



# Education Roundtable Brief

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## A is for Accountability: MAKING MONEY WORK IN NEW YORK CITY'S PUBLIC SCHOOLS

How can a transparent system of accountability be designed to assess whether education funding is being used to improve educational outcomes?

### KEY POINTS EMERGING FROM THE DISCUSSION

- ▶ A good system of accountability will require strategic plans, goals, data reporting, assessments and audits that will be communicated to the public in an accessible and clear manner.
- ▶ Reform in the New York City school system needs to be achieved through a data-driven approach.
- ▶ New funding entering the system should be targeted to low-performing, high-need schools.
- ▶ Targeting new funds to schools should be part of a larger phase-in plan for comprehensive and strategic school reform.
- ▶ New funds should be tracked carefully, and should be used on methods proven effective.
- ▶ In-time research is a vital component of an effective accountability system, particularly as a decision-making tool in the classroom.
- ▶ A public, independent institution to provide transparent research and data analysis should be established in New York.

Recently, CBC has pursued an active research agenda – including the report *Can New York Get an A in School Finance Reform* and a conference in 2004 – on the issues embodied by the State Court's decision in the Campaign for Fiscal Equity case. With funding from The New York Community Trust and the Carnegie Corporation, CBC followed up on this research by hosting two expert panel discussions focusing on key issues in education finance reform.

This brief recounts the proceedings from the first of those discussions.

### PANELISTS

**Anthony Alvarado**

Executive Director,  
New York City Council  
Commission on the  
Campaign for Fiscal Equity

**Norm Fruchter**

Executive Director,  
New York University  
Institute for Education  
and Social Policy

**Mary Clapsaddle**

Assistant State  
Superintendent  
for Business Services,  
Maryland

**Dennis Walcott**

Deputy Mayor for Policy,  
City of New York

### MODERATOR

**Eugene J. Keilin**

Principal, Keilin & Co.  
CBC Trustee



## New Accountability Initiatives at the Department of Education

The New York City Department of Education is launching a host of new accountability initiatives under the helm of its newly appointed Chief Accountability Officer, James Liebman. Among the most notable of these initiatives are:

### **Greater Availability and Use of Data.**

Information will be made available for assessment and evaluation continuously through a real-time data management system that will include progress reports, on-site quality reviews, and periodic progress measures.

### **Grading of Schools Based on**

**Performance.** All schools will be issued a report card with a grade (A – F) based on the school's performance in improving student achievement and serving students most in need. These reports will be based on criteria established for similar grade configurations (K-5, K-8, middle or high schools), as well as contextual factors such as demographics, mobility and percent of students that are eligible for free lunch, English Language Learners or in Special Education.

### **Expansion of the Empowerment Zone.**

The empowerment zone, previously known as the autonomy zone, will be expanded to include 331 schools from the 58 with which it began. Schools in the empowerment zone will operate independent of local superintendent supervision. Principals will be given autonomy over decisions affecting the hiring and training of teachers, curriculum and the budget, but will be directly held accountable for meeting performance goals. Principals who fail to meet performance goals two years in a row are at risk of losing their jobs.

New York State courts have ruled that all students are entitled to a sound basic education and have ordered the funding to provide that education in the Campaign for Fiscal Equity case. These rulings have placed our elected officials in the position to make historic decisions about New York City's public schools; among the most critical of these decisions will be how to design a transparent system of accountability that will ensure that education funding – new and old – is used to improve educational outcomes in an effective way.

On January 27, 2006, a panel of education experts convened over breakfast at the UBS headquarters to discuss the best ways to make money work effectively in improving student achievement in New York City.

## What Would An Improved Accountability System Look Like in New York City?

Four years ago, New York City Mayor Michael Bloomberg was granted control of the school system in order to be held directly accountable for its successes and failures. As part of the strategy to reform the school system, **Deputy Mayor Dennis Walcott** explained that there will be a continued push to “drive down control of the schools and monitoring from a variety of levels, both inside and outside the Department of Education.” The largest effort in this regard, explained Mr. Walcott, has been the expansion of the “empowerment zone” to include 331 schools. Principals of schools in the autonomy zone are allowed greater control and freedom from superintendent oversight, but are also held accountable for meeting specific performance goals.

Apart from this more school-specific effort, the administration is aiming to move the entire school system toward a more data-driven approach. The Chancellor has hired a new Chief Accountability Officer to implement a system of accountability that uses multi-dimensional measures to evaluate the performance of schools and school districts. This follows a general drive for collecting more data in schools and using that data to measure results. The goal of the administration, as Deputy Mayor Walcott explained, is to lessen reliance on local superintendents, and instead to shift to “more Tweed management of performance results in the districts and in schools directly.” Furthermore, Deputy Mayor Walcott added that there will be “a lot of change and movement in the system if the Mayor and the Chancellor aren't satisfied with those results,” something made easier by the end of seniority transfers within the system recently negotiated in the last teachers' contract.

The importance of using data and research to drive decisions made in the school system – especially in low-performing schools – was further expanded on by Campaign for Fiscal Equity (CFE) Board Member and Executive Director of New York University's Institute for Education and Social Policy **Norm Fruchter**. The CFE Board believes that additional

monies invested into the educational system should be targeted to the regions that are low-performing; more importantly, however, these investments should be carefully tracked so that the purposes to which the funds are devoted are clearly recognizable and understood. Furthermore, according to Mr. Fruchter, all new investments should be dedicated to purposes that have a foundation in research, thereby ensuring prudent use of resources through the funding of programs that have been proven to be effective.

Investments have to be targeted and phased in at a large enough scale so that they are significant enough to make a difference; ultimately, however, the success of this targeting hinges on the availability of in-time research to evaluate choices and make new decisions on how to spend money effectively. As Mr. Fruchter said, “If we can pull all those things together, we can actually control how five billion dollars a year in new money in New York City gets framed, gets targeted, gets phased-in, gets spent, gets researched, gets corrected and gets spent again. And hopefully, from that kind of a process, we will get investments that actually produce significant improvement in the achievements of New York City school children.”

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— *Anthony Alvarado* —

Using in-time research as a decision-making tool was also supported by the New York City Council Commission on the Campaign for Fiscal Equity. The Commission, established by the City Council to study how CFE funds could be used best, was headed by former Chancellor **Anthony Alvarado**. The Commission proposed setting up “laboratory schools,” in which interventions could be tested and tracked. Successful interventions could then be scaled up to lab districts, for further observation, evaluation and modifications, before being applied system-wide. An independent research institute would be responsible for performing on-going and systematic analysis of these initiatives. Ultimately, the results of the analysis should lead to an on-going readjustment of education reforms and intervention initiatives.

Mr. Alvarado expanded on the points in the report, stating that a widespread problem with accountability frameworks across the country is



Deputy Mayor Dennis Walcott and  
CBC Trustee Eugene J. Keilin



CFE Board Member Norm Fruchter



CBC Trustees Howard Wilson and  
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Former Chancellor Anthony Alvarado



John Easton, Executive Director of the Chicago Consortium



## Recommendations of the New York City Council Commission on the Campaign for Fiscal Equity

In 2005, the City Council set up an independent commission to develop recommendations on how funds might be most effectively spent to achieve the goals of the CFE decision. Under the leadership of former NYC Chancellor Anthony Alvarado, the Commission on the Campaign for Fiscal Equity held a series of hearings and meetings and conducted research on best practices that led to the publication of two reports. Here is a synopsis of the general recommendations of those reports:

- ▶ Reforms should not be enacted in a vacuum, without being measured, analyzed, and synchronized; fundamental to accomplishing successful, comprehensive school reform will be to measure the results of strategies implemented, and to create a culture where all decisions are based on information on which strategies are effective.
- ▶ School reform should be two-tiered, with reforms concentrating first on low-performing schools and students because they are in need of the most resources. Reforms should be enacted in “lab schools” to evaluate their effectiveness, and then scaled up carefully and deliberately to “lab districts” for further evaluation and modification before implementing system-wide reform. An independent institute for research and accountability will evaluate the results, provide the link connecting research and practice and allow for on-going analysis of the effectiveness of reforms implemented.
- ▶ First on the reform agenda should be ensuring teacher quality, followed by reducing class size, setting up a transparent system of accountability. The price tag put on these reforms: \$2.2 billion.
- ▶ New York City has no comprehensive, long-range plan for attracting high-quality teachers. The Commission recommended a 3 percent increase for all teachers for regional comparability, changing the basis of teacher compensation to knowledge and skills from years of experience, establishing a career ladder, offering salary incentives for teachers in low-performing schools, and developing an extensive set of human resource strategies that foster continuous instructional improvement.
- ▶ Class size should be capped for all grades, with class reductions beginning in low-performing schools, starting with lower grades.
- ▶ An Independent Institute for Research and Accountability should be established to provide careful, on-going and systematic analysis of initiatives, the results of which should lead to the on-going adjustment of education goals.
- ▶ The Commission also recommended expanding pre-K to ensure students enter with the foundational skills required for learning and establishing a career ladder and salary incentives for assistant principals and supervisors.

that there is no clear understanding within a system of what is genuinely effective, particularly on hotly-debated issues such as teacher quality and instruction. For example, Mr. Alvarado explained that “part of the difficulty with accountability in terms of measuring results, which is absolutely necessary as the first and continued driver of the system, is that when there is a lack of knowledge and skill, just telling someone that the student isn’t performing does not translate into the kinds of feedback and direction and guidance for a teacher so that he or she knows what to do to actually change the issue.” In short, information and feedback about student achievement are not provided to teachers in a meaningful way that can help them improve instruction, which is especially important for aiding inexperienced teachers working in low-performing districts. Constructing an effective accountability system will be contingent upon providing data that is useful internally and information that is widely available for public discussion of performance.

## How Have Others Constructed Transparent Accountability Systems?

A model for an independent research and analysis institution for New York City public schools that is often proposed is The Consortium on Chicago School Research, located at the University of Chicago. **John Easton**, the Executive Director of the Consortium, spoke about the context within which the Consortium operates and its role in data collection and analysis, summarizing its mission as follows: “Our job is to inform the public about the progress of school reform and school improvement, working as closely as we can with the school leadership, communicating broadly across the City to diverse audiences, and encouraging the use of findings.”

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Formed in the wake of state legislation mandating school reform in Chicago, the Consortium developed through a loose partnership of individuals and organizations into an independent, distinct research and oversight organization. Funded not by public money but through private grants, the Consortium works hand-in-glove with schools to collect its data and focus on issues important to the school district. Its research and reporting functions run the gamut from regular public reporting on

### More About the Consortium on Chicago School Research

The Consortium on Chicago School Research is a public, independent organization established in 1990 to provide objective research on the progress of Chicago’s public schools. Located at the University of Chicago and funded by major foundations, the Consortium does not argue a particular policy position, nor is it an advocacy organization; its research is designed to inform the policy process and encourage public discourse on education by providing the best possible evidence about which factors affect student performance. Its work is guided by its membership, which includes wide representation from diverse community stakeholders, and by a Steering Committee that works regularly with staff to develop and review the research agenda.

Chicago public schools provide the Consortium with a broad array of data on students and teachers, including test scores, administrative history information and grade files. Its data archive also includes data from a yearly survey conducted by the Consortium, qualitative measurements like classroom observations and collections of teacher and student work, and other related social statistics from Chicago’s neighborhoods. The Consortium provides data and analysis to other researchers, and is active in publishing research reports, data briefs and other publications. It provides confidential, school-specific reports for schools responding to its yearly survey, and has published notable reports on social promotion and graduation rates.

To read some of these reports, or for more information on the Consortium, visit its website.

#### On the web:

<http://www.consortium-chicago.org>

## Two Unique Features of Maryland's Accountability System

Maryland's accountability system utilizes two special internet sites to communicate with stakeholders and report on the planning process and performance of its schools. A wealth of information and data is available on these sites.

**Maryland's Assessment and Accountability Website:** <http://www.mdreportcard.org>

The Maryland Report Card reports on the performance of all schools to support school improvement, inform stakeholders and provide accountability at the state, school system and school level for recording education progress. Its compilation of data, reported annually, includes state assessment results by performance level and broken down by race, ethnicity, disability and other characteristics; attendance, graduation and dropout rates; schools in need of improvement and the status of that improvement; teacher certification information; and other demographic data. Data breakdowns offer a county-wide perspective, as well as individual school profiles.

**Maryland's School Improvement Website:** <http://mdk12.org>

Maryland's School Improvement website explains the framework of standards-based education reform in Maryland. It provides detailed explanations of Maryland's overall strategy to implement the school improvement process, current standards and methods of measuring results, and even information for principals and teachers on teaching, assessing content standards, and providing meaningful professional development. For parents, it explains what students should know at each grade level from Pre-K to Grade 8 in math, reading, science and social studies, explains No Child Left Behind requirements, and allows for comparison of one school to others outperforming it, or that have been successful with similar groups.

core indicators to confidential, biannual reporting to schools to inform the district's improvement planning process to broad policy evaluations of reforms such as the end of social promotion.

While Mr. Easton acknowledged that relations with school districts have varied over the past 16 years, he explained that there are two keys to maintaining a working relationship. First, the Consortium operates with a "no surprises" rule, never releasing anything about the school system that school officials have not been familiarized with or consulted on for technical expertise prior to release. Second – and perhaps surprisingly – the Consortium does not make policy recommendations. Mr. Easton explained that "this is deliberate to keep us objective" and preserves the integrity of the research and the Consortium's reputation by insulating both from partisan or ideological attacks.

Following passage of The Bridge to Excellence Public Schools Act of 2002, Maryland also instituted a high-level system of accountability as part of its package of school reform. **Mary Clapsaddle**, Assistant State Superintendent for Business Services, explained the integral aspects of Maryland's accountability framework. First, Maryland requires all school districts to develop Master Plans, which comprehensively detail a districts strategy to meet No Child Left Behind and state performance goals and address the needs of all students. While Master Plans are five-year planning documents, they are also used as vehicles of accountability by requiring each district to update its plan annually, focusing on student performance. Districts must use student achievement data – by grade, by subject matter, and by subgroup – to evaluate and readjust goals, strategies and the allocation of resources in areas where progress has not been satisfactory.

Second, Maryland requires extensive reporting of assessment results. It has two websites dedicated to explaining fully the goals, strategies and standards being employed to accomplish school reform and to offer concrete data and analysis on school and district performance. As far as the uses of this data, Ms. Clapsaddle stated that Maryland publishes "reams of financial data and reams of accountability and assessment data, but [does not] take the step of really correlating them at this point." The primary reason for this, she explained, is that there is a sense that these strategies are all still in their infancy, and should be given time to grow before evaluating their effectiveness.

Third, the Legislature – after experiencing some "buyer's remorse" at freely allocating the funding without mandating some control on how it is spent – has increased the fiscal accountability placed on districts. Maryland now requires more detailed information from districts on how they are spending their resources, and how they have changed their plans to allocate funds, if at all. Following the fiscal crisis of Baltimore City schools, legislative fiscal management audits are now also required, as are biannual financial status reports. There will be a statewide evalu-

ation released in December 2006 that will examine where districts have been spending their resources, what the return on investment has been and what the difference in choices made by low- and high-performing schools has been.

## What Body Should be Responsible for Accountability?

This question was posed to our panelists by moderator **Gene Keilin**, who had previously chaired CBC's Committee on Education Finance Reform. Mr. Fruchter began the discussion by saying that neither the State nor the City will cede their accountability responsibilities; however, he endorsed the formation of an institution – independent of government and from public funds – to provide the research that provides both state and city accountability agencies with information and analytical support. Ms. Clapsaddle agreed, offering that districts are in need of research-based information on which strategies are effective, and called an independent research entity “the missing piece” of Maryland's accountability system. Mr. Easton cautioned, however, that the Consortium receives 75 percent of its funding from three foundations, and that ideally, there should be a stream of public revenue available for setting up such an institute in an autonomous or semi-autonomous way.

## How Can We Ensure That Education Funding – New and Old – Is Used to Enhance Educational Outcomes Effectively?

In Maryland, Ms. Clapsaddle explained, Master Plans require districts to detail not only how they are using all funds – federal, state, and local – but also, more specifically, uses for new, additional funds. What New York should do, Mr. Fruchter suggested, is “opt for trying to develop the systems of both investment and research starting with the new monies and then spread throughout the whole system, rather than to try to think of using the CFE investment as a way to restructure the whole system.” He maintained that the original phase-in money should be targeted to low-performing schools. Mr. Alvarado agreed, saying that sprinkling money across the entire system will not produce the desired results; however, maintaining two separate systems would not be a good solution either. Mr. Alvarado favored a unitary approach, warning that “what you don't want to wind up with is two systems: one system with new money operating on certain kinds of principles and the existing system operating on different kinds of principles.”



Maryland Assistant Superintendent for Business Services,  
Mary Clapsaddle



CBC Chairman H. Dale Hemmerdinger and Daniel Rose



Amina Rachman, Special Assistant to the President,  
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# MAKING MONEY WORK IN NEW YORK CITY'S PUBLIC SCHOOLS

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## CBC's Recommendations for an Enhanced Accountability System

As part of its work on the implementation of the Campaign for Fiscal Equity case, CBC issued a series of recommendations for implementing a sophisticated, comprehensive, State-wide accountability system that would be consistent with federal guidelines and that could replace local systems. Important aspects of this system would require:

- ▶ A comprehensive planning process that ensures old funds are used more effectively and new funds are used only for purposes consistent with the CFE settlement.
- ▶ The establishment of four-year performance goals by districts to assess progress in graduation rates, college readiness, attendance, school violence and other quantitative and qualitative measures of school performance.
- ▶ The annual administration of standardized tests which employ a "value-added assessment" that compares a given student's performance in a given year to the student's own performance in the prior year.
- ▶ The accountability of districts for the absolute level of achievement of students on standardized tests, not just their rate of improvement.
- ▶ An accountability system that includes measures of relative efficiency – such as the ratio of inflation-adjusted per pupil spending adjusted for various demographic and need categories – to assess how efficiently resources are used by schools and districts, and to target inefficiencies in cases where they are not used efficiently.
- ▶ An accountability system that works not only with rewards for good performance, but with clearly defined and predictable consequences, applied fairly and consistently.

**On the web:**  
[www.cbcny.org/publications.html](http://www.cbcny.org/publications.html)

The Citizens Budget Commission (CBC) is a nonprofit, nonpartisan civic organization devoted to influencing constructive change in the finances and services of New York State and New York City governments through in-depth research on issues of importance to state and local governments.

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