Overcoming decades of labor, financial and performance troubles, the Chicago school system has enjoyed improving test scores 3 consecutive years, rising attendance, and labor peace under a new contract balancing the budget. Despite some criticism, the Chicago system enjoys reform successes in six areas: (1) improved governance; (2) greater flexibility in resource allocation, work rules, and seniority requirements; (3) uniform high standards and expectations; (4) greater accountability systemwide; (5) expanded early support for children and mothers; and (6) willingness to consider varied unconventional policy options. The district is incrementally raising low minimum promotional standards, as at risk students are identified for support. Bilingual education became a transitional program, with some of the existing bilingual education resources shifting into foreign language programs. The insistence of reformers opposed to top-down solutions remains the primary obstacle to reform. The broader public supports a system that aids parents by offering safe schools and buildings, financial stability, and labor peace with substantially unchanged funding. (TeJ)
Saving Public Schools

Paul G. Vallas

Chicago public schools have long had a reputation for being fiscally and educationally bankrupt. In 1995, the situation was so intolerable that the state legislature handed governing authority over the school district to the city's mayor, Richard Daley. Mayor Daley created the position of Chief Executive Officer for the entire school system and appointed Paul Vallas to that post. Since that time, the whole reputation of the Chicago schools has changed dramatically. In this presentation, Mr. Vallas explains what the school system has achieved since the city's takeover, and what factors have made it a success.

PAUL G. VALLAS: I thought that it might be helpful to begin by telling you a little bit about myself. This may spoil my story for those of you who imagine I'm some corporate CEO brought in to rescue the school system. In fact, I started out in the 1970s as a teacher, working at every level from elementary school to college. After that, I served as Director of Policy for the president of the Illinois Senate and then as director of the state's version of the General Accounting Office. Finally, in the 1990s I came to work for the city of Chicago and was serving as Budget Director in 1995 when Mayor Daley appointed me CEO of the Chicago public schools.

So that's my background: education, policy, and finance. It's a nice combination, and it helps to explain, I think, why the mayor selected me for this job. You cannot work for the Illinois legislature and not get at least some sense of politics. And you cannot survive as an effective staff person and not understand at least some of the fundamentals of consensus- and coalition-building.

As for the Chicago school system, let me give you a little background on it as well. We are a system of 569 schools. We have 433,000 students. Ninety percent of our children are minority, and 84 percent of them live in households that fall below the poverty level. We have most of Illinois's special-ed kids and 80 percent of the children in the state who are enrolled in bilingual education. Our school system, in short, is probably one of the most segregated in the country, whether you look at it racially or economically.

The system also has a history of labor and financial problems. In the 15 years before the mayor took responsibility for the schools, there were eight teachers' strikes. And when there were not teachers' strikes or work stoppages or delays in the opening of school—there was the system's perennial financial crisis.

The state legislature used to bail out the Chicago schools by allowing the system to issue deficit financing bonds to close the holes in its budget. In 1979, when the system was in meltdown, the legislature let the school system issue bonds to be serviced by its own education-fund levy. In 1993, when the system again faced
financial collapse, they did it again. That money was long spent, of course, by the time I came on board, but I’ll be paying off those bonds till the year 2011.

And how was this system performing educationally when I took office? It had a dropout rate of over 50 percent. On any given day, the attendance rate was just 86 percent or so. And on the standardized math and reading exams, about 75 percent of the kids were scoring below the national average. In addition, over a period of 20 years, the system had lost 180,000 students—going from 584,000 in the mid-1970’s to 404,000 when we walked in the door three years ago.

For three years running, we have had rising test scores in every single category, at virtually every grade level... We now have about 40 percent of our kids computing at or above the national average and about 35 percent of them doing the same in reading.

And what has happened in the last three years? Let me give you some irrefutable numbers pointing to our success.

For three years running, we have had rising test scores in every single category, at virtually every grade level. National standardized tests, state standardized tests, ACT’s—all of them are up. The test scores are still low, of course. But we now have about 40 percent of our kids computing at or above the national average and about 35 percent of them doing the same in reading.

Our attendance rate is over 90 percent for the first time in fifteen years. Our truancy rate has been cut in half. And enrollment is up 30,000—people are voting with their feet and coming back to the system.

Under a new contract that will carry us through the year 2003, we have had labor peace for the last four years. The system’s budget is balanced, we have embarked on a two-billion-dollar school construction program, and we have made major repairs to 517 schools.

Whether you look at academics, at labor relations, at finance, or at capital investment, the system is improving. Yet I have had to spend the last three years trying to explain to many of the so-called reformers out there why our kids are finally doing better.

They are determined to rationalize away our success. We are just teaching kids to take tests, they say. (Or giving them sugar donuts right before test time.) Or they claim that all we’ve done is scare the teachers, the principals and the kids. Or that the children we’ve kept from advancing to the next grade are somehow inflating the test scores (which, by the way, has been proved absolutely false). Or, I don’t know, maybe the gravitational pull of the Hale-Bopp comet has raised children’s IQ’s.

It is amazing that after spending so many years rationalizing why our kids could not learn, many of these so-called reformers are at it again when the kids suddenly are learning. Maybe we had smart kids all along, and they were just suffering from a deficit of knowledge and standards and accountability—a deficit that is now being closed.

The credit for this goes above all to Mayor Daley, who has worked hard to institutionalize changes in the system and has found the people to lead it forward. You can expect the progress to continue—or else he will find an-
other CEO to get the job done. Rest assured, the mayor has a track record of replacing coaches to ensure that he maintains a quality team.

And what are the things that have made such a difference in the Chicago schools? They fall under six broad headings.

First of all-number one—is the issue of governance. In the past, Chicago had an obscure, indirectly appointed school board, really somewhat aloof from accountability. And we had a superintendent. If special-interest groups did not like what the superintendent was doing, they would go to the board or the mayor and try to circumvent the superintendent.

In Chicago today, Mayor Daley is responsible for the schools—no debate. He appoints a five-person corporate board and a CEO. The CEO, with the consent of the board, appoints everybody else. We have a holy trinity—Daley, the board, and the management team that I head. Before we go public with things, we always reach a consensus on what we want to do. We speak with one voice. So if the schools go bad, there’s a political price to pay. The responsibility begins and ends with the mayor.

One result of this has been a much greater attempt to mobilize other city departments and agencies in support of the schools. The sanitation department picks up our garbage on time; we don’t have trouble getting the sidewalks paved in front of our schools when there are hazards; and the police are always ready to help, knocking down nearby drug houses.

Another result of this new system of governance is that when it comes to legislation in Springfield or Washington, the mayor’s agenda is the educator’s agenda. He lobbies for us. Education is his biggest concern when he talks to the state legislature or the Clinton administration or members of Congress.

The second key to our success has been flexibility. We are fortunate to have a great deal of control over the allocation of resources. In Chicago, almost all of the tax levies for the schools are consolidated. The revenue comes right to us. In addition, our categorical grants from the state are consolidated into two block grants—one for regular education and one for special ed. We decide how all this money is spent.

We also have flexibility when it comes to work rules, which are decided by the board rather than the state. This has allowed us to do a lot of privatization. Our alternative schools are private schools, as are many of our special-ed schools. Our vocational education programs are also privately run to some extent. And we have contracted out for custodians, lunchroom attendants and the trades. In our system, schools have a choice. If they are not happy with their in-house services, they can privatize them. There’s competition.

As for teachers, yes, we do have tenure in Illinois, and certification is still governed by state law. But in Chicago, the board has chosen not to have seniority. When teachers get laid off—or their school is closed for academic failure—they do not just bounce to other schools; they lose their jobs. If they want another position in the system, they have to reapply. Principals are not obligated to hire teachers they don’t want.
The third critical factor in bringing about these changes in Chicago has been establishing high standards and expectations. Our school system now has a uniform set of academic standards—standards that are not based just on Illinois but on the performance of students nationally and internationally. These are high standards, not dumbed-down ones. They are as high, in fact, as the standards you find in some of the more affluent suburban schools: no more lowering the bar for inner-city children.

And our standards are not just limited to academics. We also have high standards for behavior. If you are absent from school more than 20 days unexcused, you can be expelled to an alternative school for dropouts. If you are caught possessing a dangerous weapon, or are arrested for a serious offense, or commit an assault at school or anywhere else at any time, you can be expelled to an alternative school for disruptive kids. We figure that a student who is dangerous on Saturday is going to be dangerous on Monday too. It's a 24-hour-a-day, zero-tolerance policy.

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The fourth big factor for us has been accountability. Everybody is held accountable. One of the first things I did when I took this job was to freeze my own pay and not take a contract. That made it easy to do the same thing to everybody else at the top: no contracts for administrators, no expense accounts, no golden parachutes. We work as long as we perform. If we don't perform, we're out.

It's more complicated at the school level, but the same idea applies. Principals do get contracts—state law requires it—but they do not have tenure. If a principal is not performing, we can still get rid of him. I've removed 36 principals in the last several years, and we'll probably remove half a dozen more this year.

Teachers do have tenure, as I said earlier, and some state job protections. But any good principal can work an ineffective teacher out of the system within a year under our streamlined accountability rules. A teacher whose position is closed gets ten months to find another job in the school system and must work in the interim as a full-time substitute. If the teacher does not find another position by then, our obligation ends. In Chicago, we used to get rid of perhaps two or three teachers each year; now we effectively dismiss more than 50.

And, of course, there is accountability for the kids as well. In third, sixth, and eighth grade, and between tenth and eleventh grade, the school system checks to make sure students are meeting minimum standards. If they are not, we retain them. At the grades in between, it is up to the school to make that decision. In Chicago, children are no longer socially promoted.

Now we've all heard the same objection to denying kids social promotion. "You're only going to increase the dropout rate," the critics say. But let me describe how social promotion destroys a public school system.

Imagine you're a teacher, a good eighth-grade teacher. But you've got a class in which 70 percent of the kids are a year behind in reading and math and many others are two or three years behind. What do you have to do? You have to lower your standards to the fifth-
or sixth-grade level. You have to dumb-down your curriculum.

Think about how demoralizing that is. It is one reason that so many teachers—often the best of them—get burned out or become hostile to the system. If you’re one of the children who is far behind, you never catch up. We’ve all read the horror stories about the kids who get A’s and B’s in eighth grade and suddenly reach high school and start failing. Imagine the impact of this dumbed-down curriculum on the kids who are working at about their own grade level or above. They get dragged down.

For parents with the financial wherewithal, the answer to this problem is simple: “We’re out of here.” They’ve got the money to send their kids to parochial or private school. If you’re a parent who doesn’t have the financial wherewithal, you begin to think about falsifying your address to get your child into a better public school system. And what happens if you’re a parent who is not especially wealthy, clever, or manipulative? Your kids get stuck with an inferior education.

How inferior? Four years ago, 96 percent of the children who went from the Chicago public schools to our city colleges had to take remedial reading and math. What would we rather do—socially promote children through school, and then give them a diploma despite being unable to read or compute, or graduate children who are qualified? To me, the bottom line is clear: social promotion has been a cancer on public education.

Jesse Jackson likes to say that we don’t lower the basketball hoop to nine-and-a-half feet for our students and we shouldn’t lower the academic hoop either. Now I’ve had my differences with Jesse—over standards and funding—but I like this saying of his. We’ve collectively amended it. We’re not going to lower the academic hoop, but we are going to make sure that all students have the appropriate gear to compete.

Our support programs begin at the earliest possible moment, at the prenatal stage. In 40 of our high schools this year—60 next year and, we hope, all 77 within three years—we have a program called Zero to Three. Every pregnant teen is identified and assigned to a school-based team of parent-advocates, nurses and counselors.

What would we rather do—socially promote children through school, and then give them a diploma despite being unable to read or compute, or graduate children who are qualified? To me, the bottom line is clear: social promotion has been a cancer on public education.

The most immediate aim is to teach them prenatal and postnatal care and to get their babies into daycare either at the school or in the neighborhood. The longer-term objective, of course, is to keep the mothers in school. Usually, 90 percent of our pregnant teens drop out, making it the number one reason that females in our schools don’t graduate.

Has Zero to Three worked? Last year, we had 1,157 young women in the program. None of them dropped out, only one had an underweight baby, and there were no repeat pregnancies. Two hundred and thirty-eight of the girls have already graduated, and they’re on their way to college.
Just as important, their children get help from our early childhood, daycare, and preschool programs. That’s going to make a difference when they come to our schools for the first time. As things stand now, our teachers have often lost the battle before they’ve even begun. If we can keep this up over a period of years, we’re going to transform the whole generation—mothers and children.

For parents who do drop out and are at home with their babies, we have Parents as Teachers First, an outreach program that trains the mothers to be home preschool instructors. Three thousand families are being helped this way. We also sponsor an early childhood educational channel on TV, and soon we will start our own preschool.

For students in grades one, two, three, six, eight, and nine who do not meet minimum standards by the end of the year, there is mandatory summer school. Last year, 130,000 of our students were in these academic programs, extending their school year from 180 days to 210 or more.

As for the children who are already in school, 200,000 of them are in extended-day and after-school programs on any given day. The biggest of these, with 175,000 students, is a program called Lighthouse. Lighthouse is required for students who have been retained a grade (or who are at risk of being retained) and for those who have more than ten days of unexcused absences. For everybody else, it’s voluntary. These kids stay in school through dinnertime and receive an additional hour of regular instruction, an hour of tutoring, mentoring, recreation and then a third meal.

Of the schools that established Lighthouse programs two years ago, 90 percent have shown an improvement in academic performance. Some of them have improved so fast, in fact, that I’ve had to go in and audit the test scores to make sure they’re kosher.

And for students in grades one, two, three, six, eight, and nine who do not meet minimum standards by the end of the year, there is mandatory summer school. Last year, 130,000 of our students were in these academic programs, extending their school year from 180 days to 210 or more.

The point of all this is that in Chicago, it is not just kill and drill, pass or fail. There’s a heavy emphasis on early intervention and on providing more instructional time for children who are behind or at risk, and not just during the school day but throughout the year.

Finally, we are also giving support to our faculty. All of our teachers are given programs of study to show them how to help their students meet the new standards. Next year all of them will also be equipped with a model curriculum, detailed right down to daily lesson plans. This will be on computer disks with technology support pieces.

Now some people will say, “Oh, God, you’re going to lobotomize teachers, you’re going to take their souls away.” Well, our programs of study and our curriculum models are all optional. Whether you use them or not is up to you. But I know that many of the 1,500 new teachers who enter our school system each year appreciate this support, as do more senior teachers who are teaching outside of their area of certification or who are feeling overwhelmed by classroom management problems.

The sixth and final way that we have been able
to change direction in Chicago is by stressing options. We have not limited ourselves to the conventional public school way of doing things. As I mentioned earlier, our alternative schools and many of our special-education schools are private. We also have expanded our vocational education services by giving students access to the technical training programs at public and private institutions all across Chicago. On any given day, I have 2,000 juniors and seniors enrolled at city colleges, suburban community colleges, and private technical academies like DeVry. And though we have our own honors and advance-placement programs, we have purchased academic program space at more than a dozen universities.

I should add, too, that we have 15 charter schools. And when we learned that the Catholic archdiocese was planning to close several of its schools, we invited them to apply for charters instead. These schools serve an inner-city population that we would have to bring into the system anyway, so why not let them continue their work? Like I said, we have not limited ourselves to the conventional public school way of doing things.

So, then, to sum up the formula that I've been describing: governance that creates clear political responsibility, flexibility with money and work rules, high standards and expectations, accountability from top to bottom, comprehensive support for students and staff and a willingness to take advantage of options.

These are some of the things we're doing that have made a difference in the Chicago public schools. I've only been able to highlight them, so I'm sure you have questions.

QUESTION: Please tell us more about how you eliminated social promotion. I understand that about a third of your students have failed to move to the next grade.

MR. VALLAS: Yes, last year we did retain about a third of our third- and sixth-graders. Less than 9 percent of our eighth-graders were retained, however, down from just over 12 percent the first year.

How have we gone about doing this? First, our minimum promotion standards are low. In third grade you can be as much as a year behind, in sixth grade a year and a half behind, and in eighth grade two years behind. But we are raising the standards incrementally every year.

We have not limited ourselves to the conventional public school way of doing things.

Also, as I said earlier, if students are identified as at risk for being retained, they're put in the extended-day Lighthouse program and are provided with additional instruction. If they still do not meet minimum standards at the end of the year, they're automatically put into a summer school program. If they are retained after that, then they are assigned a tutor. In some cases, schools with large numbers of retained kids are provided with additional teachers so that they can reduce class size.

As for the eighth-graders who are too old to be retained and yet not academically ready for high school—we do not send them back to the same elementary school. They are put into our transitional schools. Last year, two-thirds of them made grade and are now in high school.

So we identify early the students who are in trouble. If they do fail, we don't just send them back to the same classroom environment. We
I anticipate that the overall number of retainees is going to decline despite the fact that we’re raising standards.

QUESTION: Considering all that we know about the failure of bilingual education, why do you continue with it?

MR. VALLAS: Well, we revamped our bilingual education program and got a lot of heat from the so-called bilingual activists.

Our first reform was to make bilingual education optional. Parents can opt out. Our second reform was to mandate that no child be kept in bilingual education more than three years.

We identify early the students who are in trouble. If they do fail, we don’t just send them back to the same classroom environment. We actually change the educational dynamic for them.

Our third reform was to make bilingual education a transitional program. The model that we typically use is foreign language instruction 75 percent of the time in the first year, 50 percent of the time in the second year, and 25 percent of the time in the third year.

Our fourth reform was to shift some of the existing bilingual education resources into foreign language programs. So, for example, 22 of our elementary schools now have dual-language classes, and 12 of our high schools are setting up world language academies where students will be able to take four years of a foreign language and master it.

You are right that we haven’t gone the way of California and abolished bilingual education. But I think our approach is more practical, more workable. Our research tells us that the best bilingual programs have their kids out in two-and-a-half years or less, and that the children who go through them do better than those who don’t.

QUESTION: Would you describe some of the barriers or obstacles you’ve had to deal with in trying to change the schools?

MR. VALLAS: Obstacle number one has been the school reformers. They object to “top-down decision-making,” so I’m always hearing, “Who are you to tell local schools what to do and what not to do?”

Beyond that, there has been very little opposition. Even when we retained 1,100 kids, the only complaint I got from parents was that we didn’t let their sons and daughters go through the graduation ceremony.

What has happened in Chicago is that people are well educated about the failings of their public school system. They can’t be fooled by people who come in and promote one solution. Some so-called reformers say small schools will solve everything. Well, I’ve got lots of lousy small schools. Small schools are very effective when done properly—with high standards and accountability and the other things I’ve been talking about.

Parents want practical solutions to send their children to schools that are safe and in decent shape physically, schools that have high expectations for their kids and don’t just send them off into the street at 2:30 in the afternoon. So we’ve had a honeymoon with parents and with teachers too, who are just glad that we’ve finally got financial stability and labor peace.
QUESTION: You haven’t talked much about the cost of these programs. What percentage of Chicago’s budget and of the state budget does the education system now cost? And how does it break down on a per-pupil basis?

MR. VALLAS: There hasn’t been much change in funding. Our budget—unlike the budget for New York’s schools—is separate from the city’s. The mayor appoints us, but all our money is segregated.

Because we operate under a property-tax cap, we never get increases in revenue of more than 30 or 40 million dollars a year. State funding, has remained relatively constant. Last year we did get about 100 million new dollars—but that’s only a 6 or 7 percent increase in our annual education funds. The point is, we haven’t gotten a windfall of new monies.

The old school board raised property taxes $600 million from 1988 to 1993 and got hundreds of millions more from the legislature. Still, because the state has given us all our funds in block grants and has basically said, “Here’s your money—you decide how to spend it,” I have been able to reallocate about $130 million into our classrooms and to generate about $170 million in other savings.

Privatizing a number of services has helped. And I’ve gotten rid of employees we didn’t need. We had, for example, 500 “school maintenance assistants”—engineers who ran high-pressure boilers. The problem is, we don’t have high-pressure boilers anymore. I was spending 30 or 40 million dollars paying their high salaries, so I got rid of them. We laid off about 2,000 people in non-teaching positions, which is one reason we have been able to hire 2,000 more teachers since we came in.

As for per-pupil expenditure, it approaches $6,000 for the elementary schools and is in the neighborhood of $7,200 for the high schools.
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5  DEBT & NEW YORK’S PUBLIC AUTHORITIES: BORROWING LIKE THERE’S NO TOMORROW
    WILLIAM J. STERN

4  THE WHITMAN TAX CUTS: REAL GAINS FOR NEW JERSEY TAXPAYERS
    TIMOTHY J. GOODSPEED

3  THE EFFECTS OF RENT DEREGULATION IN MASSACHUSETTS
    HENRY O. POLLAKOWSKI

2  NEW YORK CITY’S HOUSING GAP
    PETER D. SALINS

1  NEW JERSEY INCOME TAX CUT LED TO SAVINGS, NOT RISE IN LOCAL TAXES
    TIMOTHY J. GOODSPEED & PETER D. SALINS

Civic Bulletins

15  THE WEALTH OF CITIES
    JOHN O. NORQUIST

14  LET’S BREAK UP THE BIG CITIES
    HOWARD HUSOCK

13  LANDMARK PRESERVATION FOR A GROWING CITY
    ROGER STARR

12  HOW TO FIX NEW YORK’S HEAVY-HANDED ZONING LAWS
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11  FIXING THE CIVIL SERVICE MESS
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