish I could say that the Department of Education had shown the same courtesies. We were shocked to learn a couple of months ago through a staff conference call that the Department officials had notified Superintendent Janey and relevant Members of Congress that day that DCPS would be placed in a "high risk category" and that the Superintendent had been presented with a letter to be released at 4 p.m. that very day informing the press.

The Department of Education was so anxious to hang the high risk label on the District schools endangering Federal funds that it rushed forward without any semblance or pretense of orderly or due process.

When questioned, the Department could name no other school system in the continental United States that had received this designation, but when pressed, indicated that perhaps one or two territories had been so designated.

Notably, no State or jurisdiction that had two Senators was named.

This much seems sure. The Department of Education would have been reluctant to pull such a surprise attack on any of the big cities, all of whom have struggling school systems showing poor results, but all of whom have two Senators. It was a stunt that resembled a surprise attack by the cops with the press informed and the culprit put in the proverbial handcuffs and handicapped to adequately respond.

The fairness issue was considerably compounded by the fact that the budget years that purportedly lead to the designation preceded this superintendent's tenure.

Responding to protest, the Department pulled back but returned this week with a similar indictment following an investigation and communication with DCPS. I lay this incident on the record, not because I believe the designation was unfair, I had no information or basis to judge anything except the fairness of the process that was used.

I do know the difference between a fair process and a sneak attack.

The District may not have two Senators who have numerous ways to retaliate against such unfairness.

But the Department is on notice that the District of Columbia will always insist that it is treated like any other U.S. jurisdiction whose taxes pay for our government, including the Department of Education and its personnel.

At the same time, I have never been and will never be an apologist for the D.C. Government and especially not for its public schools.

It breaks my heart that the public schools that were good enough to prepare me to compete with the best and the brightest and that the schools where my mother spent her professional teaching career would be the subject of continuing criticism.

The strongest and most informed criticism has come not from the Department of Education or the Congress, but from the residents of the District of Columbia.

Therein lies the good news.

The most important issue in the city today is not crime or health care, or even housing, as pressing as these issues are. Ask anyone on the street in the District of any race or age or ward, ask any D.C. businessperson, and the answer will be the same. Education is and must be the paramount issue until the system recovers.

There is every indication that local elected officials and the school board are all engaged with education as the city's most urgent issue.

What then is the role of a congressional committee several steps removed from the day-to-day operations of a local school system and with no direct oversight or financial responsibility, our role is to listen, learn, and ask tough questions of all the witnesses before us.

Our role is to convey unmistakably to all the witnesses our concerns and expectations.

I welcome all of today's witnesses, and I thank them for the testimony they have prepared. I know that you can depend on the chairman and me and on my colleagues to perform the role assigned to us of fairly reviewing the D.C. public schools before us today.

Thank you very much, Mr. Chairman.

[The prepared statement of Hon. Eleanor Holmes Norton follows:]

ELEANOR HOLMES NORTON
DISTRICT OF COLUMBIA

COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEES:
EMERGENCY PREPAREDNESS, SCIENCE AND TECHNOLOGY
PREVENTION OF NUCLEAR AND BIOLOGICAL ATTACK

Congress of the United States
House of Representatives
Washington, D.C. 20515

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WATER RESOURCES AND ENVIRONMENT

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SUBCOMMITTEES:
FEDERAL WORKFORCE AND AGENCY ORGANIZATION
CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

Opening Statement of Congresswoman Eleanor Holmes Norton
Government Reform Full Committee Hearing
"Making the Grade: Examining District of Columbia Public Schools Reform Proposals"

April 28, 2006

I appreciate your courtesies, Mr. Chairman, in agreeing to hold this hearing only after the Superintendent had gotten his bearings and outlined his comprehensive reform plans for oversight by the Mayor, School Board, D.C. Council, and to the residents. By the time Superintendent Clifford Janey became superintendent in 2004, the DCPS had been without a superintendent for so long and had slipped into such a steep decline, many feared that the nation's capital could not attract a competent superintendent equal to the considerable task. We are fortunate that Superintendent Janey took the job and that his efforts have quieted those fears, but Mr. Janey had to be a brave and confident man to come to the District with the determination he has shown to pick up the pieces of a shattered school system and take on the task of recreating the D.C. public school system.

The D.C. schools, like the schools of every local jurisdiction, constitute the very essence of what is meant in the United States by local control and self-government, but the District, like other public schools, receives some federal funds, particularly Title I, IDEA, and some grant funds. This committee's approach has been consistent with the balance between home rule and legitimate congressional concern and interest in DCPS. I appreciate that balance with the tough criticism the DCPS has gotten and deserves from this committee.

I wish I could say that the Department of Education had shown the same courtesies. We were shocked to learn a few months ago through a staff conference call that Department officials had notified Superintendent Janey and relevant Members of Congress, that day, that DCPS would be placed in a "high-risk" category and that the Superintendent had been presented with a letter to be released at 4:00 p.m. that very day informing the press. The Department of Education was so anxious to hang the high risk label on the District's schools, endangering federal grant funds, that it rushed forward without any semblance or pretense of orderly or due process. When questioned, the Department could name no other school system in the continental United States that had

529 14TH STREET, N.W., SUITE 900
WASHINGTON, D.C. 20045-1028
(202) 783-5065
(202) 783-5211 (FAX)

2136 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515-5101
(202) 225-8050
(202) 225-3002 (FAX)
(202) 225-7829 (TDD)
www.norton.house.gov

2041 MARTIN L. KING AVENUE, S.E.
SUITE 300
WASHINGTON, D.C. 20020-5734
(202) 678-8900
(202) 678-8844 (FAX)

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received this designation but when pressed, indicated that perhaps one or two territories had been so designated. Notably, no state or no jurisdiction that had two senators was named. This much seems sure: The Department of Education would have been reluctant to pull such a surprise attack on any of the big cities, all of whom have struggling school systems showing poor results but all of whom also have two senators. It was a stunt that resembled a surprise attack by the cops, with the press informed and the culprit put in the proverbial handcuffs and handicapped to adequately respond. The fairness issue was considerably compounded by the fact that the budget years that purportedly led to the designation, preceded this superintendent's tenure. Responding to protest, the Department pulled back but returned this week with a similar indictment following an investigation, and communication with DCPS.

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What then is the role of a congressional committee several steps removed from the day to day operations of a local school system and with no direct oversight or financial responsibility? Our role is to listen, learn and ask tough questions of all the witnesses before us. Our role is to convey unmistakably to all the witnesses our concerns and expectations. I welcome all of today's witnesses and I thank them. I know that you can depend on the Chairman and me and on my colleagues to perform this role and to perform with the fairness characteristic of this committee.

Chairman TOM DAVIS. Ms. Norton, thank you very much. Members will have 7 days to submit opening statements for the record.

We would now recognize our very distinguished panel. We have the Honorable Henry L. Johnson, the Assistant Secretary of Education for Elementary and Secondary Education from the U.S. Department of Education, accompanied by Hudson la Force III, Senior Counsel to the Secretary.

We have Dr. Clifford Janey, the superintendent of the District of Columbia Public Schools. Dr. Janey welcome back. Mr. John Musso, who is the chief financial officer of the District of Columbia Public Schools. Mr. Charles Willoughby, the inspector general of District of Columbia, accompanied by Mr. William DiVello, assistant inspector general for Audits, Office of the Inspector General, District of Columbia. And Mr. Cedric Jennings, District Columbia public school graduate.

Thank you all for being here. It is our policy that we swear witnesses in before they testify so if you would just rise and raise your right hands.

[Witnesses sworn.]

Chairman TOM DAVIS. Thank you. You can be seated.

Secretary Johnson, we will start with you. Thank you.

STATEMENTS OF HENRY L. JOHNSON, ASSISTANT SECRETARY OF EDUCATION FOR ELEMENTARY AND SECONDARY EDUCATION, U.S. DEPARTMENT OF EDUCATION, ACCOMPANIED BY HUDSON LA FORCE III, SENIOR COUNSEL TO THE SECRETARY; DR. CLIFFORD JANEY, SUPERINTENDENT, DISTRICT OF COLUMBIA PUBLIC SCHOOLS; JOHN MUSSO, CHIEF FINANCIAL OFFICER, DISTRICT OF COLUMBIA PUBLIC SCHOOLS; CHARLES WILLOUGHBY, INSPECTOR GENERAL, DISTRICT OF COLUMBIA, ACCOMPANIED BY WILLIAM DIVELLO, ASSISTANT INSPECTOR GENERAL FOR AUDITS, OFFICE OF THE INSPECTOR GENERAL, DISTRICT OF COLUMBIA; AND CEDRIC JENNINGS, DISTRICT OF COLUMBIA PUBLIC SCHOOL GRADUATE

STATEMENT OF HENRY JOHNSON

Mr. JOHNSON. Good morning. Thank you for the opportunity to address this serious issue. I am Henry Johnson, Assistant Secretary of the U.S. Office of Education, responsible for elementary and secondary education.

I want to begin by saying how much I appreciate Superintendent Janey's willingness to take on the tough job of turning around D.C. public schools and his efforts to get the system moving in the right direction.

I know of very outstanding school leaders who have passed on applying for this because they were afraid of how tough it is.

The D.C. public schools face many challenges. And I believe that Superintendent Janey deserves full support of the Department of Education and will get it, and of the Congress to help meet these challenges.

Federal education programs provided about $120 million in formula and discretionary grants to the District of Columbia in fiscal year 2005, or about 12 percent of the school system's $1 billion an-

nual budget. Moreover, Federal financial support to the D.C. schools has grown substantially in recent years with appropriations for No Child Left Behind programs rising by more than $39 million, or 82 percent between fiscal year 2001 and fiscal year 2005.

Special education funding under IDEA jumped 74 percent or 6.5 million over the same period of time.

The 2007 budget proposed by the President also provides continued support for key D.C. education programs through a separate $76 million request in that appropriations bill. This includes 15 million for the opportunity scholarship program which helps give students from low income families in the District the same educational opportunities available to students from wealthier families, as well as the $26 million to support school improvement and expand the charter school effort in D.C.

The President's request also provides $35 million for the D.C. resident tuition assistant grant program, which allows District residents to attend public colleges Nationwide at in-State tuition rates.

In addition to financial support, the Department has worked with the schools to improve student achievement, primarily through effective implementation of the No Child Left Behind Act. For example, we have provided technical assistance to help the schools comply with No Child Left Behind requirements regarding standards and assessments for all students in grades 3 through 8 and in grade 10.

This week, the DCPS is administering assessments under a new issued competent assessment system. And in May, we will conduct a peer review process to determine how well these align with No Child Left Behind requirements.

We have also worked closely with the D.C. schools on the reading first program which is now in its second year of implementation at the classroom level in 26 schools, including four charter schools and three private schools.

These schools have adopted scientifically based instructional programs and materials and use extensive professional development and technical assistance to improve reading instruction in grades K–3.

The early results are promising, with a percentage of third grade student reading at the proficient level and participating schools rising from 38 percent to 52 percent after first year of implementation.

Despite this combination of strong Federal financial support and recent progress in implementing key Federal education programs, the D.C. public schools has a very long way to go when it comes to what really matters, the academic achievement of approximately 75,000 students.

This was the message of the 2005 Trial Urban District Assessment, conducted as part of the National Assessment of Educational Progress.

In reading at both grades 4 and 8, the District finished last among the 11 large cities, including the assessment most disturbingly at fourth grade level for the two-thirds of district students scored at below basic reading, compared with an average of 51 per-

cent for other large central cities and 38 percent for the Nation at a whole.

At the eighth grade level, scores improved somewhat but 55 percent of district students continued to read at below basic compared to 40 percent average for large central cities and a national average of 29 percent.

The Department has considerable insight into the longstanding problems of the D.C. schools.

For several years, our audit reviews and program monitoring business have documented fundamental grant management internal control and procedural issues that make it very difficult to ensure for either accountability for proper expenditure of taxpayer funds or the appropriate delivery of services to students.

Programs affected by these issues include title 1, the foundation of Federal support for elementary and secondary education, and programs authorized by the Individuals With Disabilities Act, which was placed at a high risk status and has been on that status for 5 years.

One of the main issues—and I know my time is running out, so I am going to kind of summarize this—is that we see weaknesses in how D.C. Manages itself as a State education agency, as well as a local education agency.

We think this contributes to the difficulty in monitoring and implementing the grants and ultimately students' success that is to be generated from these Federal dollars. We stand ready to help the D.C. public schools. I think Dr. Janey is a knowledgeable, articulate, sincere individual who will, over time, right this ship and show success in student learning outcomes but it will take all of our efforts, including, the high risk designation to get us where we need to go on behalf of the boys and girls in this school system. Thank you, sir.

Chairman TOM DAVIS. Thank you very much.

[The prepared statement of Mr. Johnson follows:]

STATEMENT of

DR. HENRY L. JOHNSON

ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION

before the

HOUSE COMMITTEE ON GOVERNMENT REFORM

FRIDAY, APRIL 28, 2006

Good morning, Mr. Chairman and Members of the Committee. Thank you for this opportunity to provide the Department of Education's views on progress and problems in the District of Columbia Public Schools (DCPS) system. I want to begin by saying how much I appreciate Superintendent Janey's willingness to take on the tough job of turning around DC Public Schools and his efforts to get the system moving in the right direction academically. DCPS faces many challenges, and I believe he deserves full support from the Department of Education and the Congress to help meet those challenges.

ED PROVIDES FINANCIAL SUPPORT AND TECHNICAL ASSISTANCE

Federal education programs provided about $120 million in formula and discretionary grants to the District of Columbia in fiscal year 2005, or about 12 percent of the school system's $1 billion annual budget. Moreover, federal financial support to DCPS has grown substantially in recent years, with appropriations for No Child Left Behind programs rising by more than $39 million, or 82 percent, between fiscal year 2001 and fiscal year 2005, while funding for special education programs under the IDEA jumped by $6.5 million, or 74 percent, over the same period.

The 2007 President's Budget also provides continued support for key DC education programs through a separate $76 million request in the DC appropriations bill. This includes $15 million for the DC Opportunity Scholarship Program, which helps give students from low-income families in the District the same educational opportunities available to students from wealthier families, as well as $26 million to support school improvement and the expansion of charter schools in the District. The President's request for DC also provides $35 million for the DC Resident Tuition Assistance Grant program, which allows District residents to attend public colleges nationwide at in-State tuition rates.

In addition to financial support, the Department has worked with DCPS to improve student achievement, primarily through effective implementation of the No Child Left Behind Act (NCLB). For example, we have provided technical assistance to help DCPS comply with NCLB requirements regarding standards and assessments for all students in grades 3-8 and grade 10. This week, DCPS is administering assessments under a new DC Comprehensive Assessment System and, in May, we will conduct a peer review process to determine how well these assessments align with NCLB requirements.

We also have worked closely with DCPS on the Reading First program, which is now in its second year of implementation at the classroom level at 26 schools, including 4 charter schools and 3 private schools. These schools have adopted scientifically based instructional programs and materials and used extensive professional development and technical assistance to improve reading instruction in grades K-3. The early results are promising, with the percentage

of third grade students reading at the proficient level in participating schools rising from 38 percent to 52 percent after the first year of implementation.

STUDENT ACHIEVEMENT LAGS BEHIND OTHER URBAN DISTRICTS

Despite this combination of strong federal financial support and recent progress in implementing key federal education programs, DCPS has a very long way to go when it comes to what really matters: the academic achievement of its 75,000 students. This was the message of the 2005 Trial Urban District Assessment conducted as part of the National Assessment of Educational Progress.

In reading, at both grades 4 and 8, the District finished last among the 11 large cities included in the assessment. Most disturbingly, at the 4th grade level, fully two-thirds of District students scored at Below Basic in reading, compared with an average of 51 percent for other large central cities and 38 percent for the Nation as a whole. At the 8th grade level, scores improved somewhat, but 55 percent of District students continued to read at Below Basic, compared to the 40 percent average for large central cities and a national average of 29 percent.

In mathematics, the story was no better, with 55 percent of District 4th-graders and an alarming 69 percent of its 8th-graders scoring Below Basic. The District finished last among the 11 participating cities at the 4th-grade level and tied for last at the 8th-grade level.

The Trial Urban District Assessment data are important for the Committee's effort to understand the context of DCPS's relative underperformance. The 11 participating districts are

DCPS's peers, facing similar challenges but often producing very different results in response to those challenges. For example, the percentage of tested DCPS students who receive free- or reduced-price lunch is almost precisely the 76 percent average of the 11 participating districts. It is something other than poverty, then, that explains why just 23 percent of Houston's 4th-graders—78 percent of whom qualify for free- or reduced-price lunch—score Below Basic in math, while 55 percent of the District's 4th-graders are Below Basic. Or to look at the other end of the scale, why the percentage of Houston 4th-graders achieving at the Proficient level in math is almost three times that of DCPS 4th-graders (23 percent vs. 8 percent).

A LEGACY OF POOR MANAGEMENT

The Department has considerable insight into longstanding problems at DCPS that we believe have significant impact in the classroom. For several years, our audit reviews and program monitoring visits have documented fundamental grant management, internal control, and procurement issues that make it very difficult to ensure either accountability for the proper expenditure of taxpayer funds or the appropriate delivery of services to students.

DCPS programs affected by these issues include Title I Grants to Local Educational Agencies—the foundation of federal support for elementary and secondary education and the linchpin of the President's No Child Left Behind accountability reforms—and programs authorized by the Individuals with Disabilities Education Act, which have been on "high-risk" status at the Department for the past five years.

For example, one major problem area concerns the dual status of DCPS as both a local educational agency (LEA) and a State educational agency (SEA). As an SEA, DCPS is responsible for such critical activities as planning and evaluation for federal grants, allocating and overseeing federal education program funds (including subgrants to charter schools), and monitoring and enforcing the use of those funds in compliance with statutory and regulatory requirements. The DC SEA has consistently and repeatedly fallen short in the performance of these responsibilities over a period of several years.

The DC SEA also continues to suffer from weaknesses in the fundamental requirements of grant administration, including controls and records on equipment purchased with federal funds and the retention of records to appropriately document grant expenditures. For example, the SEA needs to ensure that the teachers and administrators who are paid with federal funds actually worked on those federal grant activities.

Last summer, in response both to these findings and to a lack of corrective measures by DCPS, the Department began discussions with Superintendent Janey aimed at developing a course of action to ensure resolution of outstanding issues. However, after completing a monitoring visit early this year that found serious and continuing concerns with the administration of federally funded education programs by DCPS, we informed Superintendent Janey last week that we have designated DCPS a "high-risk" grantee for all Department programs.

The "high-risk" designation imposes on DCPS a number of specific conditions that must be met to ensure continued receipt of federal program funds. These conditions include prompt access to records; prompt resolution of all current and future audit findings; and full compliance with program requirements, including all reporting requirements.

These conditions are not just a matter of "bean-counting." As Deputy Secretary Ray Simon stated in his letter to Superintendent Janey on the "high-risk" decision, "the Department is deeply concerned about the impact of these problems on the effective use of federal funds to support teaching and learning in District of Columbia schools… DCPS cannot expect to improve the performance of its schools unless DCPS puts effective accountability systems in place."

Our sincere belief and hope is that the accountability improvements we are requiring will help ensure that DCPS fully achieves its academic goals. In this context, the "high-risk" designation is best seen as an opportunity to help DCPS move forward by focusing its efforts on key areas of longstanding concern for the Department and the Congress.

NEXT STEPS

There are reasons to be optimistic that DCPS is at least on the right path, even if thus far it has taken only a few tentative steps down that path. As I mentioned earlier, this week it is implementing a new assessment system aimed at full compliance with NCLB. The DC School Board has begun tackling the issue of school closing and consolidation; a task that, if accomplished, would greatly facilitate improved accountability. And we are seeing a new

openness to creative approaches to improving DC schools, such as the proposal to link Scott Montgomery Elementary School with a new charter middle school operated by the KIPP organization.

We also are encouraged by DCPS's willingness to look outside for options to improve its fiscal performance, such as its current plan to transfer key DCPS systems—such as procurement and human resource management—to the city government. However, we ask DCPS to approach this task carefully, keeping in mind that changing major systems is complex and time-consuming, and that the city procurement system has its own weaknesses.

The Department is ready to support DCPS in meetings its challenges. We have considerable experience working with other high-risk grantees and have insight into best practices employed by States across the nation. DCPS has asked for our help and we intend to work with them as partners as we are in other States. The first step in this process is to review with DCPS the findings from the independent audits and our program monitoring visits, and to prepare a strategic corrective action plan by July 31. The Department is committed to providing DCPS with timely and comprehensive information on the additional steps it needs to take to comply with all applicable federal education laws and fiscal requirements, and to providing any technical assistance requested by DCPS. We are confident that, by working together, we will be able to make long-needed reforms and generate long-awaited improvements in achievement for students in the Nation's capital.

Thank you, and I will be happy to answer any questions.

Chairman TOM DAVIS. Dr. Janey.

STATEMENT OF CLIFFORD JANEY

Dr. JANEY. Thank you very much, Chairman Davis, Congresswoman Norton, Members sitting to my right and to my left.

I am Clifford Janey, Superintendent of Schools of the District of Columbia, and also serve as chief State school officer.

What I would like to do is to highlight aspects of my testimony and not advance it word for word and paragraph for paragraph.

And I would like to begin and make reference to page 3 in terms of one of the aims of this hearing is to have an update as to where we are now compared to where we were last year.

And as such, I would just want to put this into the record.

The number of schools meeting adequate yearly progress in both reading and mathematics has increased districtwide, going from only 63 schools in school year 2003, 2004 to 72 schools in last year, that is, 2004, 2005 school year.

At the elementary level, we have seen a number of schools meeting these targets increase from 55 to 58 and at the secondary level from 8 to 14.

In that same year of comparison, attendance increased from 85 to 89 percent districtwide.

Additionally, English language learners dramatically improved their proficiency in both reading and math rising from 30.8 percent to 50.4 percent in reading, and from 50.8 percent to 56.4 percent in mathematics.

Some other snapshots, and let's go to the national level, it was entered into the record about DCPS being one of 11 districts on a trial basis in terms of its participation with the National Assessment Educational Progress Initiative.

And we continue to fully participate in that effort.

While we, along with Atlanta and Chicago and some other districts, represent the rear guard, there are points of progress I would like to mention and enter into the record.

For example, the percentage of students scoring below basic decreased 9 percent, and this is in fourth grade mathematics, and the percent of students scoring proficient increased by 3 percent. Both of those increases were statistically significant.

I would also like to point out that, which is not in my testimony, there are some nuances that certainly can't be couched in any form of an excuse, but should be factored into the overall look at these points of progress for urban districts participating in the NAEP. And that is our exclusion rate for students in terms of participating in the NAEP of just 1 percent, and for example, when you look at the school district of Houston, their exclusion rate for participation was 14 percent.

Again, it is a nuance that needs to be taken into consideration in the big picture.

With respect to some of the other points of progress a number of students taking AP courses increased from 818 to 832, rather, and the number of students reporting 3, 4 or 5 on AP exams increased from 531 to 549 with a 17 percent increase among males alone.

We see some slight increases in the SAT, and again, it is slight, but it gives you some sense of the angularity in terms of moving in the right direction. We moved from 412 to 414.

But what was I think most I think accomplished in terms of the needle moving in the right direction was the number of students who took the PSAT, we increased it from 1 year to the next by 1,500 students. And there is a correlation between success on SAT and taking the PSAT.

With respect to some of the operational business systems which was not captured by the Department of Education in their reports, we have automated our procurement system.

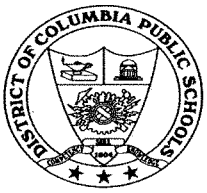
We did that within a 6-month period of time, even though the plan that we had initiated was initiated was over a longer period of time, but the concentration of going fully automated took us just 6 months. And now departments, schools, divisions, can order whatever type of material, instructional, custodial, educational, they can do that electronically and receive their goods within a short period of time versus what used to be the past practice.

I want to close and certainly welcome your questions and the conversation that we will have this morning but also, I want to enter on to the record the fact that we have established in an unprecedented manner the development and implementation of learning standards, which set the stage for all of our students and all of our schools to be seen whole and equal. We did such in record time.

Less than 2 years, we adopted with the acknowledgement, support of the board of education, we adopted learning standards in three subject areas, reading language arts, mathematics and science, and most recently, this month before the board of education and the public is a recommendation from my office to adopt social study standards. And we are, as Henry Johnson pointed out so well, entering into an experience whereby our students, in all of our public schools, including charter schools, are taken, for the very first time, a new assessment which we developed and instituted in less than a year and a half.

And with that, I would just like to close out in my testimony and move to the next witness.

[The prepared statement of Dr. Janey follows:]



TESTIMONY OF
DR. CLIFFORD B. JANEY
SUPERINTENDENT AND CHIEF STATE SCHOOL OFFICER
DISTRICT OF COLUMBIA PUBLIC SCHOOLS

BEFORE

A HEARING OF THE
US HOUSE OF REPRESENTATIVES COMMITTEE

ON

GOVERNMENT REFORM AND OVERSIGHT

FRIDAY, APRIL 28, 2006

THANK YOU VERY MUCH, CHAIRMAN DAVIS AND MEMBERS OF THE COMMITTEE ON GOVERNMENT REFORM. I AM CLIFFORD B. JANEY, SUPERINTENDENT OF SCHOOLS FOR THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS.

I WELCOME THE OPPORTUNITY TO APPEAR BEFORE THIS COMMITTEE TO TALK ABOUT THE PROGRESS MADE IN TURNING AROUND THE DISTRICT'S PUBLIC SCHOOLS.

THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS HAS A DIVERSE STUDENT POPULATION OF APPROXIMATELY 58,000 STUDENTS WITH EQUALLY DIVERSE ACADEMIC NEEDS. TWELVE PERCENT OF OUR STUDENTS COME FROM FAMILIES THAT SPEAK MORE THAN 121 LANGUAGES AND REPRESENT135 COUNTRIES. THEY RANGE FROM STUDENTS WHO REQUIRE SPECIAL AND REMEDIAL HELP TO ADVANCED LEARNERS WHO NEED PROGRESSIVE ACADEMIC CHALLENGES TO STAY MOTIVATED TO MOVE TO HIGHER LEVELS OF ACHIEVEMENT.

HOWEVER, THERE ARE CERTAIN KEY ELEMENTS THAT ALL THESE STUDENTS NEED TO BE SUCCESSFUL IN LIFE. THESE INCLUDE A FAMILY ENVIRONMENT WHERE THE STUDENT IS CONSTANTLY SUPPORTED, A SAFE AND HEALTHY CAMPUS ATMOSPHERE THAT IS CONDUCIVE TO LEARNING AND A HIGHLY QUALIFIED TEACHER WHO KNOWS WHAT AND HOW TO TEACH.

I TOOK A MAJOR STEP TO MAKING SUBSTANTIVE AND SUSTAINABLE CHANGES LAST YEAR WHEN I DEVELOPED THE STRATEGIC FRAMEWORK FOR CHANGE, *THE DECLARATION OF EDUCATION*. SINCE THAT TIME, WE HAVE MADE SIGNIFICANT PROGRESS IN CREATING A FOUNDATION FOR ACADEMIC SUCCESS IN THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS. WE HAVE

IMPLEMENTED NEW AND MORE RIGOROUS ACADEMIC STANDARDS IN READING/LANGUAGE ARTS AND MATH. WE HAVE RECENTLY APPROVED SCIENCE AND SOCIAL STUDIES STANDARDS FOR BOARD OF EDUCATION ADOPTION.

IT IS WORTH NOTING THE FOLLOWING INDICATORS OF OUR ACADEMIC PROGRESS OVER THE LAST YEAR:

- THE NUMBER OF SCHOOLS MEETING ADEQUATE YEARLY PROGRESS (AYP) IN BOTH READING AND MATH HAS INCREASED DISTRICT WIDE, GOING FROM 63 SCHOOLS IN SCHOOL YEAR (SY) 2003-04 TO 72 SCHOOLS IN S& 2004-05. AT THE ELEMENTARY LEVEL, WE HAVE SEEN THE NUMBER OF SCHOOLS MEETING THESE TARGETS INCREASE FROM 55 TO 58 AND AT THE SECONDARY LEVEL FROM 8 TO 14.
- ATTENDANCE HAS ALREADY INCREASED, RISING FROM 85 TO 89 PERCENT DISTRICT WIDE.
- ADDITIONALLY, ENGLISH LANGUAGE LEARNERS DRAMATICALLY IMPROVED THEIR PROFICIENCY IN BOTH READING AND MATH; RISING FROM 30.8% TO 50.4% IN READING FROM 50.8% TO 56.4% IN MATH.

WE ARE ALSO MOVING IN THE RIGHT DIRECTION ON NATIONAL BENCHMARKS.

- DCPS IS ONE OF 11 DISTRICTS TO PARTICIPATE IN THE NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP) TRIAL URBAN DISTRICT ASSESSMENT (TUDA).
- AS ILLUSTRATED IN THE COUNCIL OF GREAT CITY SCHOOLS RECENT REPORT, "BEATING THE ODDS," WE HAVE REDUCED THE GAP BETWEEN STUDENTS PERFORMING BELOW BASIC AND PROFICIENT ON THE NAEP: THE PERCENTAGE OF STUDENTS SCORING BELOW BASIC DECREASED NINE PERCENT AND THE PERCENTAGE OF STUDENTS SCORING PROFICIENT INCREASED BY 3 PERCENT.

WE CONTINUE TO MAKE PROGRESS IN OUR ABILITY TO PREPARE STUDENTS FOR POSTSECONDARY EXPERIENCES.

- THE NUMBER OF STUDENTS TAKING ADVANCED PLACEMENT (AP) COURSES HAS INCREASED FROM 818 TO 832. MOREOVER, THE NUMBER OF STUDENTS SCORING 3, 4 OR 5 ON AP EXAMS HAS INCREASED FROM 531 TO 549; WITH A 17 PERCENT INCREASE AMONG MALES ALONE.

- IN ADDITION, WE HAVE SEEN A SLIGHT INCREASE IN STUDENT PERFORMANCE ON THE SCHOLASTIC APTITUDE TEST (SAT) WITH AVERAGE VERBAL SCORES INCREASING FROM 412 TO 414 AND MATH FROM 402 TO 404. AND ALL ELIGIBLE 9TH GRADERS AND ALL 10TH AND 11TH GRADERS ARE BEING ENCOURAGED TO TAKE THE PSAT TO BOOST THEIR TEST TAKING EXPERIENCE, SINCE STUDIES CLEARLY SHOW THAT STUDENTS WHO TAKE THE PSAT SCORE HIGHER ON THE SAT.

AS WE MAKE ACADEMIC STRIDES, IN THE PAST YEAR, WE ALSO HAVE BEEN FORTIFYING OUR BUSINESS SYSTEMS. EARLIER THIS MONTH, DCPS BECAME THE FIRST SCHOOL DISTRICT IN THE COUNTRY TO PARTNER WITH A MUNICIPALITY IN OPERATING A STATE OF THE ART PROCUREMENT AUTOMATED SUPPORT SYSTEM (PASS). PASS ALLOWS US TO ORDER SUPPLIES, EQUIPMENT AND INSTRUCTIONAL MATERIALS MORE QUICKLY AND MORE EFFICIENTLY AS WELL AS HELPS LEVERAGE OUR BUYING POWER AS A SYSTEM. NEXT, WE WILL BE TACKLING OUR HUMAN RESOURCES AND PAYROLL SYSTEMS TO ENSURE THAT THEY, TOO, EFFECTIVELY SUPPORT THE WORK WE HAVE AHEAD. WE ARE MINDFUL OF THE NEED TO HAVE AN EFFICIENT BUSINESS SYSTEM,

GIVEN THE FISCAL REALITIES THAT EXIST. BECAUSE OF THOSE FISCAL REALITIES, WE WELCOME EFFECTIVE PARTNERSHIPS.

THE NEWEST PARTNERSHIP, INITIATED WITH THE WORLD BANK, WILL ALLOW US TO RECRUIT 100 TEACHERS A YEAR FOR THE NEXT FIVE YEARS TO GAIN NATIONAL BOARD CERTIFICATION TO FORTIFY THE QUALITY OF TEACHING IN OUR CLASSROOMS.

A PARTNERSHIP WITH THE DC SUPERIOR COURT AND THE EXECUTIVE OFFICE OF THE MAYOR, WE HAVE ACHIEVED SOME SUCCESS IN OUR EFFORTS TO REDUCE TRUANCY IN MIDDLE AND JUNIOR HIGH SCHOOLS. A NEW PROGRAM AT GARNET-PATTERSON MS IS DESIGNED TO NOT ONLY AGGRESSIVELY ADDRESS ABSENTEEISM BUT TO ALSO DEAL WITH THE UNDERLYING FAMILY CAUSES THAT OFTEN LEAD TO TRUANCY. IN JANUARY, THE PROGRAM GRADUATED ITS FIRST CLASS OF STUDENTS AND PARENTS .

I HAVE MENTIONED THE PARTNERSHIP THAT RESULTED IN PASS. WE ARE EXPECTING SIMILAR PARTNERSHIP OPPORTUNITIES TO IMPROVE OUR HUMAN RESOURCES, BUDGET AND TECHNOLOGY AND INFRASTRUCTURE.

AND AS WE DISCUSS COLLABORATIONS, WE ARE KEENLY AWARE OF THE POTENTIAL PARTNERSHIP OPPORTUNITIES WITH

FEDERAL AGENCIES THAT CAN BE REALIZED WITH YOUR SUPPORT.

IT WOULD BE VERY HELPFUL, AS WE DEVELOP OUR THEMES FOR HIGH SCHOOLS, TO HAVE A DEPARTMENT OF ENERGY OR AN ENVIRONMENTAL PROTECTION AGENCY, FOR EXAMPLE, WORK WITH US TO ENHANCE CLASSROOM OFFERINGS OR OFFER INTERNSHIPS TO STUDENTS IN THE ENVIRONMENTAL SCIENCE PROGRAM. WE WOULD LIKE TO START A DIALOGUE ON HOW THIS MIGHT WORK.

USING THE MAY 2005 DECLARATION OF EDUCATION AS THE FRAMEWORK FOR EDUCATION REFORM, WE HAVE SINCE DEVELOPED THE MASTER EDUCATION PLAN, WHICH:

- HAS A SYSTEMIC APPROACH FOR RAISING STUDENT ACHIEVEMENT OVERALL AND REDUCING THE ACHIEVEMENT GAP BETWEEN STUDENT GROUPS.
- WAS DEVELOPED BY COLLABORATION WITH THE BOARD OF EDUCATION AND MEMBERS OF THE COMMUNITY.
- IN CONTRAST TO PREVIOUS REFORM PROPOSALS, WHICH FOCUSED ON SINGLE PROGRAMS OR SCHOOLS,

STRIKES A SYSTEMWIDE APPROACH THAT PROVIDES SUPPORTS

THE MASTER EDUCATION PLAN SETS A CONTEXT AND DIRECTION FOR OUR LONG RANGE FACILITIES MASTER PLAN WILL BE RELEASED IN MAY AND WILL REFLECT THE BOARD AND ADMINISTRATION'S COMMITMENT TO RIGHT SIZE OUR FACILITIES AND MAXIMIZE THEIR USE THROUGH COLOCATIONS WITH COMMUNITY-BASED ORGANIZATIONS, CITY AGENCIES AND PUBLIC-PUBLIC PARTNERSHIPS AND PUBLIC-PRIVATE PARTNERSHIPS.

INDEED, WE ARE MAKING SUBSTANTIAL PROGRESS, ACADEMICALLY AND ORGANIZATIONALLY. HOWEVER, THIS WORK HAS NOT BEEN AND CANNOT BE DONE ALONE. WE HAVE BEEN FORTUNATE IN THE SUPPORT WE HAVE RECEIVED FROM THE MAYOR AND THE CITY COUNCIL. WE HAVE ALSO ENJOYED SIGNIFICANT SUPPORT FROM OUR PARENTS, COMMUNITY MEMBERS AND STAKEHOLDERS.

WE HAVE ALSO DEVELOPED A UNIQUE RELATIONSHIP WITH THE OFFICE OF THE DISTRICT OF COLUMBIA INSPECTOR GENERAL TO ASSIST US IN QUICK RESOLUTIONS TO AUDIT ISSUES. IN THE PAST YEAR WE HAVE RESOLVED 17 OF 30 RECOMMENDATIONS AND

CONTINUE TO WORK TOWARD RESOLVING THE REMAINING RECOMMENDATIONS.

WE LOOK TO YOUR THOUGHTFUL CONSIDERATION OF HOW THIS COMMITTEE CAN SUPPORT OUR WORK, WHICH IS ANCHORED IN THE COMMITMENT TO CREATE A WORLD CLASS EDUCATION SYSTEM THAT IS REFLECTIVE OF THIS CAPITOL CITY AND THAT RECOGNIZES THE UNTAPPED POTENTIAL OF OUR YOUTH.

SPECIFICALLY, WE LOOK FOR YOUR SUPPORT OF A CHANGE IN THE DCPS FISCAL YEAR TO JULY – JUNE. WHILE WE RECOGNIZE THIS WILL NECESSITATE CHANGES TO THE APPROPRIATIONS CALENDAR AND THAT THERE ARE OTHER OBSTACLES TO IMPLEMENTATION, WE ARE WILLING TO WORK WITH THE CITY LEADERSHIP AND THIS COMMITTEE TO RESOLVE THIS ISSUE. IT IS CRITICAL THAT WE DO NOT LOSE SIGHT OF THE NEED TO HAVE A FISCAL YEAR THAT IS ALIGNED WITH OUR ACADEMIC YEAR.

THE ABILITY TO ADOPT MULTI-YEAR BUDGETING AND TO CARRY FORWARD OUR FINANCIAL CONDITION WILL ALSO BE A SIGNIFICANT RELIEF. THIS WOULD HELP TO ELIMINATE THE FISCALLY IMPRUDENT "USE IT OR LOSE IT MENTALITY" OF MANY OF

OUR SCHOOLS AND STRENGTHEN CAPACITY TO MORE STRATEGICALLY AND PROGRAMMATICALLY PLAN.

AND, WE LOOK TO YOUR SUPPORT OF OUR EFFORTS TO OBTAIN AN INDEPENDENT CFO. ALTHOUGH OUR CURRENT RELATIONSHIP WITH THE CFO HAS BEEN BETTER THAN IT HAS BEEN IN THE PAST, AS A SYSTEM, WE CANNOT AFFORD TO EFFECTIVELY MANAGE BASED ON A GOOD WORKING RELATIONSHIP AS OPPOSED TO SOUND ORGANIZATION STRUCTURE. AS A SCHOOL SYSTEM, OUR MISSION IS CLEARLY UNIQUE FROM THAT OF OTHER CITY AGENCIES, AND WE SHOULD NOT BE TREATED AS JUST ANOTHER DISTRICT AGENCY IN THIS OR OTHER REGARDS.

I WOULD NOW LIKE TO TURN MY ATTENTION TO ANOTHER MAJOR RESPONSIBILITY OF THE SCHOOL SYSTEM. AS YOU ARE AWARE, DCPS SERVES AS BOTH A LOCAL EDUCATION AGENCY (LEA) AS WELL AS A STATE EDUCATION AGENCY (SEA). I SHARE MANY OF YOUR CONCERNS ABOUT THE RECENT DESIGNATION OF DCPS AS "HIGH RISK" BY THE U.S. DEPARTMENT OF EDUCATION AND THE IMPACT THAT SUCH DESIGNATION WILL HAVE ON THE DCPS STATE EDUCATION AGENCY. I AM HOPEFUL THAT THIS

DESIGNATION WILL, IN FACT, BRING ABOUT THE MUCH NEEDED SUPPORT AND TECHNICAL ASSISTANCE THAT IS BEING PROPOSED, AS THE SEA CONTINUES TO ADDRESS SOME OF THE LONG-STANDING CHALLENGES THAT WE HAVE HAD.

OVER THE LAST YEAR, WE HAVE BEGUN TO CRITICALLY EXAMINE OUR STATE FUNCTIONS AND TO MORE CLEARLY SEPARATE THEM THOSE OF THE LEA. FOR EXAMPLE:

- WE SEPARATED OUR FEDERAL GRANTS AND LOCAL GRANT PERSONNEL INTO TWO DISCRETE OFFICES
- WE RECENTLY CONDUCTED A TIME AND EFFORT STUDY WHICH WOULD ALLOW US TO TRACK OUR OTHER STAFF BASED ON THE TIME DEDICATED TO SEA VS LEA RESPONSIBILITIES.

- .THE FY 2007 BUDGET WAS A FIRST STEP IN MORE ACCURATELY SEPARATING OUR STATE AND LOCAL BUDGET BY ORGANIZATIONAL UNITS.
- WE HAVE CREATED A TECHNICAL ADVISORY COMMITTEE TO OVERSEE OUR EFFORTS WITH THE DEVELOPMENT OF THE NEW STATE ASSESSMENT AND OTHER AREAS OF ACCOUNTABILITY

- WE ALSO HAVE CREATED A STATE ADVISORY COMMITTEE FOR FEDERAL GRANTS AND WE ARE ACTIVE PARTICIPANTS IN THE MAYOR'S STATE ADVISORY PANEL FOR SPECIAL EDUCATION.

FURTHERMORE, RECOGNIZING THE CRITICAL NEED TO EFFECTIVELY CARRYING OUT OUR STATE ROLE, I AM CREATING A CABINET-LEVEL POSITION OF DEPUTY CHIEF STATE SCHOOL OFFICER. THAT PERSON WOULD BE DEDICATED 100 PERCENT TO EFFECT THE ACTUAL SEPARATION OF SEA DUTIES, ROLES AND LINES OF RESPONSIBILITIES FROM THOSE OF THE LEA.

AS WE PREPARE TO REWRITE OUR BOARD POLICIES, WE LOOK TO GUIDANCE FROM THE DEPARTMENT OF EDUCATION ON MODELS AND BEST PRACTICES FOR STATE RULES AND REGULATIONS. INDEED, WE HOPE THAT WE CAN CREATE A COOPERATIVE AND PRODUCTIVE RELATIONSHIP THAT WILL ENSURE THE BEST SERVICES FOR OUR YOUTH.

I APPRECIATE THE OPPORTUNITY TO COME BEFORE YOU TODAY AND TO TALK ABOUT DC PUBLIC SCHOOLS, WHERE WE ARE, WHERE WE NEED TO BE, AND HOW WE WILL GET TO WHERE WE NEED TO BE IN ORDER TO PROVIDE THE KIND OF EDUCATION STUDENTS IN OUR NATION'S CAPITAL DESERVE.

THIS CONCLUDES MY TESTIMONY. I WILL NOW ANSWER ANY QUESTIONS YOU MAY HAVE.

Chairman TOM DAVIS. Thank you, Dr. Janey.

Mr. Musso.

STATEMENT OF JOHN MUSSO

Mr. MUSSO. Good morning, Chairman Davis, Congresswoman Norton, members and guests my name is John Musso, and I am the chief financial officer for the District of Columbia public schools. I would like to thank you, first of all, for inviting us here today so that we could briefly summarize some of the financial operations and the success in our reform of the past 24 months.

We believe that Dr. Janey's educational reform objectives can be achieved through a framework of sound comprehensive system of internal controls. And those are some of the things I would like to talk about today, just exactly what have we done to strengthen those internal control mechanisms in the OCFO at DCPS.

We have made substantial and tangible, as well as demonstrable progress in financial accounting operations.

During fiscal year 2005, not only did we receive an unqualified or a clean opinion on our annual comprehensive financial statement, but we also effectively implemented past corrective actions that eliminated all fiscal material weakness and reportable conditions for the first time in many years.

Over the past 24 months, we have made a concerted effort to strengthen all of our fiscal management accountability by enhancing the internal controls.

Some of the following are examples of what we have done to strengthen those. First of all, we needed to investigate and evaluate the internal control mechanisms that were in place. We added to those, we strengthened those, and we changed some of them. We realize that it was essential that management monitor control related issues on an ongoing basis.

We also realize that internal controls must be constantly evaluated and tested on a day-to-day operations to ensure that they are functioning properly.

We achieved 98 percent compliance with the quick payment act. What this means is that 98 percent of our vendors are being paid within a 30-day period. That leaves 2 percent.

The other 2 percent is made up of generally those requisitions that lack the requisite demonstrated documentation to justify the payment.

Those types of things we are trying to enforce with our internal controls.

We also successfully calculated and paid more than $22 million in employee retroactive salary and step payments that date as far back as 1998.

We successfully ended fiscal year 2005 with a balanced budget and the surplus of $12,000, the fiscal year 2004 budget with a balanced budget and a surplus of $1.2 million, and fiscal year 2003 ended with a balanced budget and a surplus of $37,000. We have collected more than $3 million in employee salary overpayments from prior years. And we have instituted at least 10 major policies to strengthen internal control mechanisms throughout the school system.

Examples are travel policy, overtime policy, inventory and asset and control policy.

I would also add that our external audit report contains only three audit findings for fiscal year 2005 down 75 percent from fiscal year 2003, none of which were in the area of fiscal management. We have maintained a very high level of fiscal transparency through the development of various budget reports and other fiscal information as well as posting the same on our newly created DCPS OCFO Web site.

There are also several things we have done that have overarching effects on the total system. We have specifically dedicated several individuals in the accounts payable position just to special education payments. We have also been able to identify nonpublic tuition pressures far enough in advance that we are able to take care of those pressures within that fiscal year.

And we have also been able to begin capturing the true cost of that nonpublic education through accurately tracking those expenses and payments.

We know that systemic change and reform is not implemented over night. And we have been able to correct many things in the DCPS OCFO office. We also realize that others will come after us and in order to sustain that, we begin to memorialize those things and those practices that have led to these successes.

I also believe that we will be able to sustain high level fiscal integrity by maintaining the due diligence and strong internal control mechanisms that we practice right now.

With reform advances made in our office as chief financial officer and the aggressive reform efforts of Dr. Janey and his team, I am convinced that DCPS can overcome any issues and meet the needs and differences of every child every day. The DCPS OCFO stands ready to serve Dr. Janey and his team and the entire school system to lead them to a first class educational system.

Mr. Chairman, once again, thank you for the opportunity to briefly describe some of the achievements for the OCFO, and I would be pleased to answer any questions you may have.

[The prepared statement of Mr. Musso follows:]

HEARING
ON
EXAMINING DISTRICT OF COLUMBIA PUBLIC SCHOOLS REFORM PROPOSALS

Before the
Committee On Government Reform
U.S. House of Representatives

The Honorable Tom Davis, Chairman

April 28, 2006, 10:00 a.m.
2154 Rayburn House Office Building

Testimony of
John D. Musso, RSBA
Chief Financial Officer
District of Columbia Public Schools

Good morning Chairman Davis and Members of the Committee. My name is John Musso and I am the Chief Financial Officer (CFO) for the District of Columbia Public Schools (DCPS). I would like to thank you and the Members of the Committee for the opportunity to appear before you today to briefly summarize DCPS's financial operations and the success of our reform efforts.

Managers in the public sector must ensure that reliable financial information is provided on a timely basis to decision makers both inside and outside the government. Internal controls are techniques used by management to achieve its objectives and to meet its responsibilities. Dr. Janey's educational reform objectives can only be achieved within the framework of a sound and comprehensive system of internal controls. I will briefly discuss here today some of the accomplishments and improvements made by the DCPS CFO over the past 24 months in areas under our purview as our part of reaching that goal. As a Chief Financial Officer (CFO), I am pleased to report that the DCPS OCFO has made substantial and tangible progress in the area of financial and accounting operations. During FY 05 not only did we receive an unqualified or "clean opinion" on our annual comprehensive financial statement (CAFR) audit, we also effectively implemented corrective actions that have eliminated all fiscal material weaknesses and reportable conditions for the first time in many years.

Over the past 24 months, the DCPS OCFO made a concerted effort to strengthen its fiscal management and accountability by enhancing internal controls and restructuring the organization.

The following are examples of the many initiatives that were undertaken:

- Internal Control Mechanisms were evaluated and improved. Internal controls are not something that occurs on a one time basis. It is essential that management monitor control-related issues on an ongoing basis. To understand the importance of monitoring, it may be useful to compare internal controls to a smoke alarm. The purpose of a smoke alarm is not to extinguish a fire itself, but to alert those who are responsible for extinguishing the fire. Similarly the CFO internal controls mechanisms are designed to alert DCPS about potential issues before they become serious issues. Internal controls must be constantly evaluated and tested in our day-to-day operations to ensure that they are still functioning properly as designed.
- DCPS OCFO achieved 98% compliance with the Quick Payment Act. This means that 98% of vendors are paid within 30 days. The 2% non-compliance is generally due to a lack of the requisite supporting documentation presented to justify payment, enforced through our internal control mechanisms.
- DCPS OCFO successfully calculated and paid more than $22 million employee retroactive payments that date as far back as 1998.
- DCPS OCFO successfully ended FY 2005 with a balanced budget and a surplus of $12,000, the FY 04 budget with a balanced budget of $1.2 million, and the FY 03 with a balanced budget of $47,000
- DCPS OCFO collected more than $3 million in employee salary overpayments from prior years.
- Ten policies and procedures were implemented to strengthen the internal control mechanism through out the school system:

- Central Investment Fund (CIF) Policy
- Student Activity Fund (SAF) Policy
- Petty cash funds
- Imprest funds
- Invoice tracking
- Review and approval of journal entries
- Travel
- Overtime approval
- Direct vouchers
- Accounting, data gathering and reporting
- Inventory/asset tracking and control

- The external audit report contains only three audit findings for the entire school system, down by 75% from FY 2003 none of which were in the area of fiscal management.
- Maintained a high level of budget and fiscal transparency through the development and dissemination various budget reports and other fiscal information made available on the newly created DCPS OCFO website.

Several other accomplishments have overarching effects on the system:

- The accounts payable division specifically dedicated to Special Education payments has complied with court ordered timelines.
- DCPS OCFO has been able to identify non-public tuition pressures in advance such that the pressure could be mitigated.
- The DCPS OCFO has been able to begin capturing the true cost of non-public tuition through accurately tracking payments.

We know that systemic change or reform is not implemented overnight. While we have been able to correct the OCFO fiscal issues, the key to success will be our ability to sustain the reform efforts we have implemented. In order to do that, we are memorializing our reform efforts for those who come after us. I firmly believe that we will be able to sustain a high level of fiscal integrity by maintaining due diligence and strong internal control mechanisms. I would like to acknowledge two key members of my leadership team, Sabina Acquah, Chief of Operations and Abinet Belachew, Controller. It is through the efforts of dedicated professionals such as these that we are able to affect a positive change.

With the reform and advances made in the DCPS Office of the Chief Financial Officer and the aggressive reform efforts of Dr. Janey and his team, I am convinced that DCPS can overcome any issues and meet the needs and differences of every child every day.

Mr. Chairman, once again, thank you for the opportunity to review the successful reform efforts of the DCPS OCFO. I would be pleased to answer any questions you may have.

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Chairman TOM DAVIS. Thank you very much.

Mr. Willoughby, thank you for being with us.

STATEMENT OF CHARLES WILLOUGHBY

Mr. WILLOUGHBY. Good morning, Mr. Chairman, and members of the committee. My name is Charles Willoughby. I am the inspector general of the District of Columbia.

I appreciate the opportunity to appear before you today to discuss issues that relate to the continuing efforts by the District of Columbia to improve its public school system.

Many of these issues have become part of our audit agenda. My testimony today will outline past audits that address systemic deficiencies, summarize investigative matters and address our commitment to a high priority on auditing school operations that relate to financial and performance issues.

As you are well aware, the D.C. public schools spend an excess of $1 billion annually and has one of the largest per capita student expenditure ratios in the Nation. Of the more than $1 billion spent on education programs, about 40 percent of school funds come from State education assistance and Federal grant programs.

While audit efforts have successfully identified lapses and needed improvements in various programs, much remains to be done to improve the delivery of vital education services and to derive the greatest benefits from education resources.

In the past several years, my office has increasingly devoted audit resources to address and emergent and longstanding issues facing the District's education system.

These issues include special education, procurement and contract administration, payroll, security and grants management.

For example, approximately 5 years ago, our office issued a detailed report on the costly scheduling methods used to transport the District's special education students. While we believe the current school administration is proactively focused on revolving the myriad of problems facing DCPS and is actively interested in our audit work, we believe that the problems noted still exist to this day.

DCPS interests and our audit work was exemplified by the superintendent's participation in our annual audit planning conference. Most recently, my audit division is focused largely on school security issues.

One of the more problematic issues facing schools across the Nation is the difficult task of ensuring what is perhaps most fundamental to the learning environment, student and faculty safety and security.

Working with school officials, we have completed a series of audits during the past few fiscal years that address school security issues in areas such as the use of homeland security funds, procurement and background and training of security personnel.

The school security problems noted in our audits were instrumental in part in the District developing a comprehensive plan for school security.

The focus of the plan was to achieve involvement among the DCPS security division, school principals and the MPD school secu-

rity division with respect to monitoring, controlling and improving security within the schools.

The effectiveness of this new initiative as well as the appropriate role of the MPD in school security remains uncertain as the District continues to address the core issue of how best to provide school security services.

Our past audits have identified systemic deficiencies in several areas that include procurement and payroll. Examples include awarding contracts without effective competition, relying on faulty sole source justifications for contracts, using an antiquated legacy payroll system that contributes to many payroll problems and using significant amounts of overtime in several labor categories where some individuals earn nearly as much as their annual salary in overtime.

The District's Capital Improvement Program is of vital importance of maintaining a healthy infrastructure and learning environment throughout the school system. In addition, the anticipated investment of about $700 million in school renovations and new construction over the next few years mandates that we maintain our oversight efforts in this area.

We recently issued an audit of the management of DCPS capital projects. The audit examined the DCPS capital construction program to assess the progress DCPS was making in assuming capital school construction projects.

While DCPS's actions to take responsibility for managing the CIP, or the Capital Improvement Program, are promising, we do plan to develop audits in our fiscal year 2007 plan that will evaluate various aspects of the CIP.

We continue our involvement in school security issues as well as other DCPS issues covered in our ongoing and planned audits. Some current DCPS ongoing and planned audits include special education for foster children, management of overtime pay in DCPS, tuition and residency requirements, followup audits on procurement practices of DCPS, management of truancy at DCPS and grant management practices.

With respect to investigations, the OIG investigations division has conducted a broad range of criminal and administrative investigations involving DCPS officials, employees and contractors.

OIG plans to help mitigate plans risks has four main components. First, creating a permanent audit site at DCPS, continuing efforts to followup on past audit recommendations; three, provide financial oversight through the comprehensive annual financial report; and four, maintaining effective working relationships and coordination with school officials and leadership.

In conclusion, Mr. Chairman, I take very seriously my responsibility to use the resources of my office to continue to perform independent assessments of DCPS operations to ultimately resolve critical deficiencies.

Thank you for the opportunity to respond to this most pressing and important issue. And I am happy to answer any questions that you may have.

Chairman TOM DAVIS. Thank you very much.

[The prepared statement of Mr. Willoughby follows:]

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General

TESTIMONY OF THE DISTRICT OF COLUMBIA INSPECTOR GENERAL
CHARLES J. WILLOUGHBY

BEFORE THE COMMITTEE ON GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES

APRIL 28, 2006

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO DISCUSS ISSUES THAT RELATE TO THE CONTINUING EFFORTS BY THE DISTRICT OF COLUMBIA TO IMPROVE ITS PUBLIC SCHOOL SYSTEM. MANY OF THESE ISSUES HAVE BECOME PART OF OUR AUDIT AGENDA. MY TESTIMONY TODAY WILL OUTLINE PAST AUDITS THAT ADDRESS SYSTEMIC DEFICIENCIES, SUMMARIZE INVESTIGATIVE MATTERS, AND ADDRESS OUR COMMITMENT TO PLACE A HIGH PRIORITY ON AUDITING SCHOOL OPERATIONS THAT RELATE TO FINANCIAL AND PERFORMANCE ISSUES. SITTING WITH ME AT THE TABLE IS MR. WILLIAM J. DIVELLO, ASSISTANT INSPECTOR GENERAL FOR AUDITS. ALSO ACCOMPANYING ME TODAY ARE MR. SALVATORE D. GULI, DIRECTOR FOR TECHNICAL MATTERS AND FIELD OPERATIONS; AND MS. MONICA GRAVES, DIRECTOR FOR SCHOOL AUDITS.

PERSPECTIVE

AS YOU ARE WELL AWARE, THE D.C. PUBLIC SCHOOLS (DCPS) SPENDS IN EXCESS OF $1 BILLION ANNUALLY AND HAS ONE OF THE LARGEST PER CAPITA STUDENT EXPENDITURE RATIOS IN THE NATION, WITH A COST ESTIMATE of $10,140 PER STUDENT FOR FISCAL YEAR 2007. OF THE MORE THAN $1 BILLION SPENT ON EDUCATION PROGRAMS, ABOUT 40 PERCENT OF SCHOOL FUNDS COME FROM STATE EDUCATION ASSISTANCE AND FEDERAL GRANT PROGRAMS. WITH A SCHOOL BUDGET OF THIS SIZE, THE POTENTIAL EXISTS FOR SIGNIFICANT WASTE AND MISUSE OF THESE PUBLIC EDUCATION DOLLARS. WHILE OUR AUDIT EFFORTS HAVE SUCCESSFULLY IDENTIFIED LAPSES AND NEEDED IMPROVEMENTS IN VARIOUS PROGRAMS, MUCH REMAINS TO BE DONE TO IMPROVE THE DELIVERY OF VITAL EDUCATION SERVICES AND TO DERIVE THE

GREATEST BENEFITS FROM EDUCATION RESOURCES. ACCORDINGLY, WE HAVE IDENTIFIED PUBLIC SCHOOLS AS ONE OF THE FIVE HIGH RISK PROGRAMS CHALLENGING DISTRICT GOVERNANCE.

IN THE PAST SEVERAL YEARS, MY OFFICE HAS INCREASINGLY DEVOTED AUDIT RESOURCES TO ADDRESS EMERGENT AND LONG-STANDING ISSUES FACING THE DISTRICT'S EDUCATION SYSTEM. THESE ISSUES INCLUDE SPECIAL EDUCATION, PROCUREMENT AND CONTRACT ADMINISTRATION, PAYROLL, SECURITY, INFORMATION TECHNOLOGY, HUMAN CAPITAL AND GRANTS MANAGEMENT. FOR EXAMPLE, IT WAS A LITTLE MORE THAN 5 YEARS AGO THAT OUR OFFICE ISSUED A DETAILED REPORT ON THE COSTLY SCHEDULING METHODS USED TO TRANSPORT THE DISTRICT'S SPECIAL EDUCATION STUDENTS. WE BELIEVE THAT THE PROBLEMS NOTED THEN STILL EXIST TO THIS DAY. WE ARE NOT SUGGESTING THAT SCHOOL OFFICIALS ARE PASSIVE TO OUR AUDIT RECOMMENDATIONS, BUT THE POINT IS MADE TO SHOW THAT SOME PROBLEMS, NOTED IN THE PAST, REMAIN UNRESOLVED. IN FACT, WE BELIEVE THE CURRENT SCHOOL ADMINISTRATION IS PROACTIVELY FOCUSED ON RESOLVING THE MYRIAD OF PROBLEMS FACING DCPS, AND ACTIVELY INTERESTED IN OUR AUDIT WORK. DCPS INTEREST IN OUR AUDIT WORK WAS EXEMPLIFIED BY THE SUPERINTENDENT'S PARTICIPATION IN OUR ANNUAL AUDIT PLANNING CONFERENCE AND THE TOPICS THE SUPERINTENDENT PRESENTED AS ISSUE AREAS FOR OUR AUDIT PLANNING PURPOSES. WHILE WE WILL EXPAND THE ISSUE AREAS COVERED BY FUTURE SCHOOL AUDITS, MOST RECENTLY MY AUDIT DIVISION HAS FOCUSED LARGELY ON SCHOOL SECURITY ISSUES.

SCHOOL SECURITY

ONE OF THE MORE PROBLEMATIC ISSUES FACING SCHOOLS ACROSS THE NATION IS THE DIFFICULT TASK OF ENSURING WHAT IS PERHAPS MOST FUNDAMENTAL TO THE LEARNING ENVIRONMENT – STUDENT AND FACULTY SAFETY AND SECURITY. WORKING WITH SCHOOL OFFICIALS, WE HAVE COMPLETED A SERIES OF AUDITS DURING THE PAST FEW FISCAL YEARS THAT ADDRESSED SCHOOL SECURITY ISSUES IN THE FOLLOWING RELATED AREAS:

- USE OF HOMELAND SECURITY FUNDS AT DCPS. THIS AUDIT LOOKED INTO WHETHER THE DCPS MADE USE OF ALL AVAILABLE FEDERAL HOMELAND SECURITY FUNDS. WE FOUND THAT DCPS HAD MISMANAGED AN OPPORTUNITY TO USE ABOUT $6 MILLION IN HOMELAND SECURITY FUNDING.

- DCPS'S PROCUREMENT OF SCHOOL SECURITY SERVICES. WE PERFORMED TWO AUDITS THAT EXAMINED THE EFFICIENCY AND

EFFECTIVENESS OF DCPS'S PROCUREMENT OF SECURITY GUARD SERVICES, FINDING WASTEFUL PROCUREMENT PRACTICES RANGING IN THE MILLIONS OF DOLLARS, AND OTHER PROBLEMS ASSOCIATED WITH THE SECURITY GUARD CONTRACTS.

- SECURITY INCIDENT REPORTING. THIS AUDIT FOUND FAULT WITH THE DCPS SYSTEM FOR REPORTING AND FOLLOWING-UP ON VARIOUS TYPES OF SECURITY INCIDENTS THAT OCCURRED AT DISTRICT SCHOOLS. THESE INCIDENTS INCLUDED, BUT WERE NOT LIMITED TO AGGRAVATED ASSAULT, DRUG OFFENSES, VANDALISM, AND WEAPON OFFENSES.

- PHYSICAL SECURITY AT SELECTED SCHOOLS. IN ORDER TO TEST THE PHYSICAL SECURITY VULNERABILITIES OF DCPS SCHOOLS, THIS AUDIT EXAMINED THE CONTROLS OVER ACCESS TO 15 SCHOOLS, THE SURVEILLANCE CAPABILITIES, AND THE EFFECTIVENESS OF THE GUARD FORCE TO MAINTAIN PHYSICAL SECURITY AT THE SCHOOLS. WE FOUND THAT THE EFFECTIVENESS OF PHYSICAL SECURITY VARIED AMONG SCHOOLS BUT THAT THERE REMAINED SERIOUS PROBLEMS WITH MAINTAINING ADEQUATE PHYSICAL SECURITY IN THESE SCHOOLS. IN SOME OLDER SCHOOLS, WE FOUND THAT SCHOOL SECURITY POSED A SERIOUS CHALLENGE, DUE IN PART TO THE AGE AND PHYSICAL LAYOUT OF THE SCHOOL BUILDINGS, E.G., TOO MANY DOORS, BROKEN SURVEILLANCE EQUIPMENT AND OTHER PROBLEMS.

- BENCHMARKING SCHOOL SECURITY OF THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS. TO ADDRESS THE QUESTION OF HOW THE DISTRICT COMPARED TO OTHER CITY PROGRAMS FOR SCHOOL SECURITY, WE PERFORMED AN AUDIT WHICH COMPARED SEVERAL ATTRIBUTES OF THE DCPS SECURITY PROGRAM TO THESE SAME ATTRIBUTES IN SCHOOL SYSTEMS LOCATED IN FIVE OTHER MUNICIPALITIES. OF PARTICULAR INTEREST TO THE DCPS WAS OUR FINDING THAT DISCLOSED FOUR OF THE FIVE MUNICIPALITIES PROVIDED FOR IN-HOUSE VERSUS CONTRACTED SECURITY GUARD SERVICES AT WHAT APPEARED TO BE A REDUCED COST. WE ALSO FOUND OTHER MUNICIPALITIES PLACED GREATER RELIANCE ON LOCAL POLICE INVOLVEMENT IN SCHOOL SECURITY MATTERS.

- BACKGROUND AND TRAINING OF SECURITY PERSONNEL AT DCPS. THIS AUDIT EVALUATED WHETHER DCPS AND THE METROPOLITAN POLICE DEPARTMENT (MPD) PERFORMED ADEQUATE BACKGROUND SECURITY CHECKS AND PROVIDED PROPER TRAINING FOR CONTRACTED SECURITY GUARDS. THE AUDIT DID FIND SEVERAL CASES WHERE BACKGROUND CHECKS WERE PERFORMED BUT NOT ADEQUATELY

VETTED RELATIVE TO THE HIRING OF SEVERAL ACTIVE SECURITY GUARDS.

- CONTRACTOR BILLINGS FOR DCPS SECURITY SERVICES. WE FOUND THAT: (1) DCPS PAID DUPLICATE BILLINGS SUBMITTED BY THE SECURITY CONTRACTOR.; (2) THE SECURITY CONTRACTOR DID NOT REPLACE ABSENT SCHOOL SECURITY OFFICERS WITHIN THE 2-HOUR TIME LIMIT IMPOSED BY THE CONTRACT; (3) DCPS DID NOT SUFFICIENTLY REVIEW THE SCHOOL SECURITY CONTRACTOR'S MONTHLY INVOICES FOR ERRORS; AND (4) DCPS DID NOT ASSESS FEES FOR THE ABSENT SCHOOL SECURITY OFFICERS. IN ADDITION TO THE MONETARY IMPACT, ABSENT SCHOOL SECURITY OFFICERS POTENTIALLY COMPROMISED THE OVERALL SAFETY OF DCPS STUDENTS AND STAFF.

THE SCHOOL SECURITY PROBLEMS NOTED IN OUR AUDITS WERE INSTRUMENTAL, IN PART, IN THE DISTRICT DEVELOPING A COMPREHENSIVE PLAN FOR SCHOOL SECURITY. THE FOCAL POINT OF THE PLAN WAS TO GET INTERACTIVE INVOLVEMENT BETWEEN THE DCPS SECURITY DIVISION, SCHOOL PRINCIPALS, AND THE MPD SCHOOL SECURITY DIVISION TO TAKE ON NEW RESPONSIBILITIES FOR MONITORING, CONTROLLING AND IMPROVING SECURITY WITHIN THE SCHOOLS. THE EFFECTIVENESS OF THIS NEW INITIATIVE REMAINS UNCERTAIN AS A CORE ISSUE OF HOW BEST TO PROVIDE SCHOOL SECURITY SERVICES (IN HOUSE GUARDS VERSUS CONTRACTED SECURITY SERVICES) HAS YET TO BE RESOLVED AS WELL AS THE APPROPRIATE ROLE OF THE MPD IN SCHOOL SECURITY.

SYSTEMIC PROCUREMENT DEFICIENCIES

OUR PAST AUDITS HAVE IDENTIFIED SYSTEMIC DEFICIENCIES IN SEVERAL AREAS THAT INCLUDE PROCUREMENT AND PAYROLL.

(1) DCPS AWARDED CONTRACTS WITHOUT EFFECTIVE COMPETITION. IN THE PAST SEVERAL YEARS, DCPS AWARDED CONTRACTS FOR DCPS SECURITY SERVICES USING QUESTIONABLE COMPETITIVE PRACTICES;

(2) THERE WAS IMPORTANT CONTRACT DOCUMENTATION MISSING FROM THE CONTRACT FILES. KEY DOCUMENTATION SUCH AS SOLE-SOURCE JUSTIFICATIONS, PRE AND POST NEGOTIATION MEMORANDA AND OTHER CONTRACT RECORDS WERE OFTEN MISSING OR MISPLACED;

(3) SOLE SOURCE JUSTIFICATIONS FOR SOME CONTRACTS WERE FAULTY AND, AT TIMES, THE SOLE-SOURCE JUSTIFICATION COULD NOT BE

SUPPORTED BY THE SUPPORTING DOCUMENTATION, SUCH AS THE TECHNICAL ASSESSMENT;

(4) DCPS USED UNDEFINITIZED, COSTLY LETTER CONTRACTS TO PROCURE SECURITY SERVICES FOR MANY YEARS;

(5) LIKE OTHER AGENCIES IN THE DISTRICT THAT POSSESS INDEPENDENT PROCUREMENT AUTHORITY, DCPS DOES NOT HAVE AN EFFECTIVE PROCUREMENT TRAINING PROGRAM;

(6) AS IS EVIDENT WITH MANY CONTRACTS PLACED THROUGHOUT THE DISTRICT, DCPS PERFORMS LITTLE EFFECTIVE CONTRACT ADMINISTRATION; AND

(7) IN THE CASE OF ITS SECURITY CONTRACTS, DCPS CREATED UNAUTHORIZED COMMITMENTS BY ISSUING CONTRACT ACTIONS WITHOUT OBTAINING REQUIRED APPROVALS AND FUNDING AUTHORIZATIONS.

SYSTEMIC PAYROLL DEFICIENCIES

(1) DCPS USES AN ANTIQUATED LEGACY PAYROLL SYSTEM (CAPPS) THAT WE BELIEVE CONTRIBUTES TO MANY PAYROLL PROBLEMS. DCPS'S PREVIOUS ATTEMPT TO REPLACE THIS SYSTEM ENDED IN COSTLY FAILURE. SOME OF THE PROBLEMS WITH CAPPS WERE REPORTED BY THE AUDITORS FOR THE DISTRICT'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FISCAL YEAR 2005 WHO REPORTED CAPPS INABILITY TO TIMELY DETECT AND CALCULATE DISTRICT EMPLOYEE STEP INCREASES, REQUIRING DCPS TO USE A MANUAL PROCESS OUTSIDE OF THE NORMAL PAYROLL PROCESS. IN ADDITION, THE CAFR AUDITORS REPORTED THAT CAPPS DOES NOT HAVE THE CAPABILITY TO PREVENT CONTINUED PAYMENT OF BENEFITS TO EMPLOYEES NO LONGER EMPLOYED WITH THE DISTRICT GOVERNMENT;

(2) DCPS USES SIGNIFICANT AMOUNTS OF OVERTIME IN SEVERAL LABOR CATEGORIES WHERE SOME INDIVIDUALS EARN NEARLY AS MUCH AS THEIR ANNUAL SALARY IN OVERTIME. CONDITIONS WHICH PERMIT THIS OVERTIME TO BE EARNED CAN BE PREVENTED WITH SUCH CHANGES AS MODERNIZING BOILER/PLANT SYSTEMS TO REDUCE OR ELIMINATE CUSTODIAN OVERTIME AND ADJUSTING DRIVER BUS SCHEDULES TO REDUCE OR ELIMINATE DRIVER OVERTIME; AND

(3) WE HAVE OBSERVED QUESTIONABLE OVERTIME APPROVAL PROCESSES AND LESS THAN DESIRABLE RECORDKEEPING PRACTICES.

FURTHER, THE CAFR AUDITORS REPORTED THAT OFFICIAL PERSONNEL FOLDERS DID NOT CONTAIN REQUIRED DOCUMENTATION AND THAT EMPLOYEE FOLDERS OFTEN DID NOT CONTAIN THE DOCUMENTATION AUTHORIZING A CHANGE IN THE EMPLOYEE'S STATUS.

THE DISTRICT'S CAPITAL IMPROVEMENT (CIP) PROGRAM IS OF VITAL IMPORTANCE FOR MAINTAINING A HEALTHY INFRASTRUCTURE AND LEARNING ENVIRONMENT THROUGHOUT THE SCHOOL SYSTEM. IN ADDITION, THE SIGNIFICANT ANTICIPATED INVESTMENT OF ABOUT $700 MILLION IN SCHOOL RENOVATIONS AND NEW CONSTRUCTION OVER THE NEXT FEW YEARS MANDATES THAT WE MAINTAIN OUR OVERSIGHT EFFORTS IN THIS AREA. DISCUSSED BELOW IS OUR INITIAL EFFORT IN EVALUATING THE CIP.

CAPITAL IMPROVEMENT PROGRAM

WE RECENTLY ISSUED AN AUDIT OF THE MANAGEMENT OF DCPS CAPITAL PROJECTS. THE AUDIT EXAMINED THE DCPS CAPITAL CONSTRUCTION PROGRAM TO ASSESS THE PROGRESS DCPS WAS MAKING IN ASSUMING CAPITAL SCHOOL CONSTRUCTION PROJECTS. THIS RESPONSIBILITY RECENTLY SHIFTED FROM THE U.S. ARMY CORPS OF ENGINEERS TO THE DISTRICT. BASED ON OUR AUDIT RESULTS, WE ARE ENCOURAGED BY THE PROGRESS DCPS IS ALREADY MAKING TO BUILD THE SKILLS NEEDED TO MANAGE THIS PROGRAM.

WHILE DCPS'S ACTIONS TO TAKE RESPONSIBILITY FOR MANAGING THE CIP ARE PROMISING, WE DO PLAN TO DEVELOP AUDITS IN OUR FISCAL YEAR 2007 AUDIT PLAN THAT WILL EVALUATE VARIOUS ASPECTS OF THE CIP, INCLUDING THE PLANNING PROCESS, CONTRACTING AND ENGINEERING INFRASTRUCTURE, SELECTED CAPITAL IMPROVEMENT PROJECTS INITIATED BY DCPS AND OTHER RELATED CIP TOPICS.

ONGOING AND PLANNED AUDITS

WE WILL CONTINUE OUR INVOLVEMENT IN SCHOOL SECURITY ISSUES, AS WELL AS OTHER DCPS ISSUES COVERED IN OUR ONGOING AND PLANNED AUDITS. SOME CURRENT DCPS ONGOING AUDITS INCLUDE:

- SPECIAL EDUCATION FOR FOSTER CHILDREN. THE OBJECTIVE OF THE AUDIT IS TO ASSESS WHETHER DCPS AND THE CHILD AND FAMILY SERVICES AGENCY HAVE ADEQUATE ACCOUNTABILITY FOR SPECIAL EDUCATION CHILDREN ENTRUSTED TO THEIR CARE.

- MANAGEMENT OF OVERTIME PAY IN DCPS. THIS AUDIT ORIGINATED FROM A REQUEST TO REVIEW SIGNIFICANT AMOUNTS OF OVERTIME EARNED BY SCHOOL CUSTODIANS, BUS DRIVERS, AND FACILITIES AND OTHER DCPS PERSONNEL.

- ADEQUACY OF SECURITY FUNDING. THIS AUDIT WAS REQUESTED BY THE MAYOR TO ASSESS WHETHER THE FUNDING FOR SCHOOL SECURITY IS SUFFICIENT TO CARRY OUT THE PROGRAM. THE MAYOR ALSO ASKED THAT WE COMPARE THE METHOD FOR FUNDING THE DISTRICT'S SCHOOL SECURITY PROGRAM TO THE METHODOLOGIES AND SOURCES OF FUNDING FOR SCHOOL SECURITY IN COMPARABLE MUNICIPALITIES.

- TUITION AND RESIDENCY REQUIREMENTS. OF INTEREST TO THE DCPS SUPERINTENDENT, THIS AUDIT WILL DETERMINE WHETHER THE DISTRICT'S TUITION AND RESIDENCY POLICY IS EFFECTIVELY IMPLEMENTED.

EXAMPLES OF PLANNED DCPS AUDITS INCLUDE THE FOLLOWING TOPICS:

- TITLE I PROGRAM FUNDS ADMINISTERED BY DCPS[1]. OUR AUDIT OBJECTIVES WILL BE TO DETERMINE WHETHER TITLE I FUNDS ARE ALLOCATED, MANAGED, AND USED IN AN EFFICIENT AND EFFECTIVE MANNER.

- FOLLOW-UP AUDIT ON PROCUREMENT PRACTICES AT DCPS. THIS AUDIT WILL EVALUATE THE EFFICIENCY AND EFFECTIVENESS OF DCPS PROCUREMENT PROCESS AND IMPLEMENTATION OF PAST RECOMMENDATIONS.

- MANAGEMENT OF TRUANCY AT DCPS. REQUESTED BY A DISTRICT COUNCILMEMBER, THIS AUDIT WILL EVALUATE THE EFFECTIVENESS OF THE DCPS PROGRAM FOR MANAGING UNAUTHORIZED STUDENT ABSENCES.

- FEDERAL COMMUNICATIONS COMMISSION GRANT FUNDS. THIS AUDIT WILL FOCUS ON WHETHER THE DISTRICT HAS TAKEN ADVANTAGE OF THESE GRANT OPPORTUNITIES AND HAS USED FUNDS APPROPRIATELY.

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[1] THE PURPOSE OF THE TITLE I PROGRAM UNDER THE NO CHILD LEFT BEHIND ACT OF 2001 IS TO ENSURE THAT ALL CHILDREN HAVE A FAIR, EQUAL, AND SIGNIFICANT OPPORTUNITY TO OBTAIN A HIGH-QUALITY EDUCATION AND REACH, AT A MINIMUM, PROFICIENCY ON CHALLENGING STATE ACADEMIC ACHIEVEMENT STANDARDS AND STATE ACADEMIC ASSESSMENTS.

INVESTIGATIONS

IN ADDITION TO THE EFFORTS OF OUR AUDIT DIVISION, THE OIG INVESTIGATIONS DIVISION HAS CONDUCTED A BROAD RANGE OF CRIMINAL AND ADMINISTRATIVE INVESTIGATIONS INVOLVING DCPS OFFICIALS, EMPLOYEES, AND CONTRACTORS. FOR EXAMPLE, OUR INVESTIGATORS WERE INVOLVED IN THE WIDELY PUBLICIZED WASHINGTON TEACHER'S UNION (WTU) EMBEZZLEMENT CASE, WHICH WE WORKED JOINTLY WITH THE UNITED STATES ATTORNEY'S OFFICE (USAO) FOR THE DISTRICT OF COLUMBIA AND THE FEDERAL BUREAU OF INVESTIGATION. THAT CASE INVOLVED NEARLY $5 MILLION IN TEACHERS UNION FUNDS AND RESULTED IN THE CONVICTIONS OF THREE FORMER WTU OFFICIALS FOR FRAUD, EMBEZZLEMENT, MONEY LAUNDERING, AND OTHER FEDERAL CHARGES.

OUR CRIMINAL INVESTIGATIONS HAVE FOCUSED MORE DIRECTLY ON THE MISUSE AND THEFT OF DCPS FUNDS AS WELL. AS RECENTLY AS FEBRUARY OF THIS YEAR, ONE OF THE CASES INVESTIGATED BY OUR OFFICE, IN CONJUNCTION WITH THE USAO, RESULTED IN A FEDERAL COURT INDICTMENT OF A FORMER DCPS BUSINESS MANAGER ON BRIBERY AND CONSPIRACY CHARGES. THIS OIG INVESTIGATION REVEALED THAT THE DCPS BUSINESS MANAGER, WHO HANDLED THE CONTRACTING DUTIES FOR SEVERAL D.C. ELEMENTARY SCHOOLS, STEERED MORE THAN $360,000 TO TWO COMPANIES OWNED BY A DCPS CONTRACTOR IN EXCHANGE FOR APPROXIMATELY $40,000. IN MANY INSTANCES, THE CONTRACTUAL WORK WAS NEVER PERFORMED. THE CONTRACTOR HAS ALSO PLED GUILTY TO BRIBERY CHARGES AND IS AWAITING SENTENCING. ANOTHER OIG INVESTIGATION REVEALED THAT A FORMER ELEMENTARY SCHOOL PRINCIPAL SPENT – FOR HER OWN PERSONAL USE - NEARLY $10,000 IN FUNDS DEDICATED TO THE SCHOOL'S STUDENT ACTIVITY ACCOUNT. AS A RESULT OF THE INVESTIGATION, THE FORMER PRINCIPAL PLED GUILTY IN OCTOBER OF LAST YEAR, WAS SENTENCED IN DECEMBER, AND HAS FULLY REIMBURSED THE STUDENT ACTIVITY FUND.

IN ADDITION TO THESE CASES, THE OIG INVESTIGATIONS DIVISION IS CURRENTLY INVOLVED IN SEVERAL ONGOING INQUIRIES CENTERING ON THE DISTRICT'S PUBLIC AND CHARTER SCHOOLS, INCLUDING THE CASES CONCERNING FUNDING FOR CHARTER SCHOOL CAPITAL IMPROVEMENTS AND THE NEW SCHOOL FOR ENTERPRISE AND DEVELOPMENT. HOWEVER, BECAUSE THESE TWO INVESTIGATIONS ARE PENDING, I CANNOT COMMENT ANY FURTHER AT THIS TIME OTHER THAN TO ASSURE THIS COMMITTEE THAT MY OFFICE IS AN ACTIVE PARTICIPANT IN EACH MATTER.

OIG BLUEPRINT FOR ADDRESSING AND ASSISTING MANAGEMENT IN MITIGATING RISKS

THE OIG'S PLAN TO HELP MITIGATE RISK HAS FOUR MAIN COMPONENTS; EACH IS DISCUSSED BELOW.

(1) PERMANENT AUDIT SITE AT DCPS

WITH SCHOOLS BEING RECOGNIZED AS ONE OF THE HIGH PRIORITY ISSUES FOR THE CITY, WE REQUESTED AND RECEIVED ADDITIONAL FUNDING TO ESTABLISH A PERMANENT AUDIT SITE AT DCPS TO CONTINUOUSLY CONDUCT PLANNED AUDITS AND HAVE THE ABILITY TO RESPOND TO PRESSING, EMERGENT SCHOOL MATTERS.

BEGINNING THIS FISCAL YEAR, WE WILL BE DEVOTING A STAFF OF FOUR AUDITORS TO ON-SITE SCHOOL AUDITS. OUR AUDIT PLANS FOR THESE AUDITS (DISCUSSED EARLIER ABOVE) REFLECT INPUT FROM THE SCHOOL SUPERINTENDENT, SEVERAL DISTRICT COUNCIL MEMBERS AND OFFICIALS FROM THE MAYOR'S OFFICE. WE BELIEVE OUR EFFORTS IN THE SCHOOLS WILL HELP ADDRESS AND CORRECT SYSTEMIC DEFICIENCIES AND MEET THE NEED FOR ENHANCED OVERSIGHT OF THE DISTRICT'S SCHOOL PROGRAMS.

(2) AUDIT FOLLOW-UP

AUDITING STANDARDS EMPHASIZE THE IMPORTANCE OF FOLLOW-UP ON FINDINGS AND RECOMMENDATIONS FROM PRIOR AUDITS TO DETERMINE IF CORRECTIVE ACTIONS HAVE BEEN IMPLEMENTED. AUDIT RECOMMENDATIONS DO NOT PRODUCE THE DESIRED OUTCOMES UNLESS THEY ARE IMPLEMENTED. IN THIS REGARD OUR RESIDENT AUDIT SITE WILL ENABLE THE AUDIT TEAM TO AGGRESSIVELY FOLLOW-UP ON PAST RECOMMENDATIONS AND ADVISE SCHOOL OFFICIALS OF THE ACTIONS NEEDED TO RESOLVE RECURRENT DEFICIENCIES. HOWEVER, OUR MOST RECENT DISTRICT-WIDE FOLLOW-UP AUDIT DISCLOSED THAT DCPS NEEDS TO IMPROVE ON ITS EFFORTS TO IMPLEMENT CORRECTIVE ACTIONS ON AUDIT FINDINGS AND RECOMMENDATIONS. FOR EXAMPLE, OF THE 33 RECOMMENDATIONS WE FOLLOWED-UP ON RELATIVE TO DCPS, 30 OR 91 PERCENT REMAINED OPEN, MANY OVER 2 YEARS OLD. A SIGNIFICANT NUMBER OF THE OPEN RECOMMENDATIONS PERTAIN TO PROCUREMENT AND CONTRACTING ISSUES.

(3) COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

TO OVERSEE THE INDEPENDENT AUDIT OF THE CAFR, THE OIG ESTABLISHED AND CHAIRS THE CAFR OVERSIGHT COMMITTEE. THE COMMITTEE IS COMPRISED OF DISTRICT OFFICIALS WHO ARE INDEPENDENT OF THE OFFICE OF THE CHIEF FINANCIAL OFFICER (CFO), INCLUDING REPRESENTATION FROM THE OIG, THE CITY COUNCIL, AND THE EXECUTIVE OFFICE OF THE MAYOR. REPRESENTATIVES FROM THE GAO, AS WELL AS REPRESENTATIVES FROM THE CFO, ATTEND MEETINGS. A SIGNIFICANT PORTION OF THE CONTRACTED AUDIT RESOURCES ARE DEVOTED TO REVIEWING DCPS FINANCIAL MATTERS. ADDITIONALLY, THE CAFR AUDITORS FOLLOW UP ON PAST CAFR AUDIT RECOMMENDATIONS. EXAMPLES OF REPEAT DEFICIENCIES INCLUDE RETROACTIVE PAYMENT OF SALARY STEP INCREASES, INSUFFICIENT TRACKING OF PERSONNEL MOVEMENT, AND MISSING INFORMATION FROM OFFICIAL PERSONNEL FOLDERS.

(4) WORKING RELATIONSHIPS AND COORDINATION

I THINK THAT THE DC-OIG AND THE DCPS HAVE A POSITIVE WORKING RELATIONSHIP AT THE EXECUTIVE AND SENIOR MANAGEMENT LEVELS. IN ADDITION, THE DCPS INTERNAL AUDIT FUNCTION HAS BEEN VERY COOPERATIVE WITH THE MEMBERS OF OUR DIVISIONS OF AUDIT AND INVESTIGATIONS. MOREOVER, WE COORDINATE WORK EFFORTS AND RECEIVE INPUT ON MATTERS RELATIVE TO DCPS FROM THE EXECUTIVE OFFICE OF THE MAYOR, CITY COUNCIL, GAO, FEDERAL IGS, AND THE OCFO INTERNAL AUDIT AND INVESTIGATIVE FUNCTION. THESE WORKING RELATIONSHIPS ENABLE US TO BETTER FOCUS OUR EFFORTS ON THE MOST CRITICAL AREAS CHALLENGING DCPS MANAGEMENT.

CONCLUSION

I WANT TO MAKE CLEAR THAT I BELIEVE THAT ONE OF THE MOST IMPORTANT ROLES OF MANAGERS IS TO IMPLEMENT RECOMMENDATIONS THAT THEY THEMSELVES ACKNOWLEDGE CAN HELP TO RECTIFY PROBLEMS. MY RESPONSIBILITY AS THE IG IS TO INFORM STAKEHOLDERS OF PROBLEM AREAS IDENTIFIED BY AUDITS AND INVESTIGATIONS, AND ABOUT PROGRESS IN IMPLEMENTING RECOMMENDATIONS THAT ULTIMATELY RESOLVE CRITICAL DEFICIENCIES. TO THAT END, I WILL TAKE VERY SERIOUSLY MY RESPONSIBILITY TO USE THE RESOURCES OF MY OFFICE TO CONTINUE TO PERFORM INDEPENDENT ASSESSMENTS OF DCPS OPERATIONS TO HELP PROVIDE A STRONG AND HEALTHY PUBLIC SCHOOL SYSTEM.

LASTLY, I BELIEVE THAT SESSIONS LIKE THIS CAN PROVIDE BENEFICIAL FEEDBACK TO MANAGEMENT PERSONNEL AND OVERSIGHT PERSONNEL, AND THEY CAN SERVE AS A PERMANENT RECORD OF ACTION ITEMS IDENTIFIED, RESOLUTIONS REACHED, AND MILESTONES ESTABLISHED FOR ALL PARTIES.

AGAIN, THANK YOU FOR PROVIDING ME THE OPPORTUNITY TO ADDRESS THIS MOST IMPORTANT ISSUE. WE'LL BE PLEASED TO RESPOND TO YOUR QUESTIONS AT THIS TIME.

Chairman TOM DAVIS. Mr. Jennings, thank you for being with us.

STATEMENT OF CEDRIC JENNINGS

Mr. JENNINGS. Thank you, Chairman Davis, and all the committee members and fellow panelists and guests. Thank you so much for the opportunity to provide testimony of my experiences as a former student of the District of Columbia public schools system. Most people know me as the subject of the best selling book, "A Hope In The Unseen," an American odyssey from the inner city to the Ivy League by Pulitzer Prize winning author Mr. Ron Susskind.

Most people know me from "A Hope In The Unseen," by Ron Susskind. And the book chronicles my experiences growing up in what is considered one of the most blighted sections of southeast Washington, DC, having been a student in the District of Columbia public schools and my college experiences as well.

And briefly, I would like to just highlight some of my experiences as a student in D.C. public schools, as well as to highlight some key moments in my college experiences and institutions that worked together in moving me toward a path of success.

As I travel in touring for "A Hope In The Unseen," I am met by educators who always ask the question of, are there more Cedric Jenningses in schools? Can we create more Cedric Jenningses in our schools, high achieving students, students who are motivated, ready to excel. And each time I have gotten this question I pondered in my mind, what does it mean, are there more Cedric Jenningses. Or can we create more Cedric Jenningses?

And I came to two realities. First reality is No. 1, I am not an anomaly. First off, my story is very common among many different people that I have encountered. They share with me how much they can connect with my story because they shared the same types of experiences having gone through a tough schooling experience.

And then, second, the goal of schools, I realize, is not necessarily to replicate me, the person, but to replicate those institutions that actually worked in my favor as I journeyed through my schooling experience.

Those institutions include the church, families, and schools. And not just those institutions, individually, but their interconnectedness in how they work. First off, in terms of family, my mother, you know, O, for the love of a mother. My mom's desire to motivate me to success came from her lack as a child. She constantly asked me, what are your dreams? And I would tell her my dreams and she would push me and say, baby, reach for the stars, you can do anything you put your mind to.

But that question came from my mom from a deep place, because as a child she was not asked the same question.

And so, moving forward, when she decided to give birth to me, at the reject of my father who basically told her he would sever ties with her if she did so, she had made up in her mind that she was going to be unselfish in moving me toward success by enforcing the power of education as well as the power of spirituality.

And my mom, when she gave birth to me, basically, she was in a downward spiral of her life where she became involved in the Ap-

ostolic church. We have long been members of the scripture Cathedral where pastor Bishop Long and the church has essentially provided us with a sense of morals, a sense of order, a sense of dignity and a sense of pride in who we are in that we might have gone through difficult times, living in a tough community with mom struggling to make ends meet, but at the same time, the church helped us to understand that we could think beyond the circumstance and think toward the future.

The church is important in terms of pastors being father figures. Bishop Long has always been a father figure to me. And he has helped guide me through the tough times I faced in the public school system of Washington, DC.

My elementary schools experiences, I have fond memories of those as I remember there being a sense of community, a sense of love, a sense of intimacy, even between students, parents and faculty.

And, I remember the students all sharing the same desire to be successful. And it was not a crime to have that sort of thinking.

And when I graduated from Ketchum Elementary School, I felt that I could conquer the world and compete in any environment. I went on to Jefferson Middle school where, at that time, the principal was Ms. Vera White, and when we talk about solutions in terms of leadership, for those of us who know Vera White, she is—for me she was an example of exemplary leadership when it came to creating an environment where an ethos of success was created amongst the students in the student body as well as amongst teachers in the community.

I went on to Ballou High School where I was faced with the reality of what a tough inner city school really meant in terms of the low expectations, the violence, the crime, even within schools. I have always been brought up to look at schools as sanctuaries. It is where you go and you partake in the process of learning.

And as you partake in the process of learning, you are able to build upon dreams. And so I always saw school as just that thing. And it was discouraging to me at the onset when I first began at Ballou, to be in an environment where that same shared desire to be successful and to do well in the world wasn't as prevalent as it was in previous school settings.

And it became very discouraging for me in that I was one of the few honor students at Ballou who expressed great pride in success and in doing well. And I experienced such criticism from classmates because it was not cool to be proud of success. The idea was keep your head down. Don't speak of your success.

And I was one who had lofty ambitions and dreams. And I wasn't willing to allow anybody to shut me down because you know they didn't share the same level of motivation.

And I was accused of trying to be white, thinking that I was better, I have been called nerd, egghead, you name it, but the bottom line was, I went to school daily with a dream, with a purpose to excel.

And I had planned on go to an Ivy league institution. And one of the teachers at Ballou I will never forget when I told him of this dream, he told me, I don't think you can make it to the Ivy league, we haven't had a student go on to the Ivy league in 10 years.

And so each obstacle I faced as such, I basically looked at it as an opportunity to become more motivated, to reach toward my goals. I graduated from Ballou in 1995, second in my class. I went on to attend Brown University. I graduated in 1999 with a degree in educational studies.

I went on to the Harvard graduate school of education where I received my master of education in human development and psychology. And then I went on to University of Michigan in Ann Arbor, to where I earned my master of social work. Currently, I am a social worker for the D.C. Child and Family Services Agency. And I am thankful for the opportunity to be here and to answer any questions in more detail of the experiences I have had.

Chairman TOM DAVIS. Cedric, thank you very much for that. And he came home. You have just given back and thank you for sharing that with us today.

I have a number of questions we are going to go through, I am going to do 15 minutes, try to get my questions in, and Ms. Norton will take a few minutes longer and then we will let you get on your way.

But this is an important question.

Ever since I was named chairman of the subcommittee back in 1995, and Ms. Norton has been my comrade in arms in this thing, a lot of changes have gone on in the city. And as I said in my opening statement, great things are happening.

And the school system has been the toughest nut to crack. We have had a lot of good people trying to tackle this issue. Dr. Janey, I can't tell you how much respect we have for you that you took this on because they went out all over the country to look for people, and they came in and took a look at the situation and walked away from it.

And this is tough. And nobody is sitting here blaming you for what has been years in the making.

You are up there trying. We want to make sure at the end of this that between Congress, between the Department of Education, your tools, that we give you the tools that you need to succeed. As you know, we have given the city tools that we have given no other city in the country with vouchers the charter schools, and some other things. And I know you are looking outside the box in a lot of other areas.

It is a tough, tough job.

But this city is truly not going to come back until we get an educational system and we produce more Cedric Jenningses.

The good news is the number of kids from the D.C. public schools that are going on to college has increased markedly, part of that is, I think, we have made college affordable, Ms. Norton with our proposals.

But it is a very tough job, as you know, to getting kids motivated, getting them through Ballou with high dreams and ambitions and making them realize that. And it is good to have you here. It is a good role model for other kids knowing it can be done. But sometimes they are fighting the system. The system is not pushing them through it.

Out in my district in Fairfax County, it is pushing them through. It is cool if you are not studying in some places. And we have to change that. It is slowly, slowly changing.

First question I want to ask you, Secretary Johnson, Ms. Norton in her opening comment talked about why you had singled out territories and you had not gone after people with Senators, is that because you deal with the District differently because it is not a State and you have a, overseeing it in other areas, it would be handled differently through State government? How come the city is singled out here?

We know there are failing systems in cities throughout the country as bad or worse.

Mr. JOHNSON. The primary form of contact for the Federal Government regarding education is through the State. D.C. has a unique role of being both a State education agency and a local education agency.

In those cases where recipients of Federal funds, D.C., and some of those territories, have not demonstrated the ability to manage the grants as well as they should be managed, the Department takes appropriate steps.

Chairman TOM DAVIS. So what would you do with a State that doesn't do it correctly, same thing?

Mr. JOHNSON. Absolutely.

Chairman TOM DAVIS. But you haven't had that same problem with the States that you have with the city?

Mr. JOHNSON. Not so far.

Chairman TOM DAVIS. OK.

Mr. JOHNSON. Working with the State of Louisiana, for example, though, which has decided to place Orleans Parish in its own categorization of high risk, we are assisting them. But we don't make a direct entree to entities other than those that receive Federal funds directly.

Chairman TOM DAVIS. Is it fair to say, I mean, I know that the per people expenditure in the city is far greater than it is, for example, out in my district in Prince William and Fairfax County, VA. It is a different model altogether. But the problems I gather in the city are not just financial related, is that correct?

Mr. JOHNSON. That's correct.

Chairman TOM DAVIS. Could you elaborate on that a little bit? Because I think we need to understand that money at this point, just putting money into a system that is not prepared to spend it correctly, account for it correctly, has its own problems. And we are talking about a systematic change, not just financial. Is that fair?

Mr. JOHNSON. That's correct. The bottom line on any Federal entree is to improve teaching and learning.

And the grants, whether they are discretionary or formula, are based on trying to get an improvement in student learning outcomes.

While there has been some improvement in D.C., compared to some of the other similar districts around the State, the numbers don't look as good. And we want to help rectify that situation.

Chairman TOM DAVIS. What are you prepared to do to help the city?

Mr. JOHNSON. Well, we are doing prepared things or prepared to do several things. I mentioned the money piece and I won't repeat those. But we are——

Chairman TOM DAVIS. It is OK, Dr. Janey is writing it down.

Mr. JOHNSON. Well, again the Department of Ed has already provided $1.9 million to support the elementary secondary ed. In addition, the additional $40 million for school improvement, and the finances financing for the opportunity scholarship program, we want to provide significant technical assistance and services.

In helping to develop strategic corrective action plans planning, we will customize the training for grantee leadership and staff to make sure that the fiscal management in internal controls for grant management is appropriate.

We will bring together resources from other agencies and third party vendors. We will provide expert technical assistance and program advice for developing State plans. And we have already worked with them in——

Chairman TOM DAVIS. Dr. Janey are those things likely to help you, do you think they will help you significantly?

Dr. JANEY. They can be helpful if it is focused, it is consistent, and it has in its efforts the ability for measurable outcomes.

Chairman TOM DAVIS. Would you move that mic closer?

Dr. JANEY. I said it could be helpful if the effort is focused, it is consistent, and it is truly collaborative.

Chairman TOM DAVIS. What else would you ask the Federal Government? What is the most important things the Federal Government can do for you right now in addition to those things? If you were to sit here and have a conversation, I am asking you.

Dr. JANEY. A couple of things. One, in cases where we need to be out of the way, be out of the way. On the other side of the ledger though, they could provide us with examples of demonstrated best practices in other States and how, while they may not have been in a high-risk designation, but all States have some issues. So let's be clear about that. But more importantly, how they work with other States, having identified issues, whether they be in financial management, oversight of grants to LEA's within their respective jurisdictions, how they overcame becoming a high-risk designation as a State. So what was done on a preventative basis so that you didn't move to that next status? And what are you doing on an ongoing basis? And how do you measure success on that side?

Chairman TOM DAVIS. Secretary Johnson, can we do those kinds of things as well?

Mr. JOHNSON. Absolutely.

Chairman TOM DAVIS. Is there anything else you would like to get from the Federal Government that would help you fulfill some of your plans for the system?

Dr. JANEY. Yes.

Chairman TOM DAVIS. I have them under oath here.

Dr. JANEY. Some plain talk, Congressman, some plain talk about where we are in comparison to other States in assuming and following through on our responsibility to develop learning standards and the appropriate assessments. I have felt that we have not been given the kind of recognition and acknowledgment for the work that we are doing in that area.

Chairman TOM DAVIS. Let me ask a question, comparing you to a State in many ways isn't a fair comparison, and I do not want to tread on that, but you do not have the very tax base. This city, the wealthiest areas, most of the kids, they do not go to the public schools; they go to a private school. So when you take a look at the makeup of the public school system and the income levels, the number of people that are going home to educated parents, those kind of issues, this city is far different than any State, isn't it? In terms of demographics, not different from other cities but different from other States. Is that a fair comment?

Mr. JOHNSON. Yes.

Chairman TOM DAVIS. When you compare the city to States, that gives it a tougher road to begin with. I think Mr. Jennings talks about how he worked his way through that, but without a strong base at home or belief, Cedric, it would have been very difficult would it not, because you do not pick that up systemwide and know a lot of the kids you go to school with, they are going home and they are not getting that kind of reenforcement; is that fair?

Mr. JENNINGS. I would have to agree with that. I think a part of it is, it is important that schools become better at engaging parents and making them a part of the process. And I guess the start with that is through accountability of parents. I mean, it is easier said than done, but for the most part, it was interesting to go to parent-teacher conferences with my mom, and there is a school of 1,300 kids and only about 30 parents show up for the PTA meeting. And usually those were the parents that didn't need to come because their kids were already getting A's. So that to me is an example of the need to come up with more creative ways in terms of engaging parents, engaging them to become more active in their children's education, making them feel relevant in doing that.

Chairman TOM DAVIS. One of the problems of No Child Left Behind is, generally, if a school does not fulfill its goals, you give parents the option to send their kids other places. And our experience has been at Fairfax that it is the parents who are on top of things with the brightest kids that pull their kids out of the school which makes it even harder for that school to succeed because you have taken some of the core kids out. But I think that is a good insight on that.

I think our auditors and the financial systems and all those kinds of things are issues that we cannot solve from here. Dr. Janey, this will take a lot of time. It may mean you have to move some people around, bring some more people in, whatever you have to do to do those kind of things. You have to get that. You have to start with a good system and good accountability, but once you get that, we still have a tough problem. I just heard the Department of Education say they are here to work with you on some of the best practices that we have learned through time. We also cannot expect this to work in a year. This is going to take some time.

One of the concerns I think Ms. Norton and I both have is, when this city gets singled out and the way that we all learn about it is that somehow it is going to be a black eye for people who are trying and helping to improve this system every year. And I do not want everyone to leave with that impression that Dr. Janey isn't doing his job. And this is a long-term process. And this should be,

by putting them on the list, this should be a helpful opportunity. This is just saying you need help. He knows he needs help. Let's work through this thing and work it. This city is a great city. And it can become a greater city but the toughest part has traditionally been the education system. And you have a tough group of kids to learn.

My mom and dad both went to college. My father was a Ph.D., even though my mother basically brought us up, five kids. My father ended up spending a couple tours in the State prison system. I had an educated mother, and she made it very clear to us that education was the key to success. Most of these kids do not have that. We tried here with our D.C. College Access Act and some other things to let people know that it can be affordable, but the best of these things is done with some of these subtle things and best practices, like you say, by bringing good people in.

I had a young lady who volunteered in my first campaign in 1974. She just graduated from high school. She went to Yale, graduated from there and came back to teach in the D.C. public school system. She would have spent her life there if she thought she was making a difference, but it just got very discouraging. So she went out and became a lawyer. She wanted it to work, but it was a system that was not ready to take some of these wide-eyed, bushy-tailed, eager, talented people and make it work. So that is our challenge as we move through this.

Oversight and supervision are two important issues when dealing with government. Is there proper supervision of the D.C. school system? What more needs to be done that may not require funding? Can you think of anything else, Mr. Johnson?

Mr. JOHNSON. Mr. Chairman, let me, if I may, make a couple of comments about your last statement just briefly and then I will ask Mr. La Force who is senior counsel to the Secretary who is responsible for risk management efforts in the Department to comment as he sees fit.

I came to the Department in August and very shortly thereafter was involved in a meeting regarding D.C., and as we worked through internally our conversations and also conversations with representatives from the District, it became clear to us that Superintendent Janey is a very competent superintendent. In considering to take this move to designate D.C. as a high-risk district, we wanted to make absolutely clear that this is not about Superintendent Janey. This is not about him at all. We think highly of his ability, and we think that this actually will help him do the things that are necessary to get D.C. where it needs to be.

Chairman TOM DAVIS. Dr. Janey, D.C. public school systems have an extremely complex task of serving as the State education agency, providing oversight and guidance to all schools as well as a local education agency acting as an education body within the District. Can you tell us some of the safeguards that you put in place in order to ensure that there is a comfortable and efficient distinction between the oversight functions and the local education functions? Do you understand what I am saying? How do your staffing patterns reflect this? There are really two different skill sets.

Dr. JANEY. Precisely. There are two different sets of skills, and distinguishing between the two roles is a very important aspect of how we build our budget. For example, in the budget process for fiscal year 2007, we made a very deliberate attempt to distinguish what would be State dedicated dollars and local dedicated dollars, and the individuals responsible for crafting recommendations for both budgets were doing so in ways that represented their very distinct roles. It was not a blur. So we have done that. We have put together a State advisory committee overseeing the receipt and execution and monitoring of our Federal grants.

I am contemplating developing a new position within the State organization that would be a deputy for me at the State level. And this person would be dedicated to State functions 100 percent of the time. So it would be a deputy to the chief State school officer role that I have, knowing that I have both responsibilities, but this person would have 100 percent responsibility as a deputy chief to me.

Chairman TOM DAVIS. Did I cut you off the last time? Do you want to say anything else?

Mr. LA FORCE. It is OK, Mr. Chairman.

Chairman TOM DAVIS. Dr. Janey, in the declaration of education, you included plans to implement a diverse provider model as a means of turning around achievement in the District's lowest performing schools. The public school system would be able to enter a collaborative partnership with an array of outside educational providers such as universities, private companies and established community-based institution which would manage or provide comprehensive achievement support to these schools. How do you feel about that? Have you taken any steps to implement that?

Dr. JANEY. Yes, Georgetown University has stepped up, adopted one of our middle schools, and they will be moving to see how that plays out from pre-K through 12 as the plan unfolds. George Washington has been a very good partner with us. As you have been reading articles in one of the papers here in Washington, there is an intent to explore a relationship with Kipp academy, so we have a pre-K through 8 model. We have, on the business side of the house, we have been retaining the support and service of various outside providers in helping us maintain and grow our capacity for oversight of construction projects. We most recently had the responsibility of modernizing Brightwood Elementary School. It is our first oversight responsibility for modernization, and we are pleased to say we came in at $181 per square foot, and the average for the Army Corps of Engineers during their tenure here was about $286 per square foot. So there is some demonstration about our capacity to manage and to do it efficiently.

Chairman TOM DAVIS. You still have, though, overall, very aging school public facilities; is that correct?

Dr. JANEY. Big time.

Chairman TOM DAVIS. I understand there is still a significant number of noncredentialed teachers in D.C. public schools. Do you have any idea what percentage of teachers are in this category? And do you have any plans to audit the teacher rolls to identify noncredentialed teachers, requiring them to get their credentials? And the last question I want to ask is, are you having trouble at-

tracting good new teachers into this system? I know the teacher pool 20 years ago in Fairfax and I think around the country is, there was a long waiting list of people to do that. Now I know it has tightened up in the suburbs, and I assume it has gotten tight here to attract good people.

Dr. JANEY. Interestingly enough, Congressman, we have not had any real difficulty attracting quality teachers. It is more about attracting quality teachers in particular subject areas, special education, mathematics and science. And as a State and a school district, we are not alone. That is common to Fairfax. That is common to some of our other partner regional districts within the overall area. But on the subject of certification, it is something that we take very seriously. We do not presume, however, that certification automatically correlates with quality. We do, however, make the presumption that you have to have that in order for you to be serving our children. But certification broken down has to be understood both with respect to competency in your subject area and certainly competency and a heartfelt kind of welcoming way by which you are going to teach our students. If you are a person responsible for teaching students in the area of mathematics, not teaching mathematics, some teachers quickly say, I teach math, I teach science, I teach a subject. No, you are teaching students about the world of mathematics, and your approach to such has to understand that the nurturing environment and the culture of your classroom is important.

So we have about 600 to 700 teachers who are not highly qualified, and we have been monitoring this throughout the school year. And we have entered a major and robust recruitment effort and have partnered with a group, an outside group, to assist us in that recruitment effort. So we are partnering with people whether it is in construction, whether it is with higher education with private companies. We are also doing that in the area of human resources.

Chairman TOM DAVIS. Thank you.

Ms. Norton.

Ms. NORTON. Thank you, Dr. Janey.

It is curious, Mr. Johnson, you are saying this is not about Dr. Janey. Of course it is not about Dr. Janey, except it has occurred on Dr. Janey's watch. Are you aware, sir, that the District of Columbia, each and every part of the District of Columbia was under a control board because of the classrooms of the District government? If I might ask if you are so anxious to declare high-risk, how in the world did the Department of Education miss that one?

Mr. JOHNSON. I am not familiar with what you are talking about, but my presumption is those other things are outside the responsibilities of the Department of Ed. This focus is only on the educational aspect of the District of Columbia.

Ms. NORTON. Mr. Johnson, that was a rhetorical question. But let me say that the question involved matters decidedly within the Department of Education because the D.C. government collapsed. As a result of that collapse, the schools and most especially the schools and every other part of the government was in the hands of a control board. Even then, the District of Columbia Public Schools were not declared at-risk. So I am trying to find out what at-risk means.

First of all, are you aware, since this is not about Dr. Janey, that this is his first full year on the job?

Dr. JANEY. Second.

Ms. NORTON. Well, when you came in the last school year in the fall, schools had already begun and the matters were already on their way. And so I repeat my question, are you aware that this is his first full year on the job where he had an opportunity during the prior year to have an effect upon this year? Are you aware of that?

Mr. JOHNSON. Yes, we are aware of that.

Ms. NORTON. Yet this is not about Dr. Janey. Again, as you say, I take no brief for these schools or any part of the government that fails. But you have to make me understand high-risk category. Before I came to Congress, I was a tenured professor of law, and law students have to take care of themselves. They do not have a lot of warning. They have exams at the end of the year. Plop. That is it. However, one wonders about—indeed, my question is, what are the designations since high-risk is the most serious designation a school system can get? I must ask you what is the designation before high-risk and whether or not D.C. was given that designation so it could have some warning that you are going to be put in high-risk if in fact you do not correct the following items?

Mr. LA FORCE. Ms. Norton, there is no designation that precedes high-risk in our regulations. The high-risk designation is based on five criteria that are part of our Department's regulations, three of which we think apply in this case. The first is that the grantee has a history of unsatisfactory performance that goes both to financial performance and performance in the grantees Federal programs. The second is that the grantee has a management system which does not meet the management standards set forth in our regulations, and finally, that the grantee has not conformed to the terms and conditions of our grant. Those are technical requirements.

But I would also like to review for the committee, if I may, the timeline under which we have been working as we made this decision. The Department has a dedicated group of employees that we refer to as the risk management team. This is the group of employees that is charged with working with any of our grantees, State level grantees, that would be identified as high-risk. In August of last year, in August 2005——

Ms. NORTON. Stop. That would be, that are already defined as high-risk.

Mr. LA FORCE. That are already or may be.

Ms. NORTON. Did those members of the Department notify and work with the D.C. public schools, and specifically what did that work consist of?

Mr. LA FORCE. In August 2005, we had an initial meeting with Dr. Janey and other members of his staff to begin introducing what we would refer to as a collaborative partnership-based working relationship in an effort to address our concerns with the District. This is a practice that we have engaged in with other States in the country, and it is an effort on our part to voice the high-risk designation.

Ms. NORTON. Was Dr. Janey informed that a high-risk designation would follow unless certain matters were in fact corrected, and was he informed what those matters were that had to be corrected?

Mr. LA FORCE. Yes, ma'am.

Ms. NORTON. Was he informed that a high-risk designation would in fact follow if those particular matters were not corrected?

Mr. LA FORCE. Yes, ma'am.

Ms. NORTON. Dr. Janey, do you recall a meeting where you were informed that you were in danger of a high-risk designation?

Dr. JANEY. Yes, I do, and the date for that meeting was February 15, 2006.

Mr. LA FORCE. On October 27th, a member of our risk management team informed a member of Dr. Janey's staff we were interested in continuing the discussions that we had in August, and I am reading——

Ms. NORTON. Informed his staff of what?

Mr. LA FORCE. I'm sorry.

Ms. NORTON. Informed his staff of what? You have stopped. You fill in the blank. You informed a member in October, you informed a member of Dr. Janey's staff, and who was that, and of what?

Mr. LA FORCE. We sent by e-mail to Dr. Bob Rice an invitation to continue the discussions that we had started in August.

Ms. NORTON. That is not informing him of anything.

Mr. LA FORCE. May I quote from the e-mail, Ms. Norton.

Ms. NORTON. That is what I would like you to do.

Mr. LA FORCE. "As I think you know, the U.S. Department of Education intends this cooperative effort between our agencies to prevent the assignment of DCPS to high-risk status, as well as an effort by the U.S. Department of Education to help DCPS achieve its academic goals for its students."

On November 18th, another member of the risk management team wrote a letter addressed to Dr. Janey, in part, "If we do not receive an appropriate response to the audit findings, we will have to consider the recovery of funds and other steps, including designating DCPS as a high-risk grantee and attach further special——

Ms. NORTON. Audit finding for what year?

Mr. LA FORCE. These were audit findings related to fiscal years 2002, 2003, which at the time were the subject of ongoing discussions with the District in an effort to correct the audit findings from these years which had not been corrected.

Ms. NORTON. So those of course were years prior to Dr. Janey's years.

Mr. LA FORCE. Yes, ma'am.

Ms. NORTON. Mr. Musso, were you aware of this request about years prior to the superintendent coming here and the request of the Department for correcting those audit findings?

Mr. MUSSO. We received a copy of the request. We formulated our response and forwarded our responses on.

Ms. NORTON. And your response—that response was directed to you? That response came from you, excuse me.

Mr. MUSSO. Right. The response relative to the OCFO issues and how we would correct those.

Ms. NORTON. You received that response or not?

Mr. LA FORCE. We received that response on February 10th of this year, approximately 3 months after the due date.

Ms. NORTON. Oh my. You found that response so inadequate that you believed you had to move to declare D.C. in high-risk status.

Mr. LA FORCE. The response to those audit findings was one component, part of a number of findings that we have made both through audit reviews and program reviews. Yes, we found them in toto to be inadequate.

Ms. NORTON. So your testimony here today is that you have found D.C., you have designated D.C. in high-risk status because you had no alternative; D.C. was uncooperative and unresponsive, and therefore you felt you had to move to this most serious category.

Mr. LA FORCE. We are designating D.C., DCPS as high-risk because we are deeply concerned that the system continue the progress it has begun. As we have discussed, different members of the panel have testified today, I think we all share a common goal of making sure that DCPS is performing at its best for the benefit of its students. Today we have concerns that the District has not addressed all of the challenges that face it. We also have concerns about its ability to address all of those challenges in the future.

Ms. NORTON. What is your concern about its ability to address those challenges in the future on this superintendent's watch?

Mr. LA FORCE. We have a great deal of respect for Dr. Janey for his experience and for the job that he is doing in the District today. However——

Ms. NORTON. You have concerns about the future. What are your concerns about the future so he knows what he has to do?

Mr. LA FORCE. In the simplest terms possible, we believe that the District is facing more challenges, more problems than it has problem solvers. Chairman Davis asked a very interesting question in his comments about the capability of D.C. as an SEA and its role as an SEA, and we think that is a very important part of this, that the SEA component of the District buildup its capability. We have concerns about the District's ability to manage its Federal grants. We have concerns about the District's ability to continue to make progress in an environment of ongoing budget challenges and in an environment where student achievement expectation will continue to rise year after year.

Ms. NORTON. What these three unfortunate jurisdictions have in common, of course, is that they are treated like a State, and they do not have the mechanisms or the resources of a State. It apparently has not occurred to the Department of Education that was at the root of the problem, that if you wanted to help the District, the problem was structural, and therefore one probably was not dealing only with the District; that one was probably dealing with the only superstructure that the District has, and that is the D.C. government.

Dr. Janey, who designated—D.C. has not always had this separate designation in the form we see it today of a State education and city, and yet I think that was actually memorialized with separate personnel and all in a way that I do not recall having been the case in the past. Is that true?

Dr. JANEY. I am not familiar with the actual date at which the designation occurred, meaning State and local. I am just not familiar.

Ms. NORTON. Mr. Willoughby, are you aware what I am talking about? I mean, D.C. handled all of these together.

Mr. WILLOUGHBY. Exactly, I am not sure of the date either. We do not have it.

Ms. NORTON. Now I know that certain programs which Mr. Johnson has attributed to the school system are handled essentially out of the State education department. For example, our TAG program, our program for television access, Dr. Janey does not have anything to do with that. They might be Federal funds. I do not think he has anything to do with these voucher funds.

Mr. WILLOUGHBY. The only thing I can add is that I thought it was somehow connected with Federal funding for the school system, and it was required that this State entity be established or created, but I cannot give you a definite timeframe or date.

Ms. NORTON. So what we have again if one were, if the Department of Education stood back and said, would you—how come we are seeing these problems in these three areas that have no State? And yet I have heard nothing from Mr. Hudson or Mr. La Force, I'm sorry, or Mr. Johnson about structural changes which clearly have raised themselves in a systemic way in these three Stateless jurisdictions. Why not? Why are you not helping with the structural matter? Do you believe, for example, that grants should be handled by the D.C. government, some other part of the D.C. government, or have you any experience—Dr. Janey talked about best practices—from the States other than you are not managing your money well? Your scores in your first year, you have not brought up. Shame on you. Other than that, kind of across-the-board criticism, have you done the analytical work with these three jurisdictions who share in common the absence of a State apparatus which surely sorts out much of this for my good colleague Bob from Baltimore? If they are not—this is a jurisdiction in much worse shape in some ways than we are, but they have a State superstructure. They have State funds coming from special education and the rest that they do not have. They have something going for them, and it sounds to me, knowing nothing but having some analytical ability, as if I put two and two together and I say the Virgin Islands, Guam, Samoa and the District of Columbia, what comes out is no State superstructure. So if we have a role to play, Department of Education, it is helping these jurisdictions without a State, these State school districts without a State to relate to, a government, the government that they relate to as a State in our case, it would be the District of Columbia government. So I have to ask you, have you been in touch with anybody in the District of Columbia government?

Mr. LA FORCE. Ms. Norton, your analysis is correct. There is a common feature between the jurisdictions that have been on high-risk, and that is that they, in most cases, what we refer to as a unitary system where the State and the district are the same. It is something that we have identified and in our meeting with Dr. Janey and his staff later today. It is on the very top of my personal to do list to address that issue with the District. As Dr. Johnson

referenced in his testimony this morning, we believe that issue to be one of the most important issues we address together as we go forward. Our recommendation to Dr. Janey will be that we begin building a state-type organization within his control.

Ms. NORTON. Well, would it be within his control? I am not asking that it not be within his control. But that is interesting. Is it within the control of the superintendent of the city of Baltimore, if we are talking about the State apparatus or the State of Maryland? I mean, this is more complicated than that, sir, is what I am saying. I do not know what this is. It is an interesting intellectual and management problem. This superintendent wants to make sure that what he is accountable for coming under his jurisdiction. At the same time, if you mix these functions so that there is nobody who has true oversight, thank goodness for Mr. Willoughby, and he has certainly done his job, but essentially, what you have here and what seems to me important to recognize is, you do not have an objective State agency like the State of Maryland or the State of Virginia which will pull the chains of Fairfax County or Baltimore and say, you know what, you are not going to get this State in trouble so this is what you have to do. D.C. has tried to create that, and it does seem to me that if one tries to probe, what could possibly be at stake here, that the root of the problem may be this oversight problem, the mixture of function, the mixture of oversight and the failure, therefore, to have some independent arbiter except for the auditor who looks like he is over-worked with looking at various parts of D.C. public schools that happen to be thrown over the transom to him to look at. I say all of this because I told you I approach this with a presumption of it is D.C. public schools that needs to be fixed, but with real skepticism that somehow the public schools of the great cities of the United States, which are all finally pulling themselves up by their bootstraps, that have had superintendents for longer than a year who probably would not have been told, we want to see a 10-point increase in this and a 20-point increase in that in your first year, so I cannot believe therefore that anything is at work here except something that is truly distinctive.

So I am going to have to ask you, because I think the superintendent is quite capable of doing what he is doing, and I think given the amount of time and the nature of the school system, that he is probably going to do that. If you could be helpful to us in any way, it seems to me at that meeting should not only be, from this meeting, that these ongoing set of meetings should not only be Dr. Janey. It should be somebody from the city government who would have an interest in this State function beyond these State oversight functions we have now so that the D.C. government can be informed. The D.C. government has to take responsibility for this. You are talking about a school system where the CFO does not even report to the superintendent. And yet all of this is being laid on his table. We have to just aggregate this, not to relieve him of responsibility but to have a clearer set of functions so that those functions are better understood.

I would like, Dr. Janey, as I said in my opening remarks, that we wondered whether we could get a superintendent. This place where people like to come and show their stuff normally. But there

have been actings and mishaps, and so we thought we were in real trouble. So Dr. Janey didn't have to do what the average superintendent has to do; all of them are quite extraordinary people to take on these tasks. What he had to do was not raise the scores, Dr. Janey. His portfolio is awesome, and I would like him to lay out, beginning with facilities, what is on his plate to fix so that we have an understanding of what we mean by reform of the D.C. public schools and we begin with your management plan which begins with curriculum that, sir, is to be fully implemented beginning next year. How would you feel, you are a superintendent, you have had to do your due diligence you had to go to your school board, your council, some of it has been implemented now. Where is my paper? But parts of it in 2005, 2006, implementation is going to start in the 2006/2007 school year. And that is of his master education plan. And you are telling us here this morning that part of the indictment has to do with education issues. Well, thank you very much. I guess so. What he had to do was to make sure that he had on board his board, his residents. Let me ask him what he is about to do.

You have drawn the master plan the master education plan. You have gotten it approved by your board. Implementation, full implementation as I understand it starts at 2006/2007 and that more changes will come through the next 2 or 3 years. I hope that is the way in which he is doing it. Because if he throws this at our school system, he will be throwing it on the grounds. You would think if he does that, we ought to clap and say, well done, and that is it. But I want him to lay out the rest of what has to be done by him at the same time.

Go ahead, Dr. Janey.

Dr. JANEY. We will have to hire over 600 teachers. We will reduce the excess space in the school district by 1 million square feet by the last week in August. We will hire probably up to 20 or so principals. Last year, we had a churn of 44 from one year to the next. We will have to address the modernization of our buildings. On average, they are above 63 years of age. A case study might be Cardoza which was built without a gymnasium. Some luminary advanced that architectural plan and constructed a building without a gymnasium. Cardoza, among other high schools, has the cruel task of making a decision to keep their air conditioning on, their lighting on, or turn on the computers because of the fragility of the electrical system. It is inadequate with respect to the amperage, and it is inadequate with respect to the voltage. That has a direct impact on teaching and learning and on the opportunity to fairly respect all of our students regardless of where they have lived, regardless of ethnicity and income. It is a very daunting proposition. We can do it. It requires, however, full recognition of all of the points of progress we have made.

We sit in a very unique situation as a State where we have one out of every fifth child attending a charter school, and those charter schools do not have the same kind of robust accountability that we have within our own LEA. That is DCPS.

And finally, I would just say quickly, giving recognition to the independent auditors report dated January 19, 2006, "In our opinion, the schedule presents fairly in all material respects the origi-

nal budget, final budget, actual revenues, expenditures and other sources for uses of DCPS which represent a portion of the District of Columbia's General Fund and Federal and Private Resources Fund for the year ending September 30, 2005, in conformity with accounting principles generally accepted in the United States of America."

I would have, for this record, welcomed and entertained an opportunity to prevent this high-risk designation by looking at what precise steps we would have had to commit to and demonstrate at a level of acceptability so it would conform to what we all understand is progressive discipline. On an individual basis, we could have done this organizationally between whatever point in time and prior to the actual designation. But that is after-the-fact conversation.

Ms. NORTON. Indeed, I will make a request that, Mr. Johnson and Mr. La Force and the Department of Education, that a more definite and perhaps even intermediary step or designation be considered by the Department. These schools I indicated in the beginning that I do not think you should shy away from exactly what you are doing. But how you do things can affect whether or not school systems like this are going to be able to get anybody to be able to come and do what Dr. Janey, who had a very substantial career and apparently has the full confidence of some tough cookies in the city. This is an election year. And we are not going to be able to do it if one moves to high-risk. You will get some e-mails, and I hope you all get the point and here it comes.

I would ask the Department to consider that some designation short of that might be helpful and some breakdown in very specific terms might be helpful, particularly if you are talking about school systems which on their face might have the same kind of call on resources. If you are in Baltimore and you get this kind of trouble, you go to Maryland and say, you help us. Or if you are in Maryland and you get this kind of word from the Department of Education, you go to Baltimore and say, you all come on in. We have experts. We have money. We are not going to let this happen to the State.

I would suggest, given the jurisdictions that seem to have been alone and being caught here, that we understand something from that is structural, and that is the kind of help that the District needs.

I have a few more questions. I was certainly, I certainly didn't understand what kind of technical assistance or resources were available here. It is one thing to call in people and tell them what they are doing wrong, and it is one thing to tell me all the Federal funds we receive, a lot of which are not even under Dr. Janey's jurisdiction; it is another thing to have a true program for technical assistance where you sit down and you do some of the things that Dr. Janey has indicated like, here are the best practices and here is what we suggest, particularly when you are dealing with a school system that does not have State experts who might play that role. So I am going to ask that kind of technical assistance be provided, too. I want to ask you, Mr. Johnson, are you aware of the fact that the District, that the District's auditor is placing a permanent site at the D.C. public schools, an onsite outside auditor?

Mr. JOHNSON. No.

Mr. WILLOUGHBY. No, just to clarify, it is the Inspector General's Office, Congresswoman.

Ms. NORTON. I'm sorry. Inspector General's Office.

Mr. JOHNSON. No.

Ms. NORTON. You know, the Inspector General is entirely independent of the D.C. government and the D.C. public schools? The reason I ask that is, if you are going to move to high-risk status and what we have is the Inspector General about to be onsite permanently, you might want to consider that before moving to high-risk status. This is a completely independent, tough office that came into existence from Congress initially at the time of the control board. It is the kind of thing one would want to do before slapping some designation on people that might have an effect beyond a bureaucrat.

Mr. Musso, it is important to clarify your role here. I do not think there is any other superintendent that has a CFO who reports to the CFO and not the superintendent. And yet it is the school system and not the D.C. government or the CFO who has gotten this high-risk designation. And they are talking about 2002/2003, and much of it is financial, and the only years they have looked into with any depth are years before this superintendent came. So would you tell us about your unique role here and its relationship to the high-risk designation?

Mr. MUSSO. Certainly. Thank you, Congresswoman. Indeed, you bring up a point that not many have talked about today that is very important for the record. The findings were based upon years past, 2002/2003 and past that. Chairman Davis talked about this being an issue of years in the making. And I briefly talked about some of the reforms and some of the things that we have done. Dr. Janey read a statement from the independent auditor for fiscal year 2005. We talked about how we intend to end the year with a balanced budget, with $12,000.

Ms. NORTON. I know all of that. I am trying to figure out if why they are high-risk for financial matters and for grants if in fact any of that comes under your jurisdiction and how that is handled?

Mr. MUSSO. That is the point I am trying to make. In terms of at-risk status, it was based upon findings from years past. What has not been done or looked at effectively in my estimation is what we have been doing forward and those things that I have just talked about. All the reforms that we have made, and we have talked about items that have occurred under Dr. Janey's watch, that have not occurred under Dr. Janey's watch; well, the reforms we have been talking about, the advances made, the fiscal responsibility, the internal controls that are in place from my office, those things have occurred on our watch. We are performing due diligence intelligence, and we have completed many——

Ms. NORTON. Tell me about your meetings. You must have had meetings therefore with these gentlemen after they pulled back, after the surprise.

Mr. MUSSO. We did.

Ms. NORTON. What occurred between you and them with respect to 2002/2003?

Mr. MUSSO. Our exit meetings were actually very positive in nature. And when the exit occurred, it was our belief that there was

no fiscal reason for issuing a letter of high-risk status. All the things that they looked at had been rectified.

Ms. NORTON. What was your response to that, either Mr. Johnson or Mr. La Force? He says he does not understand it, if financial matters are included. I am trying to get to the bottom of this, gentlemen.

Mr. LA FORCE. The matters related to years 2002 and 2003 are certainly part of our consideration, but they are not everything.

Ms. NORTON. So you have in fact done your own internal audits for the years following 2002 and 2003 and the years preceding them?

Mr. LA FORCE. Beginning in late February of this year and continuing until roughly late March, we conducted what we call program monitoring reviews, which is the Department's review procedure for however States are implementing programs. Those program reviews included a review of Title I——

Ms. NORTON. Now, just a second, that is important. I asked you to respond to the financial matter, and you heard Mr. Musso say that, with respect to financial matters, he does not believe that the high-risk status should obtain. And we can go on to IDEA, and I am pleased to do that. But I would like a response to what he just said, which was that those financial matters do not warrant high-risk, both going forward and what they have done and with respect to those years.

Mr. LA FORCE. Mr. Musso is rightly proud of the progress that his office has made at the District, and we congratulate him on that progress as we have congratulated Dr. Janey on his progress, but our judgments differ about where they are today.

Ms. NORTON. That is pretty vague, sir.

Mr. LA FORCE. I would be happy to continue if you would like.

Ms. NORTON. Mr. Musso—I mean he has been very specific about why he thinks this.

Mr. MUSSO. There are several things I would like to say, too. There is a difference between fiscal accountability and fiscal accounting. The fiscal accounting is a piece the CFO talks about. The fiscal accountability is the part that the SEO and everyone has been talking about in terms of the grants management, the allocation of funds to subgrantees, those types of things. So there is clear distinction between the two.

The other piece is, once again, I will go back to the independent auditor. I mean, the proof is in the pudding. Look what we have done in 2005. I mean, if we continue to look at the past, we're never going to move forward. The future is where we are at. The future is where the children are at. We have made substantial demonstrable progress, such that an independent auditor has said that, within the financial statements. We go several years back; we've tried to correct those deficiencies and have been successful in doing that.

The other thing that I would like to add for the record is very clearly I remember, because I have the document back on my desk, our reply for the fiscal portion of the Department's issues was dated November 15th. Dr. Janey and I collaborated on that, so I can say and I need to say for the record that, by virtue of he or

I, we are not fiscally irresponsible in getting that out. Why they didn't receive it, we can't speak to.

Ms. NORTON. Let me lay this to rest by saying the following: When you have a school system that has some truly unique issues, and the distinction you make between accounting and the accountability that goes into your coffer and the rest is very much worth noting. But when you have a school system that has a CFO and the CFO does not respond to the superintendent, you even have a difference therefore with the other three territories; and the need for very detailed work and structural advice becomes apparent.

There is no third party here. Congress is a third party. You are a third party. But the CFO and the superintendent and the D.C. government are all in the same matrix. And Mr. La Force, my difficulty is that I have not—you have not sufficiently played that third party structural role, and it shows in this high-risk designation.

Mr. Musso.

Mr. MUSSO. Yes, the other thing I would like to say, Congresswoman, is you talked about my relationship as the independent CFO. And the one thing that I want to add is, there is a relationship there. My relationship with Dr. Janey and his team is such that he always knows what is going on. That would be irresponsible to any of us to let happen. So irregardless of whether I am independent or I am not, what I do on a daily basis won't change in terms of who I have to report to. That is just because of who I am.

Ms. NORTON. I understand that but the D.C. government is not going to change that. But it ought to inform the Department of Education.

Mr. Johnson or Mr. La Force, the IDEA program, that program has been under an at-risk designation apparently for some time here in the District of Columbia. Indeed, the IDEA program is under a court monitor. And you know, we are in tough shape on that because we paid for 100 percent IDEA, no State assistance, no assistance from the Federal Government. It is draining money from the kinds of things that might well be done in other financial and education matters. Why didn't you go program-by-program if you wanted to do high-risk?

Mr. JOHNSON. Actually, that consideration was part of our discussion over the several months that we talked about it. We thought that doing a high-risk designation for the District would be a more comprehensive way to actually help Dr. Janey get to the issues that need resolution. We thought that was just the most direct way to do it and the best way to do it.

Ms. NORTON. Well, just in this examination, I think back and forth, I think we have come to a number of other ways that it might have been done with less controversy. You would have had me 100 percent on your side, for example. And I am not on your side now. It is that a blob like that of high-risk is less informative, it seems to me, than going program-by-program when you have a school system that does not have a State in the first place.

Mr. Chairman, I am going to end on a positive note and go to Cedric Jennings, of course. But I do want to say, you also have a school system that has—let me get this word right now—an IG, in-

spector general, like the Federal Government. You have some tools to work with that it looks like have not been plumbed. When you look at his testimony, it is amazing testimony.

I asked you about, why not go high-risk program? When I look at what they are doing, they are looking at—and I am not going to go through this whole thing, but look at the breadth of it, school security, you indicated permanent site. You ought to rejoice at that. That should have been included—that is almost enough to make somebody not do high-risk.

They are looking at Title I programs, they are looking at management of truancy, they are looking at the management of a Federal communications grant. You look at them, they are all over the place, a whole lot more than you all. You need to collaborate with the way in which the District now does business because it would be useful to you.

Again, I do want—I do want to be clear that what we have heard here today is that this superintendent had a charge that is, if anything, outrageous. Here is your charge. Master education plan, got to have that; master facilities plan, must have that. And the financial operations of the school system—like, I must say, the financial operations of a lot of the rest of the government—is one of the great unfixed parts of government. So put that on your plate too.

And who cares that you have only been here 1 year? Just get it done. If you don't have it done in the first year after you receive a few e-mails and had some discussions, then be forewarned, sorry, you are at high risk. You are not doing what you should do.

I think there was another way to do it. I think there were interim ways to do it to get more than their attention. I defy you to tell me another superintendent that has to recreate a school system from the ground up. That is what I expect of this superintendent. And I, for one, will accept nothing less.

Now, Cedric, who overcame what so many students in the District of Columbia have overcome, and they have gone on to college—and the chairman and I are so proud of the fact that there has been a 40 percent increase in college attendance—Cedric Jennings, I give all the credit to you, to your mother, and to whatever teachers in the D.C. public school system recognized your talent and encouraged you.

But I do want to say for the record, because there is something else on Dr. Janey's plate that I talked about last night at an important meeting that the press would never note, but was full of D.C. parents, most of them single mothers. It was at the newly renovated Kelly Miller Middle School. It was called Kelly Miller Junior High School when I went to Banneker, when it was a junior high school. I said I don't want anybody from the old Banneker—which is still unrenovated, was old when I went there—to even come into Kelly Miller because we are going to have school envy now breaking out all over the District of Columbia.

But this was a meeting not about schools; this was a meeting about the elephant in the room that is on his plate. This was a meeting about marriage and family, and that is what is on his plate too.

In whatever condition we send these children to you, you just better do your job. That is what we tell them. That he does not

have what Eleanor, Portia and Nellie Holmes had, which was Coleman and Vela Holmes, and an extended family to boot. He doesn't have what all of my classmates had. Nevertheless, you had better do it.

That is why I talk some turkey to my parents. Talked about a marriage, talked about the unavailability of marriageable Black men because they get siphoned off into the thug economy so young and yet what we have to do for our children while we are putting the Black family back together. Talk some real stuff.

You know what, the parents, the people of the District of Columbia, it is like they are bringing extraordinary pressure on you, we are not only ready to hear that tough talk, they rose up and clapped about that tough talk about family and marriage and putting all that back together again.

This young man has to have had a momma. That is who I would like to meet. Because in order for him to overcome—I know Ballou High School, and you talk about Bishop Long, but that mother in there was Dr. Janey's predecessor's partner, whatever the kids were doing.

So I have to ask you one final question, Cedric. When you talked about educational studies and going on to Harvard and then you come back home, of course I was joyful that they hadn't snatched you. But it is interesting that you—Dr. Janey has not been able to snag you into the D.C. public schools.

Dr. JANEY. Yet.

Ms. NORTON. You said that you work for all the most needy children. I do admire you for where you work. We can't get folks like you to work with our foster children. But I do have to ask you whether you have any intention of becoming a teacher in the D.C. public schools.

Mr. JENNINGS. I have to answer that, right?

Ms. NORTON. Are you going to take the fifth on me?

Mr. JENNINGS. I don't know. I don't know.

Ms. NORTON. Are you prepared—I don't want to put you on the spot. Are you prepared to indicate why you went to the Department of Children——

Mr. JENNINGS. Child and Family Services Agency.

Ms. NORTON. Were you recruited from them? You have a Master's in—is it in social work?

Mr. JENNINGS. Yes.

Ms. NORTON. What a jewel. In social work.

I am almost through, Mr. Chairman.

And education. But you went to social work, where the need is even greater. Is that why you went there?

Mr. JENNINGS. I enjoy that idea of assisting children from a holistic standpoint, because in social work I am able to put my hands on the various areas of the children's lives. And for me, I have, I guess, the opportunity to be effective in every regard in the child's life; that is why I chose social work.

Ms. NORTON. Amen.

Thank you, Mr. Chairman, for your indulgence.

Chairman Tom DAVIS. Thank you. Your 5 minutes has expired.

I want to thank all of you for this. We want to, as Ms. Norton said, put this on a positive note where we all come away from this

working together. When we convene here next year, hopefully we will be showing progress. This is not going to be solved overnight, we all understand it, but working together I think we can bring us closer to producing more Cedric Jenningses.

Thank you very much. Hearing is adjourned.

[Whereupon, at 12:06 p.m., the committee was adjourned.]

[The prepared statements of Hon. Elijah E. Cummings, Hon. C.A. Dutch Ruppersberger, and additional information submitted for the hearing record follow:]

Opening Statement of

Representative Elijah E. Cummings, D-Maryland

Full Committee Hearing Entitled "Making the Grade? Examining District of Columbia Public Schools Reforms Proposals"

Committee on Government Reform
U.S. House of Representatives
109th Congress

April 28, 2006

Mr. Chairman,

Thank you for you holding this important hearing on efforts to improve the academic performance of District of Columbia Public School students.

In today's world of global competition and increased expectations for employee qualifications, there can be no doubt of the importance of a meaningful education. While recent efforts made by DCPS represent a step in the right direction, further reforms are still necessary to ensure that every child in the District has access to a first-rate education.

Academic performance at DCPS seems to be a mixed picture. In 2005, the number of schools designated as "needing improvement" under the No Child Left Behind Act rose to 80, up by 65 since 2003. At the same time, 9 additional schools in 2005 from the

previous year achieved adequate yearly progress with respect to reading and math standards.

Positively, from 1999 to 2004 proficiency scores on the Standford-9 Achievement Test rose 11 percent in reading for grades 1 to 4. However, the proficiency scores of 5th through 11th graders on the same test remained stagnant. Students in the District tended to score much better on the math portion of the exam, with virtually all grades making improvements ranging from 2 to 14 percentage points.

However, the assessment that functions as the Nation's Report Card—the National Assessment of Educational Progress (NAEP)—reported some troubling results. As assessed by NAEP, DCPS is among those state educational agencies that have the poorest level of performance.

To improve student achievement, DCPS under the leadership of Superintendent Clifford Janey is implementing and developing two initiatives entitled the Master Education Plan and the Facilities Master Plan, respectively.

I am encouraged by the fact that the Master Education Plan: (1) places additional attention on math and science courses; (2) clarifies accountability expectations of all educational stakeholders; (3) supports the improved utilization of school facilities; (4) establishes new standards from subjects ranging from English to music; (5) mandates subject certification for teachers; and (6) expands the number of advanced coursework options.

These reforms all seem very sensible and I believe, if executed wisely and in a timely manner, they could make a substantive difference in the lives of the District's children.

The Facilities Master Plan also seems to be of critical importance in addressing DCPS' excess facilities problem. In doing so, DCPS would be well-positioned to redistribute operational savings and redirect those funds to class room instruction.

Moreover, these surplus facilities could be well used to meet other essential public needs for homeless shelters, affordable housing, and health care facilities. The Board of Education seems on target when it committed itself to hearing from the full range of community voices on how best to implement the disposal and utilization of surplus DCPS property.

Mr. Chairman, we can ill afford to lose sight of what is a stake here. In no overstated terms, *nothing* can be more critical to the long-term prosperity and strength of our nation than providing our children today with the education they will need to thrive in the future.

Make no mistake, every child who obtains an education of high-quality is one *more* child who is likely to reach the fullness of their promise -- one *more* child who is likely to evade the withering clutches of drugs, crime, poverty, and hopelessness.

I look forward to the testimony of today's witnesses and yield back the balance of my time.

Congressman C.A. Dutch Ruppersberger
Committee on Government Reform Full Hearing

"Making the Grade?" Examining District of Columbia Public Schools Reform"

April 28, 2006

Statement:

Thank you Mr. Chairman for holding this full committee hearing entitled "Making the Grade? Examining District of Columbia Public Schools Reform Proposals."

Much talk about school reform has to start with standards. There has been criticism of public school that many people in our respective districts are left wondering whether anything is going right with public schools. Negative media reports about education, publicity about schools that don't meet state standards or federal accountability requirements, and disparaging comments from critics of public education in my opinion contribute to the impression that public education is in worse shape than ever-and

that's not just the case. I still believe in public education. I have a family of public educators.

Again, we are here talking about the District of Columbia schools. If we are going to point fingers in this hearing let's talk about the lack of federal funding in Co Child Left Behind. It's time to take a clear-headed look at the facts about our educational system. I want to here stories about the good reports. I want to hear about what works. I believe there is good news about public education, for example recently the "Teacher of the Year" is Kim Oliver.

Ms. Oliver attended public schools in her hometown of Wilmington, Delaware once graduating from undergrad and graduate school she decided to teach in the great state of Maryland and boy are the students in our state benefiting from her attitude of helping at risk children. It is people like that who still give me hope that putting children first when it comes to education is the key.

U.S. public schools have improved in major ways since the mid-1980s; however we need to continue to take steps to reform education by setting high standards for student learning.

Today's students are taking harder courses, achieving at higher levels, and earning more degrees, to note just a few improvements. Yet many people aren't aware of these positive trends.

I am here, Mr. Chairman to try and help emphasize the positive; I want to hear about what we need to do to succeed. Clearly public schools must improve, and some schools have a long way to go before they are providing a high-quality education to all students.

I look forward to hearing the testimony presented today and I look forward to asking questions of the witnesses.

Thank You.

Davene White, RN, MPH
Board Chair

Cassandra Pinkney, M.Ed.
Founder | Executive Director

Trenice Jett-Jones, M.Ed.
Principal

April 27, 2006

Dear Congressman Davis,

My name is Cassandra Pinkney, and I am the Executive Director of Eagle Academy Public Charter School in Washington, D.C. I write today on behalf of Eagle Academy and several other public charter schools in the District, to describe the serious—and ongoing—problems we have encountered in obtaining federal funds from the Office of Federal Grants Programs (OFGP) in the State Education Agency of the D.C. Public Schools during the 2005-2006 school year. As the end of the year approaches, we are literally struggling to meet payroll obligations. In addition to describing our experiences, we also offer concrete suggestions from the perspective of charter schools for how to prevent this chaotic and harmful situation in the future.

Funding access problems. Eagle Academy and Community Academy Public Charter School offer educational programs for 3- and 4-year-olds. We have always received NCLB funding for children of this age. This year looked to be no different. Not only did OFGP never inform us that we would not receive funds for 3- and 4-year-olds; it affirmatively *encouraged* us to plan based on such funds. During the summer of 2005, OFGP issued consolidated budgets projecting charter schools' federal funds that included allocations for 3- and 4-year-olds. In August 2005, in reliance on that consolidated budget, we submitted LEA applications for funds for 3- and 4-year-olds. OFGP even required Community Academy to amend its budget several times over a period of months. Under OFGP's guidance, Community Academy created a budget that detailed the expenditure of its anticipated federal funds down to the penny. That revised budget *still* included funds for 3- and 4-year-olds.

Months later, in the spring—after we had relied on these budget projections for months—OFGP abruptly informed us that 3- and 4-year-olds would be ineligible for those funds.
Yet it is our understanding that OFGP in fact did receive funds for 3- and 4-year olds in the District for 2005-2006, and that it did not return these funds to the Department of Education.
If we did not receive funds that were allocated on a per-pupil basis to our children, where is that money?

As a result of OFGP's sudden shift in position, Community Academy is now short of its projected budget by almost $300,000 for this school year; Eagle Academy is short by approximately $110,000. These huge shortfalls put our educational programs, and even our schools, in jeopardy. To make matters worse, OFGP has not even timely disbursed the funds that it approved. Of its original budget of $960,000 of federal funds, Community Academy has received less than $150,000—and the school year is drawing to a close. Eagle academy has received only $30,000 of its original $151,000.

770 M Street, SE
Washington, DC 20003
202.544.2646 T
202.544.0187 F
eagleacademypcs.org

Starting Early,
Soaring High...

These are not the only problems charter schools have suffered due to OFGP's arbitrary actions. Last year for the first time, the OFGP required all LEAs to fill out their NCLB funding applications online. However, as OFGP well knew, their web site had serious flaws. One charter school estimated that it took 1-2 weeks of full-time, exclusive work on the application just to work with the prototype—not including the time it took to actually write the application. Ms. Valera Commissiong, Executive Director of Washington Academy, filled out applications on behalf of Washington Academy and Eagle Academy. Ultimately, after many frustrating hours attempting to fill in the online applications, the site deleted both applications on the day before they were due. Ms. Commissiong sought an extension from OFGP, which was denied on the basis that no school would receive an extension. In fact, however, it is our understanding that other schools *did* receive extensions or were allowed to submit their applications late.

Ms. Commissiong stayed up all that night and attempted to recreate both applications by hand to meet the deadline. Eagle's application was accepted, but OFGP denied Washington Academy's funding based on typographical errors in the application, and it never gave the school an opportunity to make corrections. Washington Academy has appealed this denial to the Department of Education. Although Washington Academy is optimistic that it will resolve this funding dispute with the D.C. Public Schools, at this point it has yet to receive a dollar of these federal funds, and the school year is nearly over.

Suggested Reforms. The distribution of federal funding for charter schools in the District this year has been a fiasco. While we do not believe it is necessary for the federal government to take over allocation of these resources directly, we think several structural changes could improve our access to these funds on behalf of charter school children. First and foremost, there should be greater transparency regarding every aspect of these federal funds:

- When DCPS obtains the funds, it should publish the date the funds were received and the amounts received on the Internet, so that LEAs and regulators have full knowledge of what funds exist and their intended uses.
- If DCPS denies an LEA funds, in whole or in part, it should be required to immediately inform the Department of Education in writing of that denial.
- DCPS should be required to provide information on how it calculates allocations under Titles I-V so that LEAs can check the math and budget appropriately based on their actual student populations.
- DCPS should not be allowed to alter its definition of eligibility for federal funds (for example, by eliminating funding for preschoolers) for a school year after the application deadline for LEAs for that year.

Second, we believe the Committee should consider requiring a more complete separation between the state and local education authorities in D.C. The State Education Agency, which currently oversees the process, may have an incentive to deprive charter schools of funds to which they are entitled in order to shift those funds to the D.C. Public Schools. But federal funding is intended to assist impoverished children. It should not be the subject of local political struggles. Finally, DCPS should be required to disburse federal funds in a timely manner. Under current practice even when funding is approved we have no ability to predict when it will be disbursed.

We hope you will find these comments helpful as you consider the fate of the D.C. Public schools during tomorrow's hearing and beyond. Don't hesitate to call if you have further questions.

Sincerely,

Caroline Pinkney
Executive Director