CITY OF JACKSONVILLE

CHARTER REVISION COMMISSION

MEETING

Proceedings held on Thursday, January 14, 2010, commencing at 9:00 a.m., City Hall, Council Chambers, 1st Floor, Jacksonville, Florida, before Diane M. Tropia, a Notary Public in and for the State of Florida at Large.

PRESENT:

WYMAN DUGGAN, Chair.
MARY O'BRIEN, Vice Chair.
JIM CATLETT, Commission Member.
WILLIAM CATLIN, Commission Member.
JESSICA DEAL, Commission Member.
TERESA EICHNER, Commission Member.
ROBERT FLOWERS, SR., Commission Member.
BEVERLY GARVIN, Commission Member.
MECHELLE HERRINGTON, Commission Member.
ALI KORMAN, Commission Member.
JEANNE MILLER, Commission Member.
GARY OLIVERAS, Commission Member.
CURTIS THOMPSON, Commission Member.
GEOFF YOUNGBLOOD, Commission Member.

ALSO PRESENT:

STEVE ROHAN, Office of General Counsel.
JEFF CLEMENTS, Research Division.

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P R O C E E D I N G S

January 14, 2010 9:00 a.m.

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THE CHAIRMAN: Good morning.

I'll call to order the January 14th, 2010, meeting of the Charter Revision Commission.

As a reminder to the members of the public and the commissioners, please silence all cell phones or put them on vibrate.

Let's go around the horseshoe with a roll call.

MR. OLIVERAS: Gary Oliveras.

MS. KORMAN: Ali Korman.

MR. FLOWERS: Robert Flowers.

MS. O'BRIEN: Mary O'Brien.

THE CHAIRMAN: Wyman Duggan.

MR. CATLIN: Billy Catlin.

MS. GARVIN: Beverly Garvin.

MS. MILLER: Jeanne Miller.

MR. YOUNGBLOOD: Geoff Youngblood.

THE CHAIRMAN: Thank you.

I know Commissioner Austin will not be in attendance today. He's still not feeling up to -- completely up to speed, so I know why he's not here. I don't have any e-mails from any of

our other commissioners, so hopefully they will be coming in in just a few minutes.

Let's begin with the Pledge of Allegiance and a moment of silence. And I know during the moment of silence, my thoughts and prayers will be with the victims of the terrible tragedy in Haiti.

(Recitation of the Pledge of Allegiance.)

THE CHAIRMAN: Thank you.

As a reminder, the Planning Commission meets in these chambers at 1:00 o'clock today, so we are not going to be able to go past our allotted time.

My intention for today is to have Mr. Catlett talk about the staggering issues, and I'm sure he'll be here any minute, and then to move into discussion, as we talked about last week, on the sheriff issue and any motions that want to be made.

Our speaker is flying in this morning from New York. His flight should be on the ground very soon. I anticipate he will arrive in chambers about 10:15. Because he is from out of town and available to us only today, my intention is to -- wherever we are in our

proceedings at that point, to table them, move right into his presentation so that we can hear it and have questions and answers, and then pick up where we left off. And if that's not today, then we'll just put it on the agenda for next time. But we should have plenty of time, I think, but certainly in the first hour for discussion.

Because Mr. Catlett is not here yet, I would ask Mr. Rohan to give us an update on the request made at the last meeting for a legal opinion regarding the school board issue.

MR. ROHAN: Thank you.

The General Counsel is very busy working on that. Given the distinguished opinion writers, heretofore Mr. Rinaman and the Honorable Mr. Gentry, and the concerns of this Commission, we're taking it very seriously. General Counsel has been getting the opinions from various lawyers in our office, and we will be developing one. It's fair to say that -- well, it's not fair. Let me just say that we will have an opinion of some form for you next week, we expect.

THE CHAIRMAN: Thank you, Mr. Rohan.

And Vice Chair O'Brien also has, because we have a little bit of time, an issue that she wanted to discuss today, so I will allow her to pass out -- here, I'll pass them out if you want one.

Thank you.

MS. O'BRIEN: At last week's meeting, we had discussed some of the issues that we still have before us, some of which have been addressed, some of which have not. In particular, the one that is of particular interest to me is the retirement and pension benefits program of the City of Jacksonville.

What I have presented to you are two new proposed -- from my aspect only, I'm not a lawyer, so they have not been through that vetting -- but two ideas that I would like to share with you in an amendment format that certainly is available to be discussed at what I hope would be the next meeting, but I wanted to share with -- them with you.

The first is a new section to the retirement and benefit pension segment of the charter. It would be 1607. It's a financial impact statement. And this idea is adopted from

the Florida state statute for referendums and ballots in particular to constitutional amendments.

It reads, "For every new retirement or pension plan benefit included or any retirement or pension plan benefit excluded in the City of Jacksonville authorized retirement or pension program" -- oh, sorry -- "the council auditor must conduct a thorough financial analysis of the proposed added benefit or proposed excluded benefit to demonstrate the financial impact, both current and long-term, of the added or excluded benefit.

"This financial impact statement must be prepared and distributed to the mayor, the City Council, the affected City departments, and any affected collective bargaining units at a minimum of ten business days prior to any vote on the added or excluded benefits."

The second idea to propose and discuss hopefully next week is an amendment 16.08, "Conversion to a defined contribution retirement plan."

"The City of Jacksonville shall convert its current retirement and pension benefit plan from

a defined benefit plan to a defined contribution plan no later than October 1, 2015. The City's annual contribution to an employee's retirement plan shall not exceed 10 percent of an employee's qualified annual earnings. All employees shall be eligible."

THE CHAIRMAN: Thank you, Vice Chair O'Brien.

I'm happy to make this one of our topics of conversation at our next meeting. And to the extent any of you have speakers that you feel we'd like to hear from on these issues, please let me know as soon as possible, and we can work on setting them up.

I'm sure Mr. Keane from the Police and Fire Pension Fund would be interested in attending. He's actually reached out to me after our last meeting, after the press reports of our last meeting, and mentioned that that issue was still on our agenda list, so I'm sure that he would be more than happy to attend and address these issues. And we look forward to that discussion.

Thank you for putting this together.

MS. O'BRIEN: Thank you.

THE CHAIRMAN: And, Commissioner Miller, if you could just give a brief update on your efforts to secure somebody from the State Ethics Commission.

MS. MILLER: Through the Chair, thank you.

I have had two conversations with Chris Anderson, who is the Deputy General Counsel for the Commission on Ethics in Tallahassee, and they are happy to come and speak with us.

I have asked him to -- I've asked them to speak with us about the role of the Ethics Commission. It is an independent commission in the State of Florida. It has its own appointed body that hears, and it has its own staff, its own rules of legal procedure.

And as many of you know, our original ethics code was in the charter and then it was removed from the charter because it was preempted by state law. And I think that's an important point that we all need to understand, so I've asked someone from the Commission on Ethics to come to talk about the role of the State Ethics Commission and state law on our local officials and local employees, and then what, if any, role would be an appropriate role

for a local Ethics Commission.

I think we have the recent article from Broward County about their efforts at a local Ethics Commission. So if there is a local Ethics Commission, what is the appropriate role so we don't conflict with the State Ethics Commission's state law, but rather support that.

And so he is looking to find someone who can speak both to the legal issues in terms of state law preemption and the role of state law as well as the role of the commission, and I hope to hear from him soon.

THE CHAIRMAN: Thank you very much. I appreciate that and look forward to that.

We've had several commissioners come in since the start of the meeting. I just wanted to let you know, FYI, that Commissioner Korman brought us doughnuts this morning -- they're in the back of the chambers -- and in the event that anybody would like to get some sustenance during our meeting.

Thank you again, Commissioner Korman.

Commissioner Catlett, could you give us an update on your analysis -- your homework from

our last discussion about staggering, which was to look at some of the alternatives, and tell us your conclusions.

Thank you.

MR. CATLETT: Yes, sir, Mr. Chairman and members.

Since our last meeting and the last meeting that we had on staggering, an interesting event has occurred, and that is that Council President [sic] Webb's bill passed on Tuesday night that moves the elections to the fall from the current springtime election cycle that's created basically just by Duval County. So that it would be fall of '11, if I understand it right.

Do I understand that right, Steve?

MR. ROHAN: The referendum will be this November for a fall 2011 election.

MR. CATLETT: Right. And so because of that, if that occurs, my major concern is -- if you'll bear with me a second -- is that in the spring -- if elected officials came in in the spring and started serving on the 1st of July, they were already in the middle of the budget cycle at the most crucial point.

By this coming up in the fall -- and I'm

hoping it will pass -- it solves a lot of my anguish because if they are elected in the fall, they take office at the end of the year, and so they would not be handed a billion-dollar budget to make decisions over with absolutely no information. They would be involved in forming that budget and having the history of the prior council to assist them in getting it right the first time without just being dropped in the sink-or-swim method of politics that we've had here since consolidation.

So the council president requested, and I think correctly so, that if this passes, so let's see how it works. And then if it doesn't pass, we'll go back and attack the problem through staggering. But this would appear, at least on the surface, to solve the concerns that I had about having ignorant people, albeit well-intended, coming onto the council with no prior government experience and no experience making decisions on a billion-dollar budget and being thrust into that role immediately.

So, with that, Mr. Chairman, I'd like to withdraw my request to come up with a proposal to stagger elections because I believe that

Council President Elect Webb's bill does exactly -- or at least gets closer to doing what I had in mind so that they're not amateurs coming in and making decisions on a budget.

THE CHAIRMAN: Just -- I see you in the queue, Commissioner Korman.

I have a preliminary question for Commissioner Catlett, which would be -- I understand that changing the timing of the elections addresses the learning curve problem in the immediate -- the near -- the short-term learning curve problem, but it doesn't necessarily address the problem of wholesale turnover on the council. I mean, we're still going to have an election, not this time around, but next time where we have 14 council people up for reelection, perhaps more based on other political eventualities.

Are you no longer concerned about that?

MR. CATLETT: Well, I am concerned about that, and I've been consistently concerned about that. But, on the other hand, the council president has told me that staggering is still on his agenda, but that we don't want to confuse everybody by having both these things on at one

time. It's kind of a lot for the public to swallow and understand at one time, that we're moving the elections and that we're staggering the elections.

But Councilman Webb does support staggering the elections, and we'd like to come back and approach that when we find out how the referendum goes in the fall to where we don't put so much on a ballot that nobody understands what they're voting on.

We've got some time to correct that. That's the -- that's the beauty of our system of having elections every four years is that once we -- if this passes on the referendum, you know, then we can come back the next year after that and approach staggering and still have time to implement it.

But, yes, I'm still concerned about that. But this is the major concern of having people with no knowledge making big decisions. And then the second concern is having it spread out to where we don't have a fruit basket turnover periodically.

You're right, I'm still concerned about that, but the system can only handle about so

much at a time on one topic, and I really don't want to risk confusing them and losing the vote of the public on Councilman Webb's referendum since I totally agree with what he's got in mind. So I don't want to lose that vote in order to help staggering because both of them may go down, and they're both good proposals, I think.

THE CHAIRMAN: Commissioner Korman.

MS. KORMAN: I guess this is to Commissioner Catlett, and I don't know if this will be helpful or hurtful. But for us to continue to make a recommendation of -- if what you originally talked about, if you don't withdraw it to the City Council so they would have it in record -- and maybe it will help some of the voters understand because they have watched our discussions, and if you want to split the issues or whatever, but I personally don't feel it would hurt in any way if we were still to carry this, if the Commission agreed, with what you are proposing to carry it through and add it to our recommendations unless you really feel uncomfortable with that.

MR. CATLETT: Well, I would have no problem

supporting a proposal to recommend to the council that they can continue to look at staggering in addition to this, but I just don't think having them both on the same ballot is going to have a big -- major benefit.

MS. KORMAN: And I don't -- and I'm not saying by our recommendations it would go on the ballot.

MR. CATLETT: Right.

MS. KORMAN: I just think it would be in record, maybe it would help some of the public and be part of our job this past eight months, whatever it was.

MR. CATLETT: Well, I totally agree that we ought to have something in there to ask the council to look at staggering to where we don't have such a fruit basket turnover. I just don't think having both things as a ballot initiative at the same time is going to be clear to what we're doing here, and I don't want to create suspicion on the part of the public.

To the contrary, I think we have done a pretty good job of being very open here and making sure that everybody out there knows what we're talking about. And I don't want to spoil

that, I guess is what I'm saying, so I would certainly entertain a motion to ask the council to continue looking at staggered terms.

But for the purposes of what my main concern was, that appears to be solved by Councilman Webb's bill, provided it passes with the scrutiny of the public.

MS. KORMAN: I guess maybe I'm saying different things. What if it doesn't pass? I mean, we still want it on a recommendation for them to follow through. And I understand and respect that President Elect Webb says it's on his agenda and everything else, but this is our commission --

MR. CATLETT: Yes, ma'am.

MS. KORMAN: -- and so I think that's my point. And I don't know how I feel when we have to hear what you're going to say, but -- and just because we recommend it doesn't mean that the part that you recommend, the staggering, will go on the ballot, correct?

MR. CATLETT: That's true.

That's why I'm suggesting that we recommend the council study that and come up with a proposal to provide staggering for the future.

I have no problem supporting that.

THE CHAIRMAN: Commissioner Miller.

MS. MILLER: Through the Chair, I support Commissioner Korman's recommendation given the fact that this body only meets every decade, so -- and also given the fact that Commissioner Catlett's proposal is for -- at some point out in the future. It's very prospective in its reach. And I think we're looking at even two election cycles out in terms of implementation, so it would appear to be plenty of time for the voters to consider moving the elections at one referendum at one time but at an appropriate time, if this commission decides to do so, recommend that the council, at an appropriate time, introduce the concept of staggered terms as part of our report if we vote on that and agree to it.

THE CHAIRMAN: Commissioner Youngblood and Oliveras, I had dropped off with you. I assume your statements were somewhat similar to --

MR. YOUNGBLOOD: Yes.

MR. OLIVERAS: Very similar.

THE CHAIRMAN: Yes. Okay. Thank you.

And I agree entirely with both

Commissioner Korman and Commissioner Miller's sentiment. Because we only meet every ten years, I do think it would be -- first of all, I understand, Commissioner Catlett, your concerns, and I think they're valid concerns. I don't -- I think that including it in our report provides additional data and analysis for the council at this time.

But if they want to bring it up -- if they feel like they don't want to put both on the ballot in the fall of this year, I do think a recommendation from us will be helpful for them to go back through two or three years from now, whenever they decide, assuming all the eventualities that we're making assumptions about here come to pass a couple of years from now.

MR. CATLETT: Mr. Chairman, I'm happy to have it in the report as a recommendation to the council. I will tell you that Mr. Rohan and the Supervisor of Elections and I and others have worked pretty hard in figuring out how staggering would work. It appears to be impossible to do it with less than three four-year terms or two six-year terms.

Mentally you would say, "Well, that would be easy to fix without doing that." No, that's not true. We have charted this out on papers right and left and upside down and backwards, and it requires three four-year terms or two six-year terms.

And with that as a caveat, I just felt like it was too much to do at one time with moving the elections. But I do think it's a good concept, and we ought to recommend the council continue to look at it. I mean, they're going to be there a long time.

THE CHAIRMAN: Well, I agree. If that's the reality, then I agree it's probably much too complicated to put on at the same time.

MR. CATLETT: Mr. --

THE CHAIRMAN: But I do think -- I'm sorry. Go ahead.

MR. CATLETT: Mr. Rohan, am I correct in my statement?

MR. ROHAN: Well, I think the ultimate problem with staggering was that it required elections every two years, which would double the cost of elections if they're done separately. You still could have two four-year

terms, but ultimately, they're going to be -- there will be an election every two years. And the way the council is directed right now it's being conducted separately, and the public seems to be in favor of it being done separately.

On another note, let me advise you that at the last Rules Committee meeting, there was some discussion of a straw ballot referendum dealing with whether the public wanted the election separately or together, whether staggering should be considered. And I am drafting an ordinance per Councilman Redman on -- which will have about four straw ballot questions on it, so the council is going to consider that.

Now, whether they pass that ordinance is another thing. And, of course, as Commissioner Korman says, that doesn't take away from your jurisdiction and your responsibilities to make whatever recommendations you would like.

THE CHAIRMAN: Well, if it's the sense of the commission that we should make a statement about staggering in our report, which it seems like it is, then I do think we ought to include your conclusions.

In other words, I think it would be helpful

for the council to understand when they revisit or take up the issue of staggering to have the benefit of what you -- the time and effort that you spent so that they can look and see, "Well, here's the reality, either you're having an election every two years or you're going to have to change term limits." I think we should put that issue in our report -- or that information in our report and say something more than just, "We think you should keep looking at staggering." I think we should include, "Here's what we found."

MR. CATLETT: That's no problem, Mr. Chairman. I'll be more than happy to get with Mr. Rohan and write that into a form of a resolution for next meeting. However, though, I want to make sure that I'm on the right track with Mr. Rohan.

In order to have it at no additional cost to the taxpayers, did we not determine that it had to be three four-year terms or two six-year terms under the current election cycle?

MR. ROHAN: I think that was a little bit of a misunderstanding.

MR. CATLETT: Okay.

MR. ROHAN: In order to have it at no additional cost, the elections would have to be conducted on the gubernatorial and the presidential cycles, so it would be in the fall of the even years in order for --

MR. CATLETT: But we're already having elections at that time.

MR. ROHAN: That's correct.

MR. CATLETT: So there wouldn't be an additional cost to have that occur.

MR. ROHAN: That's correct.

MR. CATLETT: But if we went with every two years, we'd have additional cost.

MR. ROHAN: Not if it's -- the gubernatorials are -- for instance, the gubernatorials on the '10 cycle --

MR. CATLETT: Right.

MR. ROHAN: -- the presidential '12, gubernatorial on the '14. So every two years on the even years done in the fall has no additional cost.

MR. CATLETT: But having it done at the time opposite the presidential and the gubernatorial, as ours is today, would that -- in other words, when we have this in '11, it's

in the springtime, but it's now being proposed to move it to the fall.

MR. ROHAN: Fall of odd years.

MR. CATLETT: Right, of odd years.

So in order to accomplish that, how many years on a council term would that take about?

MR. ROHAN: Well, they can still be done --

MR. CATLETT: In eight years?

MR. ROHAN: They can still be done in eight years, but you'll have -- instead of having it at a cost to the City of approximately $3 million every four years --

MR. CATLETT: Right.

MR. ROHAN: -- you'll have that same cost or a little bit less because you'll be doing half the council every two years --

MR. CATLETT: Right.

MR. ROHAN: -- if it's done during the odd years.

MR. CATLETT: Okay. So that would incur an additional cost?

MR. ROHAN: Yes, it would --

MR. CATLETT: Okay.

MR. ROHAN: -- substantial additional

cost.

MR. CATLETT: Thank you.

THE CHAIRMAN: Okay. So --

MR. CATLETT: We'll meet during the week and come back with a resolution on that.

THE CHAIRMAN: Okay.

MR. CATLETT: Thank you.

THE CHAIRMAN: Thank you.

Commissioners, my conception is we wouldn't necessarily vote to endorse any of the different options as to how staggering could be implemented. We would just be saying, "Council, here's the data analysis. Whenever you look at staggering, you decide." Does anybody have any heartburn about that approach?

Commissioner Korman.

MS. KORMAN: Not heartburn, but I remember the last time -- unless I missed something, the last time we met, we discussed this. You guys are coming back for information for us anyway, so that would be following where we were in the schedule.

MR. CATLETT: Exactly.

THE CHAIRMAN: Okay. Thank you, Commissioner Catlett. Thank you, Mr. Rohan.

My thanks to the supervisor for his assistance to you both.

Okay. I have 9:25. As I said, I expect our speaker will be here about 10:15, so we have -- my conception is that we would spend this time talking about the sheriff issue that Commissioner Youngblood wanted to talk about last time when we had run over.

Commissioner Youngblood, would you like to speak?

MR. YOUNGBLOOD: Thank you, Mr. Chairman.

The article -- the sheriff, Article 8, I don't want to be misunderstood in the motion.

The motion is to continue to leave the charter untouched. At the same time, I want those that are commissioners that are here to understand, in '96 when the Charter Revision Commission met, there were also some ideas that were come up with on the Civil Service Board to go from an elected board to an appointed board.

It was recommended that it go on a ballot initiative, a referendum on the ballot to the people, should we appoint or elect the Civil Service Board? On that very ballot, the Civil Service Board was being elected, and those

individuals in their particular areas were elected on the very same ballot that people voted to remove the possibility of electing their officials and went forward with an appointment, so it created a bit of a conflict.

In the event that we recommend that we continue to lead this and make the recommendation to City Council that we leave the office of the sheriff elected and not appointed, we still run the risk that the City Council could say, "Well, let's put it out for referendum. Let's take it to the Duval Delegation, and let's see what they have to say," and ultimately put it on a ballot.

In the event we put it on the ballot, we run the risk of the people not understanding the question, not to belittle the people that vote by all means. At the same time, I'll tell you, I was voting in that particular election. It was very confusing in the way it was drafted.

So if we could make a decision very strongly and unanimously to say, "Leave it as an elected position, not an appointed position," we won't be misunderstood to council. And then hopefully in the event that if it were to make

it on the ballot that the people don't misunderstand either, and I hope it doesn't even go that far.

So the motion at this time is to leave the charter unchanged and leave the office of sheriff elected, not appointed.

That's my current motion, Mr. Chairman.

THE CHAIRMAN: Thank you.

MR. OLIVERAS: Mr. Chairman, I'll second that motion --

THE CHAIRMAN: Thank you.

MR. OLIVERAS: -- on Commissioner Korman's microphone.

MR. CHAIRMAN: We have a motion --

MS. KORMAN: That doesn't count as my vote.

MR. CHAIRMAN: Right.

We have a motion and second, so we will move into discussion on this issue.

Commissioner Oliveras, you showed up in the queue. Were you wanting to speak on the motion?

MR. OLIVERAS: Yes.

MR. CHAIRMAN: Okay.

MR. OLIVERAS: If I could get a working

microphone too.

Thank you, again.

Not surprisingly, I have a few comments on this issue, but before I start, I want to say two things, that I am not going to be in the sheriff's employ terribly much longer because I'm in the DROP, and one way or another, I'll be leaving the sheriff's office in a couple of years. And something else, Sheriff Rutherford and I have gone as far as we're both going to go in this agency. He'll get the joke. The rest of you may not.

I think it's important for us to consider that not one of the speakers on this issue has given us anything that can be directly improved upon. As a matter of fact, the testimony has been that this current sheriff and the previous sheriffs, having been elected by the citizens, have done a great job in this community. So I'm a little frustrated that the speakers are on the one hand commending the job that's been done and then suggesting that we may want to consider a change without giving me a reason, and the only argument is the strong mayor.

And in this conversation, actually Mayor

Delaney's four-point test -- or four-part test, I think, was very helpful, but it -- I mean, I looked at it, I read it, I reread it, and on three of the points, he argues absolutely for us to keep the elected sheriff. And the only point that he raises is the political science advantages to an appointed sheriff being an advantage that goes to the mayor. And I think that that is true. I think it's true for the reasons that Sheriff Demings mentioned last week.

It takes the citizens out of the conversation. It does not allow citizens to have their voices heard, just like they come up to this podium here every week. And we may not always want to hear what is said, but I think it's important for the citizens to have access. I just -- and I've said this before, I don't know of anybody in this city who has come up and said, "I want to give up my right to vote." It just hasn't happened.

And I think Mayor Delaney also -- he made the point, having said that there's the political science advantage, there's also the political science disadvantages of recommending

this change, and I just -- I read his comments very carefully. There's just nothing there. There is nothing that any former mayor has presented that gives us a reason why to do this.

The only thing I found -- and, again, Former Mayor Delaney alluded to this -- was some tension. He mentioned the tension during the budget process. I happen to think that that tension is a healthy thing. I think that when ideas have to compete in the public arena, the stronger ideas will prevail. And when the citizens are not allowed access to that debate, as Sheriff Demings testified to when he was an appointed chief, citizens didn't have access to the information. Citizens were shut out of the process. Things were just done behind closed doors. That's not transparency in government, and I don't think we should be supporting an idea where local elected officials are suggesting we should eliminate other local elected officials. It just runs contrary to democracy.

And, again, I have not seen anything -- and I'm willing to stand corrected if somebody can

show me from the transcripts, from records some area where there's a deficiency, some area where the communication is not there.

I point to the Jacksonville Journey where -- you know, we've heard from Mayor Peyton that he doesn't have influence in the areas of public safety and education, but yet when the Jacksonville Journey came together, they created the -- these programs like the out-of-school suspension -- the alternative to out-of-school suspension locations. The sheriff's office and the school board partnered in this with the Journey, and this is a citywide effort.

So I'm having trouble understanding where the mayor -- the current mayor or a future mayor would be able to legitimately say that he or she does not have an appropriate level of influence in these areas because the history is they do.

In going back to Mayor Delaney's testimony in the record, he said -- in discussion with Commissioner Austin, Mayor Delaney said he could do pretty each whatever he wanted to. He just couldn't do it all the time, and he only had so many chips he could use. Well, that's a good thing also because I don't think a mayor should

plow the row. I think our mayor should set the agenda for this city. That's why I think the strategic plan idea is an excellent proposal because it allows the mayor to do that. It gives the mayor that bully pulpit to say, "This is where we want to go." And it helps get buy-in for these programs like -- something like the Jacksonville Journey.

And I just -- I've read the record, and somebody show me where -- where is the need? I just don't see it.

Thank you, Mr. Chairman.

THE CHAIRMAN: Commissioners, I have nobody else in the queue.

Commissioner Catlin.

MR. CATLIN: I want to go back to our entertaining speaker, Mayor Jake Godbold, from the last talk. He made a great point that he was, quote/unquote, the strong mayor. Mayor Austin makes a point that this is a strong mayor form of government that needs an appointed sheriff.

I think if you have a strong mayor, as Godbold said -- he said, "If you -- if you elect a wimp, you're going to have a mess on your

hands." If you elect a strong mayor, the mayor, as Godbold said when he was mayor, sets the budget with the sheriff behind closed doors, does the right job. If you don't have a strong mayor, you got a big problem on your hands.

Now, I think taking the vote away from the public and appointing a sheriff is a really, really bad call. Mayor Peyton said that, quote/unquote, this community deserves the conversation that -- I think that's what a vote is. I think the community is educated on who the sheriff would be, who the candidates are, they make a vote. Commissioner Oliveras is correct. You pull a vote from somebody, you're taking away their right to speak.

I kind of see it as a -- the ants -- a bunch of ants taking their food back to the queen. You've got all these ants. This is our piece of food for the queen. That's the sheriff here. This is the public. Here's our candidate. This is who we're voting on. Don't let it go to the mayor. Let the sheriff be elected by the people. That's who you're serving anyway. That's my opinion.

Thank you.

THE CHAIRMAN: Thank you, Commissioner Catlin.

Any other comments?

Commissioner Korman.

MS. KORMAN: I think this issue has probably been plaguing many of us for different reasons, and I have to say, I think I have found some concerns and frustration on this issue and others because it seems that when we have these open conversations, it's gotten very personal for the people that are involved and people who are not involved. And I think one of the things we're missing out -- and I'm not saying, you know, I believe one way or the other.

But one of the things that people are, I think, forgetting is that this is about our future. We have no idea who's going to be sheriff down the road. We have no idea who's going to be mayor, and we have no idea who's going to be on the school board.

And this isn't about our current administration. This is about having issues and discussions for the betterment of our city, which is what everyone wants, I think, sitting around this room and probably back there. And I

think that sometimes people get personal, and every time we have a discussion, there's always a defense mechanism. I'm not saying within our commission. I'm saying the people that speak to us.

And I personally feel that I don't think we have had enough conversation to decide on this issue. I wasn't here for the last one when the motion was made to take the vote, and if I end up having to vote, you know, in support of keeping the sheriff elected, it's not because I truly believe it one way or the other. It's because I don't have enough evidence on both sides, and I don't think we have had enough discussion to decide on this issue.

So I find myself in a quandary on this. I think we have heard from people. We've heard from lots of mayors. We've heard from our current sheriff, and we've heard from a sheriff in Orange County. We haven't heard from an appointed chief of police. And we've also had trouble finding people who are willing to speak publicly, which I think is kind of sad.

So I think -- I know personally I am stuck on how to vote on this issue because I really

don't have a strong inclination one way or the other, and it has nothing to do with the current administration. This has to do with the future of our city. I think everyone needs to remember that.

THE CHAIRMAN: Commissioner Youngblood.

MR. YOUNGBLOOD: Through the Chair to Commissioner Korman, I believe Sheriff Demings -- and correct me if I'm wrong -- was an appointed chief of police for a small stint of about four years, from '92 till '96, and then overwhelmingly there was a public outcry that we no longer want to have an appointed chief of police, we want an elected sheriff.

So I think we somewhat echo that as why make the same mistakes others have made. Let's learn from the mistakes and move forward. And maybe we haven't heard everything, but with the time we've been allotted and the information we've been afforded, I know I've tried desperately to hear from other appointed chiefs of police. I think the reason we won't hear from them is there is going to a bit of controversy from their employer in the event

that they say something that's controversial. So I don't know that we would hear any more from other appointed chiefs.

So I'd love to continue to move forward with the vote to determine -- we have so many other topics on the agenda list and I'm trying to delineate. Let's go down the list. This is a softball, I think. Let's make a decision, move on, and it's obvious an advisory position to hold. City Council ultimately makes the final decision and then from there the Duval Delegation, so I believe at least we can come out unanimously with the information that we've been afforded.

THE CHAIRMAN: Just to clarify, Commissioner Youngblood, my recollection is that Sheriff Demings had been the appointed chief of police of the City of Orlando, that Orange County had at one point had an appointed sheriff. The public moved back to an elected sheriff, and then he was elected sheriff. So I just want to clarify the time line there, I don't think he ever served as the appointed sheriff. He served as the appointed chief of police and then was elected sheriff.

MS. KORMAN: Mr. Chair, just -- can I make a follow-up, Mr. -- Chairman -- or Commissioner Youngblood?

THE CHAIRMAN: Yes.

MS. KORMAN: Just so you know we're on the same page -- and I respect your opinion -- this isn't a softball to me. I don't think it is a softball to a lot of us because of the fact we've spent so much time on it, and we've had so much public interaction from e-mails to personal calls to whatever. So I don't think this is a softball. I don't think a lot of stuff we've taken is a softball. So that, I think, is where my struggle -- and I would have to believe other commissioners are on the same page. So to rush right through a vote, I'm not sure that does justice for anybody.

THE CHAIRMAN: Commissioner Flowers.

MR. FLOWERS: Thank you, Mr. Chairman.

I will say this, I'm a part of two groups and we've been working with this issue and we started off with the preamble to the Constitution of the United States, "We, the people." Therefore, I support an elected sheriff for the same reason that the

Constitution says "we, the people" has the responsibility to do what we think is necessary.

Thank you.

THE CHAIRMAN: Commissioner Deal.

MS. DEAL: I just want to go on the record saying that I think our community has been served well under the elected sheriff model, and I think -- could it at some day -- at some point, could the citizens happen to vote in the wrong sheriff and something go wrong? Sure. That's the kind of -- that's the system that we're dealing with.

I do ultimately believe, though, as it has been shown through history of our city, that an elected sheriff has worked. And, at this point, the information that we have received, I would be in support of continuing supporting Commissioner Youngblood's motion to continue on with an elected sheriff, and so that's what I wanted to say.

Oh, and I did want to also say, I think that -- I commend our mayor -- our current mayor who has really given an example of how does the City work with -- work with a separate elected body and I think that being the sheriff. And I

think that he has really set the example through the Jacksonville Journey on how the administration can work with the other constitutional offices.

So I did want to go on record saying that.

THE CHAIRMAN: Commissioner Miller.

MS. MILLER: Through the Chair, I first want to take a moment to thank the sheriff.

Thank you, Sheriff Rutherford.

Sheriff Rutherford and the JSO throughout this debate -- this debate, as we know, has been, unfortunately, by many sometimes taken as personal. Sheriff Rutherford has risen to the occasion and has maintained an absolutely, in my mind, professional -- professionalism and demonstrated professionalism in constructive debate.

And as Mayor Peyton said earlier, this community deserves constructive, healthy debate on issues, and Sheriff Rutherford thank you. Thank you for engaging in a very professional manner and presenting facts and information that I feel has been very helpful in forming the issues and really bringing the issues to bare.

And, in fact, Sheriff Rutherford also has

been to the podium on several occasions and taken responsibility for maybe some areas that we do need to improve upon in the area of law enforcement.

And I thank you for taking responsibility because that's your duty to take responsibility, but as we know, not everybody takes responsibility for maybe areas of weakness.

As Mayor Delaney -- former Mayor Delaney said in a recent e-mail in response to W.C. Gentry's -- the Honorable W.C. Gentry's message, "This is a political science issue, not a political issue." And I think it's important to think about this in terms of political science, and I absolutely understand.

We've had three mayors on record -- Delaney, Austin, and Peyton -- two of whom have been former parts of law enforcement, former state attorneys who -- Mayors Delaney and Austin, who have recommended this from the strong -- as part of a strong mayor form of government as the need for an appointed sheriff.

But I also have to come back to Mayor Delaney's analysis, and that is what we're

trying fix, and what is the likelihood of succeeding in that fix? And if this vote were taken maybe a year or two ago, then I might think differently, but what I have seen through this debate and in this community is a very high level of competence, professionalism, and a willingness to accept responsibility and engage in a solution.

And as a result, the Jacksonville Sheriff's Office has demonstrated the ability to go out after federal funding, alternative sources of funding, and bring that into our community for the betterment of our community. And I think that too has to be commended as we look at what are we trying to fix, and what is the likelihood of trying to fix?

I do have to counter my commissioners who argue that taking away the right to vote decreases accountability. In this setting with our strong mayor form of government, I would argue that it increases accountability. It's a daily accountability to the mayor and to the citizens. The mayor has, then, the ability to directly deploy resources to the communities and neighborhoods that need it. And right now the

mayor doesn't have that opportunity, and that's unfortunate.

And so I would encourage the mayor and the City Council in the future to take more control over the sheriff's budget to ensure that when those resources are needed to be deployed into the most needy communities, then they should do that. That's what's in their power now.

I have worked -- I've talked with Deputy General Counsel Rohan on alternate fixes to this issue, to the issues, what are we trying to fix? The fix is more control and the ability to better deploy resources in the needed communities.

I agree with the strategic plan approach, and I think that is something that we will want to consider, and the sheriff's office should be part of that. If you think about the Jacksonville Journey projection and that effort by the mayor, that involved many constitutional officers, and our mayor -- our sheriff was a direct supporter and brought to bear, as I've mentioned, federal resources in that. Not everyone would have done that, I think, elected or appointed.

And so with that -- and I would also counter my -- some of the comments.

Transparency is already there. We have the Sunshine Law. We have open government law. Transparency is already there through the budget process, so I don't think we're going to be lacking transparency. I don't think we'd be lacking on any type of accountability. I think citizen participation would be increased if there was an appointed mayor.

But with all of that said, at this point in time, it's very, very difficult for me to recommend that the council consider and the voters consider an elected sheriff -- or an appointed sheriff when I don't see a compelling need for that change at this time. There is no -- there is a crisis in law -- in terms of crime fighting, but I do think that this community has risen to the occasion with the leadership of our mayor and our strong mayor with very strong participation, professional participation of the JSO.

Commissioner Korman is right. This is a very difficult issue. I'm not sure I feel prepared to vote on it, but at this point in

time, I would have to say that either -- the community votes on whether or not to have elected or appointed. But I think in the end, the likelihood of that succeeding is very small, and I would prefer that our commission focus on the most immediate needs of this community because there are crises in this community that we should focus on.

So that may or may not tell you how I'm going vote or not vote, but I felt the need to bring those points to bear.

And, most importantly, thank you, Sheriff Rutherford, for engaging in a very professional, constructive debate, and I think it's telling of your leadership and the professionalism in which you run your department.

Thank you.

THE CHAIRMAN: Commissioner Oliveras.

MR. OLIVERAS: Thank you, Mr. Chairman.

I just want to make a couple more points.

First of all, with the Orange County change, we saw when the Charter Revision Commission in Orange County made the change and the voters approved it, they ran away from that change four years later. To me, that's a

refutation of what that Charter Revision Commission did down there. I propose we learn from other people's mistakes and not repeat them ourselves.

And without being contentious with Commissioner Miller, I don't think there's any transparency between an elected official and their appointed official that works for them. If it's the mayor and an appointed sheriff or if it's the sheriff and one of his appointed officials, the Sunshine Law, it doesn't apply. And Sheriff Demings was very clear when he testified that that transparency was not there, and I think that's an important thing.

And I think when that transparency is not up front, when the citizens hear about changes after they have occurred, that's not good government. That's not government for our citizens.

Thank you, Mr. Chairman.

THE CHAIRMAN: I have nobody else in the queue.

Commissioner Miller.

MS. MILLER: Through the Chair, as -- just as a clarification, the Sunshine Law doesn't

apply now to conversations with the mayor and the sheriff. It doesn't apply. They're completely separate offices. It doesn't apply to this body. It applies to the City Council. It doesn't apply now. So my point is we're not losing anything in that regard. We have what we have. I just wanted to make that clear.

THE CHAIRMAN: Commissioner Catlett.

MR. CATLETT: Mr. Chairman and members, I know that you, as chairman, have tried to balance on all these issues getting speakers on both sides, and I commend you for that because it's difficult to get people on both sides of every issue.

But on the sheriff issue, frankly, I don't disagree with anything anybody said, but I don't know that there's any more information to be gained. You know, our sheriff has been down here many times. He's down here today, and he's not doing crime fighting when he's here with us. So unless somebody has a speaker in mind or something to hear that we have not already heard from somebody, I would like to go ahead and dispose of this issue so one way or the other, he and his troops can get back out in the field

and not be tied up with us.

If there's more information, that's a different thing, but I can't think of anything that we haven't heard already, I mean -- or a source that we haven't heard from that's willing to come down and visit on this topic. So I think I just -- I'm ready to call the question and move on to other topics because we've chewed this and chewed it and chewed it and digested it, and I just don't think there's a lot left to glean here.

THE CHAIRMAN: Vice Chair O'Brien.

MS. O'BRIEN: I would just like to remind everybody here in this room, in this City, in this state, and in this country that we do live under a system that while we don't call it a strong mayor form of government, our federal government is set up such where we elect a president and we elect our congressmen and women, and they are held accountable for the positions that they appoint.

In particular, the relevant case of this one would be our secretary of defense. We do not elect our secretary of defense. We rely on our president to choose the most appropriate

candidate for that job.

So please know, every day we are living under a system that we are saying -- or that a number of people are saying is an invalid or a not accurate system. We do live under it on our federal government system.

THE CHAIRMAN: Commission Catlin.

MR. CATLIN: I guess the main issue here is: Is the system broke? That simple mantra, "If it ain't broke, don't fix it." That's all I've got to say. Is the system broke? And it's not. It works.

THE CHAIRMAN: Anybody else?

COMMISSION MEMBERS: (No response.)

THE CHAIRMAN: Okay. I want to make a few comments.

First, I've heard -- I heard Sheriff Demings make an argument that as an appointed official -- public safety official, he felt he did not have the ability to be candid with the public at the risk of losing his job. And I can't remember exactly how he phrased it, but he said, There's no way I could do that. If there was a dispute -- you know, if we had a discussion behind closed doors and I didn't

agree with the outcome, there's no way I could go public with that.

Well, I would submit that there is a way. It's called character. If you disagree over an issue of public policy affecting public safety, it is an absolute failing of character to put your personal job security ahead of that consideration. So I just want to put that on the record because it seems to be something that everybody in this discussion has overlooked.

Secondly, I want to get Commissioner Catlett's comment about, "If it's not" --

MR. CATLETT: Catlin.

THE CHAIRMAN: -- I'm sorry. Catlin -- "If it's not broken, don't fix it."

Here's the issue that I think is broken. I'm sensitive to all of the comments made about letting the public participate. Here's where I see is the problem. We all have copies of the letter that the sheriff sent to us yesterday, I believe. I know Mr. Clements circulated it. You also have a hard copy in front of you.

On the second page of the letter, middle paragraph, it starts, "With regard to the budget

issue, it is important to recall that the mayor already exercises complete and direct control over the sheriff's budget." And I think that that statement is directly rebutted by the sheriff's own testimony to us on July 30th when he was talking about that $1.5 million that he wanted to try and save.

He said, "Now, I have" -- this is on page 7 of the transcript on July 30th, starting at line 11. This is the sheriff. "Now, I have approached the mayor's office with it." About that $1.5 million. "They don't want to do that. I'm going to approach the council with it and see if they think it's a good idea."

Okay. That, in my mind, directly contradicts the statement, "The mayor exercises complete and direct control over the sheriff's budget." He doesn't.

Now, Sheriff, you're an elected official. I'm not suggesting that you going to the council is improper because you're an elected official and I think it's within your purview as an elected official to go do that, so I'm not suggesting that you saying, "I'm going to go talk to the council" is somehow improper. I

want to make that very clear.

I'm saying that as a political science issue, as a government issue, as a strong mayor form of government issue, no department head should have the ability to do that. If you're on the mayor's team, the mayor sets the budget, and the mayor is accountable. And when you have the ability to go around the mayor, that, I think, is a structural problem. It's not a personal problem -- or personality problem. It's not a corruption problem. So I want to make it very clear, I'm just talking about, not the people involved, not the personalties, the setup.

So I guess my take -- my conclusion here would be, I would like to see a little bit more discussion on that issue. And you will recall that Dr. Corrigan in his comments to us suggested that we recommend to the council that they set up a commission to perhaps look at those structural issues, and so that's not within the scope of Commissioner Youngblood's motion.

And if -- and when it passes, if somebody else wants to make that motion that we perhaps

send a different issue to the council, not the issue of, "We recommend to you, Council, that you put on the ballot an appointed sheriff," but a different issue of, "Perhaps, Council, you might think about convening a commission to look a little bit more into the issue of how the consolidated government offices of mayor and sheriff work on budgetary issues," that, I think, might be a worthwhile recommendation.

And I have no further comments. I have nobody else in the queue.

Commissioner Youngblood, would you restate your motion so we all know what we're talking -- voting on?

MR. YOUNGBLOOD: Mr. Chairman, I make a motion to leave the Charter of Article Section 8 [sic] of the office of sheriff as an elected position, not an appointed position, in the Jacksonville Charter.

MR. CHAIRMAN: Thank you.

Commissioner Korman.

MS. KORMAN: I guess I'm not sure procedurally because I think Chairman Duggan's -- sorry, Commissioner Youngblood brought up an

interesting point, so I don't really know procedurally how -- do we try to amend his motion? I mean, how do we --

THE CHAIRMAN: You can, but I --

MS. KORMAN: -- incorporate?

I guess my question is: How do we incorporate? If that's an idea we'd like to explore, I don't know procedurally how that should happen.

THE CHAIRMAN: You could propose an amendment or we could take a vote on his motion, and if it passes, you could --

MS. KORMAN: Okay.

THE CHAIRMAN: -- propose your own motion.

I don't think anything in his motion or the vote outcome on it would preclude a motion on recommending further study.

Commissioner Miller.

MS. MILLER: Through the Chair, and just in response to Commissioner Korman, I'll defer to Mr. Rohan. I think procedurally the amendment has to be relevant, and it seems that it might not be on the same topic, so -- just Robert's Rules of Order. And so I think -- I know a vote would be in order.

I absolutely agree with you, Chairman Duggan, that those are the issues that we need to confront. Those are my biggest concerns, and in talking with Mr. Rohan at length, I don't know how yet. I don't have a proposal on how to fix that in the Charter, but I agree that that needs to be fixed. The budget issue should be fixed in terms of the one consolidated budget with mayoral control, so I would support that, and I'd be happy to either make the motion or second it after any vote.

THE CHAIRMAN: Thank you, Commissioner Miller.

Okay. All in favor of Commissioner Youngblood's motion, please raise your hand and hold it up so Mr. Clements can get an accurate count.

MR. CATLETT: (Indicating.)

MR. CATLIN: (Indicating.)

MS. DEAL: (Indicating.)

MS. EICHNER: (Indicating.)

MR. FLOWERS: (Indicating.)

MS. GARVIN: (Indicating.)

MS. HERRINGTON: (Indicating.)

MS. MILLER: (Indicating.)

MR. OLIVERAS: (Indicating.)
MR. THOMPSON: (Indicating.)
MR. YOUNGBLOOD: (Indicating.)
THE CHAIRMAN: All opposed.
(Indicating.)
MS. O'BRIEN: (Indicating.)
MS. KORMAN: (Indicating.)
That motion passes.
Commissioner Miller.
MS. MILLER: Through the Chair, I move that this commission recommend as part of its consolidated recommendations to the City Council that the City Council form an independent commission to examine the structure of the mayor's budget vis-a-vis the sheriff's office. I think you have maybe stated it more eloquently.
But I'd like to ask the council to form a commission to work to resolve the structural issues within the charter to ensure that the kind of conflict you're talking about does not occur so that when the mayor presents his budget, it is one consolidated budget and that the mayor has control over the budget.
THE CHAIRMAN: Is there a second?

MR. FLOWERS: Second.

THE CHAIRMAN: Okay. We have a motion and second on that motion.

Discussion?

Commissioner Catlett.

MR. CATLETT: It's just a clarification on Ms. Miller's proposal.

Are you saying that the council set up a committee to discuss this or they set up an additional commission of citizens or what -- I heard the word "commission," and it only drew my attention as to how this would occur.

MS. MILLER: Well, through the Chair, I will defer to the commission -- to the council and to the mayor on how best to do that. If it is an independent commission -- or committee -- special committee similar to the pension committee that is currently reviewing the pension issue, then so be it, but I'll defer to the council on how to do that -- how best to do that.

I would think that it would be some combination of both citizen, professional relevant law enforcement involvement, as well as representatives from the administration. But,

again, I'll defer to the composition of that and let the governing structure decide that.

THE CHAIRMAN: Commissioner Oliveras.

MR. OLIVERAS: Thank you, Mr. Chairman.

Through the Chair to legal, with the constitutional officers, does that pose a problem with the council setting something like this up?

MR. ROHAN: The council is free to set up any committee or commissions to review any portion of the charter and to make recommendations. It's my understanding -- I'm not quite certain what the purpose of the motion is. It's my understand currently that the mayor has control of the budget, receives information from the constitutional officers, but it's the mayor's budget that goes forward. And the small distinction between appointed and elected is that, generally speaking, you don't hear much from appointed department heads, but you do have elected officials come in and speak to the council vigorously about their budget. But currently under the charter, the current framework is that it is the mayor's budget for the consolidated government and not any -- not

the constitutional officers' budget.

MR. OLIVERAS: Thank you.

THE CHAIRMAN: Commissioner Youngblood.

MR. YOUNGBLOOD: Mr. Chairman, I don't know that I understand. The motion that's afoot, then, is, how will we change the Charter to tell City Council that they need to put another commission in place? God forbid, we need another commission or another organization or another layer of bureaucracy.

I think if we move back to the question of appointment over elected, which we have already voted on, I believe clearly we have a watchdog, to use Carla Miller's illustration, and an attack dog in an elected official versus a lap dog in an appointed official. And as was spoken earlier, that we mirror our federal government with the executive, legislative, and judicial branches of government, we currently have an administration making more appointments than probably the last ten presidents combined. Great levels of bureaucracy are created there.

So I just want -- for those that are listening, we do not want more government. We want less government. We want good government.

So I don't know that we can restructure the Charter to add another layer of bureaucracy. So I would be obviously against that if that's what we're seeking to do. So if we could have clarification from Commissioner Miller.

MS. MILLER: I'd be happy to.

The proposal is to create a body that has the time, energy, and ability to examine in detail the language of the Charter and make constructive recommendations to ensure that we have, in fact, less government, that the mayor has a streamline -- that we have streamlined government so that the mayor has the singular ability to present a budget that will be -- that will go to City Council and advocate for that budget. And so that is -- that's the question. It is a temporary commission to examine the structure of the Charter as recommended by Professor Corrigan and Professor Hallett and many others.

There is no harm -- it is doing the next level of work that this commission does not have time to do, but it is a worthy and important cause. And if that commission, on advice of council or otherwise, decides that there's no

change -- that they cannot make a change, then they can't make a change.

But it is obviously something -- I feel very strongly it is to ensure that we have less government and not more because right now when you have a sheriff that is going back to debate on how $1.5 million or whatever should be -- whether it's the mayor and going back to City Council and lobbying City Council, that, in my mind, is more government and not less.

And we need to ensure that the mayor can present a streamlined budget. So the commission -- the committee would examine ways, if at all, to revise our Charter and the structure of our Charter.

THE CHAIRMAN: Commissioner Eichner.

MS. EICHNER: Is the structure that you're talking about the structure that already exists? I mean, it's my understanding that the sheriff presents a budget to the mayor's office, the mayor presents it to City Council. And I think the rub here, if I'm wrong, is that if the mayor cuts that sheriff's budget that he presented to the mayor's office, then the mayor has -- then the sheriff has every right to go to

council and testify to them that -- you know, why he needs more money or why that -- those items in the budget that got cut by the mayor's office shouldn't be.

And I don't think that's outside the realm of what I would perceive an elected official to be able to do. I look to law enforcement to tell me what they need to provide security for our city, so I don't know that there's a -- there's anything structurally that we could do because I think it should be left to council to pass that budget.

THE CHAIRMAN: Commissioner Korman.

MS. KORMAN: Clarification question.

So if I understand correctly, the motion, this will basically -- or the intent, I should say, to stop allowing elected officials as the sheriff to be able to go back to City Council once the mayor -- and the reason why I'm asking that -- and you can say that I'm absolutely wrong -- because my concern is with that, I mean, we should be looking at all of them, not just the sheriff, you know, because it would apply to many of them.

MS. MILLER: Through the Chair, this -- the

motion is to establish a temporary commission to examine structural changes to the Charter, to -- and to examine the issue that the budgetary issues relating to the mayor, the mayor's authority on the budget.

It is not -- it's not presupposing -- the motion does not presuppose one answer or another. Examine it. Can we do it? How do we do it? And then the commission can make a recommendation to council.

It is not -- it doesn't presuppose one answer or another. It, in fact, extends the debate on the proper nature. It's not telling any constitutional officer they don't have -- it's not abridging any constitutional rights of free speech. It is simply ensuring -- in trying to find ways, if we have it, to make the strong -- to ensure that the mayor is truly -- has the authority over all aspects of the consolidated City budget, so . . .

THE CHAIRMAN: Vice Chair O'Brien.

MS. O'BRIEN: It's a question to budgeting, and I don't know who can answer it. But does the mayor have line item veto power over the budget?

THE CHAIRMAN: Mr. Rohan.

MR. ROHAN: Over the appropriations, yes.

MS. O'BRIEN: So help me understand, if there's a line item in any constitutional officer's budget that the mayor feels -- let's -- I'm just going to throw something out.

Let's just say it's for a workout program for their employees, the health benefit workout program, and the mayor believes that that is not appropriate or they don't have the $100,000 to fund that, can he line item that out currently?

MR. ROHAN: Yes, subject to being overridden by the council and also subject -- in the case of at least the property appraiser and the sheriff, for them to take the matter up State ladders for State consideration. They have a further review of their budget that's available to them.

MS. O'BRIEN: That helps me understand that the mayor does have some more control that I wasn't aware of if they can have that line item veto power. And I understand it then goes to the City Council for overall approval.

THE CHAIRMAN: Commissioners, our speaker has arrived, and so we're going to lay this on

the table, as I mentioned at the beginning of the meeting, and revisit it at some -- either at the end of this meeting or at the next meeting.

Without any further ado, I'd like to invite Mr. Tilson to come to the podium.

(Mr. Tilson approaches the podium.)

THE CHAIRMAN: While he's making his way up here, I'll go ahead and introduce him.

Whitney Tilson is a nationally-known figure in education reform. He -- in his business side of his life, he is the founder and managing partner of Tilson Mutual Funds. And on the education side, he was among the first people to join Wendy Kopp in 1989 to launch Teach for America. He's a board member of the KIPP, Knowledge is Power Program Academy charter school in the South Bronx.

And as you, I hope, all know, we're opening up a KIPP school here in Jacksonville in the very near future, so that was quite a feather in Jacksonville's cap to get a KIPP school.

He is a founder of Democrats for Education Reform, which aims to move the democratic party to embrace genuine school reform and has founded the Rewarding Achievement Program, a

pay-for-performance initiative that aims to improve college readiness of low-income students in the inner-city high schools in New York.

He has spent five years working with studying competitiveness -- excuse me -- of inner cities and inner-city-based companies nationwide and has a degree from Harvard Business School and graduated magna cum laude from Harvard College.

Thank you very much, Mr. Tilson, for coming here. We appreciate it very much.

If I could just have you begin by giving us your name and address for the record, and we'll have our court reporter swear you in.

MR. TILSON: Great. Good morning.

I'm Whitney Tilson, and the address is 1165 Fifth Avenue, New York City, 10029.

THE REPORTER: Would you raise your right hand for me, please.

MR. TILSON: (Complies.)

THE REPORTER: Do you affirm that the testimony you're about to give will be the truth, the whole truth, and nothing but the truth so help you God?

MR. TILSON: I do.

THE REPORTER: Thank you.

THE CHAIRMAN: Thank you, Mr. Tilson.

Commissioners, you should have at your place a hard copy of Mr. Tilson's PowerPoint presentation to assist you to follow along. I anticipate also that his PowerPoint will be showing up on your monitors which you just need to touch in order to remove the screen saver, and I believe it will also be on the TVs for the public.

Thank you, Mr. Tilson.

MR. TILSON: Great. Thank you.

Let me start off by thanking you for taking the time to hear me, and it's a pleasure to be here. My first trip to Jacksonville, and I'm in town for about eight hours. So if I say anything too controversial, well, I'll be out of town by sunset.

And as you described, my background is -- is I'm a full-time money manager by day. I'm an author of a book on the mortgage crisis. And by night, I'm becoming increasingly passionate about education reform and how to fix our K through 12 system of public education in this country.

My involvement started actually 20 years ago when I helped start Teach for America. Teach for America spawned KIPP charter schools. There are now 82 KIPPs nationwide. I'm on the board of KIPP in New York and delighted that KIPP is starting down here in Jacksonville. And I hope you-all will take the opportunity to visit our school when it opens a little later this year.

So I've got a lot to cover. It's a very important issue. And it's sort of funny giving -- raising my right hand, swearing the facts, and so forth. I'm going to give you the facts. This is -- there are no -- this isn't really testimony in the sense that there is a definitive right answer here.

This is a very, very complex issue and a lot of debate and so forth about it, but I'd like to present you with a bunch of facts about -- start with facts about what's going on nationally, start at the national context of what's happening here to give you some framework, then present some data about your local context that I've pulled together, and then particularly share with you the experience

of New York City where we adopted a system of mayoral accountability.

I'd also just like to invite comments, questions. I've got a lot of content to go through, but we've got some time this morning, so feel free to raise your hand and get my attention. And, you know, if we can make this a little bit of a dialogue as opposed to a lecture, I prefer that.

So, with that, let me start with just some background on the importance of education, and so this first slide here -- and I hope -- I don't know whether your slides are showing the exact same thing that I'm seeing here. And you also have a hard copy.

I'm going to go through some of these slides pretty quickly. Some of them have a lot of words and so forth. The reason we provided you with a hard copy is so that you can go back to it and, you know, review it at your leisure.

So this slide simply shows the median earnings of people with different levels of education. Not surprisingly, the more education you get, the more you earn. The sort of net single sentence take-away would be the average

college -- four-year college graduate will earn a million dollars more over the course of their lifetime than the average high school graduate. And this slide shows how those numbers have changed over time.

Education has always mattered, but 50 years ago -- it matters more today than it did decades ago. You know, 50 years ago, with a high school education, you could get a good blue collar job and have the American dream, and today that's -- as you can see, inflation adjusted since the '70s.

Basically, everyone without a college degree, their earnings are not keeping up with inflation. In fact, the only way American households -- this is individuals. The only way households are keeping up is increasingly women are working now, so household income sort of kept up, but individual earnings have not kept other than people with at least a four-year college degree for about 35 years.

Jobs are -- almost all job creation in this country is occurring for people with at least some college, especially four-year college degrees.

This slide is a little dated. On the flight down here, I looked at the 1999 to 2009 data. It hasn't changed at all. In fact, there are now net job losses for everyone who over the past -- over that ten-year period who does not have at least some college. So the story hasn't changed.

Today we're in a case of severe unemployment in this country, the highest levels in 26 years. Not surprisingly, the much more likely to be unemployed the less education you have. The unemployment rate is four times higher for high school dropouts today than for people with a four-year college degree. And, in fact, that significantly understates this situation because to be considered unemployed, according to the official government statistics, you have to have looked for a job in the past four weeks. Well, a lot of people have given up. They're not even looking. So they're not even counted as unemployed.

If you look at the chart to the right, you'll see high school dropouts. Forty-four percent of them aren't even looking for jobs. They aren't even in the labor force. To that,

you would add a 15 percent unemployment rate, and you see how critical it is to at the very least get a high school diploma because --

I'm going to be presenting a lot of data later on your high school graduation rates here in this area, so I want to highlight this slide to show how important it is to at least get a high school diploma. You are really in trouble these days if you don't at least have a high school degree.

So this slide shows how much education matters in terms of your likelihood of being in prison. You're 47 times more likely to be in prison if you're a high school dropout than a college graduate. That is especially true -- these statistics are especially true in the African-American population. So education matters, and it matters more and more every year in this knowledge-based world.

So what have we done about it as a nation? Well, we've spent a lot more money, and that's a good thing. But over time, we are spending more money to educate the next generation of young people in our country and, in fact, adjusted for inflation.

Over the past 40 years or so, we've roughly doubled on a per-pupil-basis spending in this country from just about $5,000 per student per year to almost $10,000 per student per year, and, again, that's a good thing.

Where has that money gone? To hire. But it's the -- obviously, an educational system is very labor intensive. You spend a lot more money. You're hiring more people, more teachers in particular, and we've reduced the teacher -- student-teacher ratio by about 40 percent over the past half century.

Again, this is what you would like to see in a growing, prosperous, wealthy country. Of course, that's what you want to see, if you're getting some bang for that buck, and we're talking trillions of dollars over time.

And here's the problem: Over the past 35 years, we're getting no bang for our buck. In fact, educational outcomes on any metric have stagnated since the mid 1970s in this country despite massive increases in spending. So this shows that the high school completion rate has stagnated. Most importantly, the percentage of people getting a bachelor's degree has stagnated

for about 35 years now. SAT scores are flat over that 35-year time period. NAEP scores are flat. By any measure you care to look at, our educational outcomes have stagnated.

So why is this? I wish I had time to really dive into this more, but I can show you a whole lot of slides on teacher quality. The teacher quality has been declining over the past 35 years. The single biggest reason for that is women entering the workforce and having more career opportunities. And I was just reading the statistics on the flight down here. Forty years ago, in 1970, 50 percent of college educated, working women were teachers. Today that number is 15 percent, so --

My mother was a lawyer. My wife -- excuse me. My mother was a teacher. My wife was a lawyer. So a lot of super talented people, particularly women, who used to go into teaching no longer do so. Secondly, our school systems have grown, become more bureaucratic and unaccountable. And, lastly, I think there's some cultural factors as well that schools certainly don't bear all the responsibility for this stagnation over the past 35 years or so.

Studies show that Americans -- young people spend a lot more time watching television, messing around with video games, you know, any kind of leisure activity, other than studying and doing homework, has risen dramatically over that time period. So this is a study comparing the United States hours of television watched per day of about eight hours a day, double that of any other country in the world. This shows how our young people spend their time watching television versus doing homework.

And it's a little bit of a complex slide, but basically for each ethnicity -- it shows fourth graders, eighth graders, and twelfth graders. The blue bar is young people, like fourth graders, for example, that are -- what percentage of white fourth graders -- to use the upper left corner there -- are watching four hours of television every weekday, and the white bar is what percentage are doing a single hour of homework every weekday, school days. And you can see that across the board, especially among black and Hispanic students, but it's really across the board, our young people at every grade level far more are watching four hours of

television on a weekday than doing a single hour of homework.

Another statistic I read on the flight down here is -- is among our high school students, 50 percent of high school students don't do one minute of homework on the average weekday. Fifty percent do no homework. Seventy-seven percent watch television on the average day -- weekday.

So what does this lead to? Twin achievement gaps. The first achievement gap is between the United States and our economic competitors on -- I'm going to show you a number of different ways to measure this, but among our 15-year-olds, math and science, we rank 25th and 24th in the world on national -- internationally, norm test.

Given that we spend more money per pupil than any other country in the world, not surprisingly, our dollars spent per point on that math test is 60 percent higher than a developing country average, the highest in the world, so we get less bang for our buck -- educational buck than any other country in the world.

And, alarmingly, the longer our students are in school the further behind they fall their international peers. So the top sort of gold bar here shows the nations that are beating us in fourth grade in math.

In fourth grade, only about 25 percent of countries are beating our fourth graders in math. By the time we get to eighth grade, half the developed countries in the world are beating us, and by the time we're at twelfth grade, about two-thirds of countries are beating us in math.

So part of that is -- is we have a shorter school year, fewer days per year in school certainly relative to Asian countries which tend to have the longest school years. But relative to Japan, Korea, China, over a 13-year K through 12 period of time, those students, simply on the number of days of school per year, are getting two or four years more instruction than our students.

Our high school graduation rate at 76 percent is six points below the developed country average, ranked 21st in world. We send a lot of students to college. It's --

35 percent of our 18- to 24-year-olds are in some form of higher education. The problem is -- is we've got a severe college dropout crisis that is actually more severe than our high school dropout crisis.

The chart to the right shows that of -- for every hundred young people who go off to college, we only earn 17 degrees, so we have -- you know, take Portugal, only 25 percent of their students go off to college, but they earn 25 degrees. So they have a one-to-one conversion ratio. We get half a degree for every student that goes off to college. So we have a 24 percent high school dropout rate and a 50 percent college dropout rate.

So this chart shows -- compares 45- to 54-year-olds -- that's the gray bar -- with 25- to 34-year-olds -- that's the blue bars here. And what we're comparing here is people 20 years apart, so people who went to college who would have finished their education 20 to 30 years ago versus people who finished their education in the last 10 years. And you can see, looking over to the right, that in the United States, the percentage of Americans who have at least a

two-year associate degree is exactly the same in those two cohorts. Twenty years went by and still the same 40 percent of Americans get at least a two-year associate degree.

Now compare us -- compare that to other countries, and over the same 20-year period, every other country has skyrocketed. In other words, it's not that our educational system is getting worse. We're just spending a ton more money, it's flat lined, and all of our economic competitors are racing ahead.

Our advantage, what made us the dominant, most prosperous country in the world after World War II was that we were educating a much higher percentage of our people to much higher levels, and it led to productivity, economic growth, et cetera. And that was our edge. Well, that edge is now gone.

So there is one area where our students do quite well relative to their international peers. When asked, "Do you get good marks in mathematics," a higher percentage of our students say yes than any other country. The only problem is -- is they stink at math, but they think they're good at math. So we have

high self esteem, unfortunately not rooted in high achievement.

So the second achievement gap is within the United States, particularly low-income, minority students are achieving at dramatically lower levels than their more affluent peers. It starts -- let's start with kindergarten. This is the black/white achievement gap in kindergarten for math and reading, and you see the raw gap and then below it the line for the adjusted gap.

The raw gap, it's a standard deviation measure, but it shows that coming into kindergarten nationwide, the average black student is about a year behind the average white student. However, if you adjust for six or so demographic factors -- household income, single-parent household, books in the household, all the obvious things -- the gap -- the adjusted gap disappears.

If you take black and white students from the same kind of family background, et cetera, you adjust for all of that, there is no achievement gap coming into kindergarten. However, the moment students start school, for

the next 13 years, that gap just continues to widen every year, and it no longer is driven by any change in demographic factors.

So by fourth grade -- this is the NAEP test. This is all black, Latino, and white students, not some cohort of low income or something like that. And this -- the NAEP test, you have four score levels: below basic, basic, proficient, and advanced. So the red bars here show the percentage of students of each ethnicity scoring below basic in fourth grade.

Now, this is a pretty low bar. Basic is a pretty low bar.

Below basic means you're a struggling reader at age ten. You're struggling to read a simple children's book. You're probably at least a couple of years below grade level. And, statistically speaking, if you can't read very well in fourth grade, it's game over. You're -- the kids who are testing, who are struggling readers in fourth grade, studies show because they struggle to read, they don't read very many books their fourth grade year. The kids who are proficient readers read a lot of books their fourth grade year. So you have a virtuous cycle

for the kids who are good readers as youngsters, and you have a vicious cycle for the kids who are poor readers.

So studies have shown that if you want to know who is going to end up on welfare, who's going to end up in prison, who's going to fail to graduate from high school, all of -- if you want to know who is likely to lead ruined lives, just look for fourth graders who can't read.

And this shows that half -- more than half of black fourth graders in this country -- all black fourth graders, not low income, half of Latino fourth graders are barely functioning readers. So, not surprisingly, similar to what I showed earlier, these achievement gaps widen every year, so the gap simply grows by eighth grade, grows by twelfth grade.

And here's what you get by twelfth grade. Now, you might look at this chart, these are your NAEP cohorts. And you might -- and this is black, Latino, and white students. You might look at that and say, "Whoa, the achievement gap seems to have ceased." It's -- those lines all look pretty much the same until you realize what I've shown you here is black and Latino twelfth

graders and white eighth graders. So the achievement gap is now widened by -- to four years by twelfth grade. It started a one year achievement gap in kindergarten.

So this shows among black and Latino students, there are about half a million tenth graders nationwide. About 400,000 make it to twelfth grade. About 300,000 of both black and Latinos will earn a high school diploma. About two-thirds of black and only about one-third of Latino high school graduates will start college, and painfully few will ever finish. Only 28 percent of African-American, only 16 percent of Latino, one out of six Latino high school graduates will ever earn a college degree.

So, not surprisingly, if you look at -- instead of by ethnicity, by income, you will see that virtually all children in top quartile households, the top 25 percent of households by income, will earn a college -- four-year college degree, but that drops off precipitously. Virtually no children from the bottom half of all households in America will ever earn a four-year college degree.

And you can see these trends over time.

The top quartile has been doing great. They've -- the children from top quartile households over the last 40 years have doubled their college -- likelihood of getting a college degree from 40 percent to 80 percent. Virtually all will earn a four-year college degree. And there's been a doubling from 15 percent to about 30 percent for the second quartile, but -- and there's been a little progress. But from such a low base, again, virtually all children from the bottom half of the households in this country will never earn a college degree.

So, not surprisingly, our 146 most elite competitive colleges and universities, 74 percent of the students at those schools are from the top quartile households. Only 9 percent of students at those schools are from the bottom half U.S. population. So even our students that we're sending off to college are alarmingly unprepared.

Almost half of the students going off to college need remedial courses. Only 21 percent of students who took the ACT test a few years ago demonstrated proficiency in all four areas of reading, writing, math, and biology. Nearly

half the students who begin higher education attend a community college, all of them say they're going to transfer and get a four-year college degree. Almost none of them do.

So what are the costs of this educational stagnation failure? Well, we're paying a lot more money and getting nothing for it. U.S. Industry is spending $25 billion a year on remediation. High school dropouts, as I showed you earlier, are much more likely to be unemployed, earn a lot less money, have higher rates of public assistance, more likely to be single parents.

Half of males who fail to finish high school father a child out of wedlock. They're more likely to become criminals and end up in jail or dead. Eighty-two percent of America's prisoners are high school dropouts. Eighty percent of prison inmates are functionally illiterate. Fifty-two percent of African-American men who fail to finish high school end up in prison at some point in their lives. Terrible cost.

So why is there this second achievement gap? Why are so many low-income minority

students performing so poorly? It's a very, very complex question, a very delicate question, but it's very complex. There are a lot of reasons, and many of them are outside the control of schools, no question that -- children from troubled communities and families, where very few people have finished high school much less college. You're talking students who are entering school with two strikes against them. These are the most difficult children to educate for sure.

So when you survey Americans why there is this achievement gap, answer number one is it's kids. They're lazy, unmotivated, violent, whatever. And then answer number two you get is it's the parents. They don't care about education, et cetera.

Well, I visited now 42 of the 82 KIPP schools in the country, for example, and visited many, many, many other high-performing schools in low-income communities serving exclusively low-income, minority children and sending 80 percent of them to four-year colleges. In other words -- and these are schools that are operating on the same budgets, taking students

by lottery. In other words, taking these very students that are failing in certain schools and generating massively different outcomes with them.

So I'm very skeptical of the -- what I call the blame the victim. It's like, "Oh, you can't hold schools responsible because look at these kids, look at these families." Well, I've been to enough schools that are taking those kids and those parents and achieving totally different educational outcomes to know that while it's unbelievably difficult to do, there are -- schools can make an enormous difference and can change make life trajectories if you have really high-quality schools, really high-quality teachers.

So what do we do as a country? Given the needs of the most disadvantaged students, they require great schools and great teachers. So what do we do as a country? We provide them with the worst schools and worst teachers, and I could show you dozens of slides showing on any measure of teacher quality or school quality, low-income, minority kids get the worst.

And so, in summary, if you wanted to

summarize that, basically in this country, the color of your skin and your ZIP code are entirely determinative of the quality of the public school you get. And, in my mind, that is outrageous. It is totally unAmerican, and one of the reasons I spend so much time on this is it's just wrong. So --

THE CHAIRMAN: Mr. Tilson.

MR. TILSON: Yes.

THE CHAIRMAN: We have a little bit of time. Can you just spend a little bit of time talking about why it is that those kids get the worst teachers?

MR. TILSON: Yes. It's a complex question. In part -- let me -- let me skip ahead a couple of slides and just talk about why -- just generally why hasn't more been done to improve the system as a whole. And I think it helps to answer why particularly low-income, minority kids have gotten the worst of a -- generally not the -- system that's not doing very well. The short answer: jobs, money, power, and politics.

Yes, there's debate about, you know, how to fix our schools, and reasonable people will

disagree on a lot of issues, but there's actually pretty good evidence at this point on what needs to be done, but it's just not being done. Well, why not?

Well, generally speaking, the system works very, very well for the adults in the system. Over the last 40 years, the trends in our educational system -- and let's keep in mind this is $600 billion a year, millions and millions of jobs.

In most cities, the school system is the single largest employer and it is the second largest area of government spending in this country after only health care. It's about the same as our military budget, our K through 12 public school system, so we're talking about huge dollars, huge numbers of jobs. And the trends over 40 years for the adults in the system have been more pay, better benefits, greater job security and fewer hours worked. Those have been the steady trends for 40 years.

So if I -- you know, that's something worth fighting for, isn't it? That's a pretty good gig, and it's not -- this is not sort of a covert, you know, bashing teacher unions here

because it's not just teachers. The trends have been for all the adults in the system, principals, administrators, custodians, bus drivers, you name it, so -- so you have the --

The adults in the system are very well organized. And, obviously, it goes without saying, this is a governmental system. This is all public money, run by governments, et cetera, so not surprising, you have interest groups. So let's look at the interest groups here.

On the one hand, you have extremely well-organized and well-funded adults in the system. They are the most powerful interest groups generally in any city, certainly at the national level, I think, that you would look at. And they are benefiting tremendously from this system and will fight fiercely to preserve it. And their interests are look out for themselves, like everybody else in the world. Well --

So who's on the other side? Who's really losing from this system? Well, in our country, 25 percent of the public schools, the best 25 percent are probably doing -- they're probably pretty decent, and then you sort of

have a wide swath of mediocrity, the middle 50 percent, and then there's the bottom 25 percent of the schools that are the real problem.

Well, whose kids are in which of those schools? Okay? And who has money and who has power and so forth? And so who are the -- who are the real victims of this system? Low-income minority kids. And how much political power do they have? Do they vote? And how much political power do their parents have? The answer is not very much.

So you have sort of a contest here in our system between the best organized, best funded most powerful interest groups in our county on one hand, and then the most powerless marginalized parents in our country. So who's going to win that battle all day long?

Warren Buffet was asked at the annual -- his Berkshire Hathaway annual meeting a few years ago, if you were czar, what would you do? And he said -- he looked -- he said one of the -- his biggest issues that he's concerned about about our country is our educational system. And he said, If I were czar, I'd just

pass a law requiring that everybody has to send their child to a randomly-selected public school in their greater metropolitan area. And he said --

You know, at that point, if people in my neighborhood had to send their kids to a randomly-selected public school in New York City, boy, the system would change so fast, it would make your head spin.

Does that answer your question?

THE CHAIRMAN: Yes. Thank you.

MR. TILSON: So let me just skip back a little bit to -- just to talk a little bit about the system.

This is -- this chart on the right shows what I just alluded to a moment ago about the dollars involved, the big dollars involved.

This is an enormous system, and fixing it takes -- it is incredibly difficult and time consuming. We have 48 million public school students in this country, almost 100,000 schools, and 14,000 school districts, a high degree of state and local autonomy, a delivery system that hasn't changed much in generations, sort of an entrenched bureaucratic system of

top-down governance, and -- so it's not surprising that you sort of get a fairly dysfunctional system, you know, when you look at those characteristics.

So how do you fix it? Well, generally speaking, there are two general approaches. One is fix the existing system and the other is create alternatives to it, create some type of competition via charter schools or vouchers, typically.

And the -- on the left side, in terms of improving the current system, everyone looks for a magic bullet, the 100 percent solution, but there is no such thing. There are 101 percent solutions. It's a lot of nitty-gritty blocking and tackling that requires political will and the right approach, and so, you know --

I've listed some of the major things here that would be involved with fixing an existing public system, and these are the kinds of things that are happening in some cities around the country, but it's really, really hard. A lot of the things that need to be done involve challenging the status quo and the interests that will fight very fiercely to defend that

status quo.

So the next obvious question is, well, you know, you've got to improve the current system or create alternatives to it, which is better? And the answer is I think you have to do both, and -- so while -- I'm on the National Charter School Board, I'm on the KIPP Charter School Board, so I've been very involved with charter schools.

I don't -- I think charter schools are one of those 101 percent solutions, one of those 101 percent solutions. I don't think they're the solution. And the reality is, is you can create all the alternatives you want in the world, and 90-plus percent of public school kids of -- kids in this country for the next number of decades are going to be educated at existing public schools in the existing system, so you've got to focus on fixing that as well.

So where -- what might a successful system look like? Well, in this country, you don't have to look very far. We have two educational systems in this country: a K through 12 system and then a post-K through 12 system, our college system.

And if you think about, where do ambitious young people from all over the world, where do they want to -- what country do they want to come to to go to college and go to graduate school? They want to come here, right?

We have -- for all of its flaws -- and there are many -- we have, I think, the best post-secondary system in the world. And as you saw from the earlier slides, we have the 20th or 25th ranked K through 12 system in the world, despite all the massive spending.

So how is that possible, in the same country, can we have two systems, but one is so dysfunctional and the other actually works pretty well? Well, this slide sort of captures some of the differences. If you look at the characteristics of the system -- of the two systems, you won't -- it sort of becomes clear why one is working and the other isn't.

You know, in our college system, public and private universities are all competing with one another. The students can choose whatever school they think is best for them, and the money follows the students.

And if a school is failing to educate and

meet the needs of its students and their parents, students can decide to transfer somewhere else, and the money will follow.

And there are consequences for schools that fail to achieve. And our public school system, sadly, over the past few decades anyway -- it's almost perverse. The worse the school does, the more it needs help supposedly, the more money is thrown at it. There are almost rewards for failure. So, you know, this --

Joel Klein once talked about his -- he's the chancellor of New York City schools for the past eight years or so, and he said, you know, I know of no system in the world that's characterized by the three pillars of mediocrity but is successful: lifetime tenure, lockstep pay, and everything driven by seniority.

So how do you fix a broken system? You know, I'm a business person, and actually this -- this would be the same thing for, I think, the people trying fix GM or broken for-profit businesses.

As an investor, I spend my days looking at broken -- big, broken businesses and trying to figure out which ones might turn around. It's

sort of the same game plan. You hire and train great leaders down at the -- down at the ground level, and you empower them. So that -- those would be your principals in your school. You empower them, particularly you give them control -- as much -- as much control as possible over their budget and their staff. They, in turn, go out and hire greater teachers in the classroom; then you have to have, of course, the right strategy and tactics, all of the 101 percent solutions that I was talking about; then you have to measure results really carefully.

And it's really hard to be a good principal, it's really hard to be a good teacher, and not everybody is cut out for it. And you've got to figure out who's good and who's not. You've got to reward your good people. The people who don't cut it got to find another career.

Arne Duncan, our secretary of education, was speaking in California recently. He said, the 10 percent best teachers in California are unbelievable, they should be paid much more money, we should celebrate them and do

everything for them, and the bottom 10 percent just aren't cut out to be teachers and need to find another profession.

No amount of professional development is going to save your bottom 10 percent here. He said, the problem is we have no idea which is which. That's a little crazy, wouldn't you say?

So, finally, after you measure the results, you've got to hold people accountable, and so -- you know, reward success, punish failure, help -- try and help people who are struggling for sure. And this is actually what --

Randy Weingarten, head of the AFT, just two days ago gave a speech. In fact -- finally, the -- you know, saying that -- you know, I -- I agree, and I -- and it --

So even the unions are now coming to the point, after decades of objecting to, you know, any teachers being removed for any reason, are now coming around and embracing this as well.

You'll notice, by the way, the four steps for fixing any broken system, nowhere on there does it say spend a lot more money.

Now, that presents an interesting twist,

which is, we've had decades of experience in numerous places where a judge, for example, in Kansas City mandated billions of dollars of extra spending, and student achievement didn't budge at all. You still had lousy teachers and failing children in very nice school buildings as opposed to lousy school buildings because student achievement didn't budge. So pouring more money into a broken system doesn't do anything.

However, if reform is underway -- it helps Joel Klein a lot in New York City to have gotten a lot more money over the past eight years. In other words, money can grease the wheels of reform, can drive -- can be an important part of driving reform, not -- not a necessary part, but it -- but it can help a lot.

But the main message is more money poured into the existing system in the absence of reform doesn't -- it's been proven again and again not to drive any change in student performance and can actually -- can actually do harm in trenching the status quo, in fact. There's now a bigger pie to fight over and defend.

So what do -- so what do KIPP and other high-performing schools do that are really changing life outcomes for kids that we're generally getting them in fifth grade, two years below grade level, sending 80 percent of them to four-year colleges after we've had them for four years, from grades five through eight?

We do steps one through four of the previous slide, basically. We recruit and train great school leaders and then we empower them.

Number two, the school leaders then recruit superstar teachers and focus their whole effort on recruiting, training, motivating, and retaining them.

Then we give our students about 70 percent more time in the classroom. And you cannot catch kids up who are this far behind at age ten without a heck of a lot of extra work. It's just nothing but hard work and good teaching.

And then the last piece of it is -- is really important, the sort of character and culture piece. We are taking children who don't know anybody who's a college graduate. It is not in their DNA in the same way it's in my children's DNA, who -- they don't know anyone

who isn't a college graduate, right?

So the -- we -- it's -- it's sort of jokingly called KIPPnotizing these kids, to make them believe the truth, which is, if you work hard, if you be nice, there are no shortcuts, we're climbing the mountain to college, et cetera --

Studies have shown that if you take -- particularly there are certain characteristics, like grit and determination and your ability to overcome life obstacles that -- if you measure a kid's IQ, then you measure their grit and determination, and then you look at them five or ten years later, the ones -- it is twice as predictive of success, the grit and determination piece, as IQ.

So the high-performing schools spend a lot of time focusing on this character and culture piece, as much time as academics, because we find it's -- it's critical to our students' life success.

Let's talk about Jacksonville, if -- we'll shift to your local context and some of the data locally, if -- and please feel free to interrupt me at any point, by the way.

So let's talk about the best data we've been able to get us on high school graduation rates, but my understanding is -- is that the data I'm going to show you on high school graduation rates is reflective of other data you could look at, you know, third grade reading scores, and -- and so forth, but --

As I've shown you earlier, high school graduation -- you know, getting kids to at least get a high school diploma is -- is just sort of the bear minimum requirement, so --

So let's look at what you're spending. With capital spending, about $9,000 per child in this area. Over a 13-year K through 12, that would be 117,000 bucks a kid. You've got 123,000 kids. So for each cohort of students you're spending a billion-one to give them their 13 years, K through 12. And at the very least, you want as many of those students as possible, after spending a billion-one, to at least get a high school diploma, right?

So we looked at the 40 largest school districts here in Florida, and you -- this one is the sixth largest, about 123,000 students, and so the following slides are going to compare

Duval to the other 40 of the largest districts.

You can see that your high school graduation rate is 64-and-a-half percent. It's dead last among the 40. And what does that mean? That means of your billion-one, 35 percent, more than a third of your students don't even get a high school diploma, so that's about a third of your billion-one is -- it's not quite wasted, but you're certainly not getting much for that. So that's $400 million that is -- you're not getting much bang for that buck. That's big money.

So let's take -- maybe you can look at -- and you can say, well, maybe our demographics of students are different, maybe we're -- you know, maybe it's not fair to compare us to the other 39 largest counties. So let's break it down by ethnicity and also by income, and the story is consistent:

Among African-Americans, the high school graduation rate, you're 39th out of 40. Among whites, you're 40th out of 40. Among Hispanics, you're 39th out of 40. Among economically disadvantaged students, 40th and way behind even the 39th, six percentage points behind number

39. Among noneconomically disadvantaged, tied for 38th. I think that's the best score among all of these. Students with learning disabilities, 39th out of 40.

So let's summarize, across -- in terms of the rankings, dead last or almost dead last in every category. I've almost -- I've rarely seen such consistently poor performance in any city or district I've looked at, and particularly the gap between your economically disadvantaged and noneconomically disadvantaged of 24 points is -- is really quite shocking.

So what about progress in recent years? Well, Duval County has -- from 2005 to 2009, has shown a 2.2 percent increase in the high school graduation rate.

So how does that compare across the state of Florida? It's one-third the progress made statewide, trailing all of the other major large districts. So it -- not only -- not only basically last, but growing -- you'd think at least from a low base, you could show some high growth, but that's not, in fact, happening.

So let me tell you a little bit about New York and our experience, what our system

looked like and what -- our experiences when we instituted mayoral accountability.

New York City educates -- two percent of all U.S. school children are in New York City. It is enormously large, almost twice as large as LA. LA's got about 700,000 kids.

In 2002, when Mayor Bloomberg was elected and mayoral accountability was instituted, it was about -- the school system was a basket case, low graduation rates, hundreds and hundreds of terrible schools, wide achievement gaps, no competence in the system, and --

So this was our high school graduation rate leading up to that point (indicating). It didn't matter what the economy was doing or whatever, it was -- it was just poor and flat for, you know, at least a decade. Half of our schools were in the bottom 20 percent statewide and wide achievement gaps between New York City and the rest of the state as well as within New York City, the racial achievement gaps within the city, very widespread lack of confidence. Eighty-six percent of business leaders said they lacked confidence in city schools. Flight of middle-class families,

either out to the suburbs, leaving the city entirely, or just pulling their kids out of the schools and opting for private solutions. So wide consensus, the system was broken, characterized by political infighting, finger pointing, confusion, woeful student achievement.

So in 2002, the New York legislature voted to make the mayor of New York City accountable. And there are a lot of different models for what mayor accountability looks like. In this case, sorry for the -- it's hard to read here for the -- sort of the graphical typo.

But the mayor was given the ability to appoint the chancellor, who is sort of a -- made the CEO of the system, and was given the ability to appoint eight of thirteen members to the school board, basically.

So Joel Klein was appointed chancellor and is still the chancellor today. So one of the things it did is -- the mayor stuck with him, and so you've had consistency of leadership, which was very important. You know, prior to Klein and mayoral accountability, it was sort of a revolving door.

The average big-city superintendent I think has a tenure of something like a year and a half or two years. It's -- which, obviously, makes any kind of reform virtually impossible.

So there's sort of a myth out there that, you know, somehow the changes in New York were done on the backs of teachers or this was bad for teachers. In fact, teacher pay is up 45 percent in eight years, so -- class sizes have been reduced.

So there was simult- -- there was some more money that came in, thanks to a lawsuit that happened in a number of areas, so -- and a lot of that money went to teachers, so teachers have really benefited.

So it's -- it's hard for me to summarize briefly for you all the things that Chancellor Klein and Mayor Bloomberg have been -- the changes they've driven in the system because it really is 100 different things, but the general --

Here are some of the key strategic initiatives: creating -- having data systems, and then creating accountability around those data systems, stronger standards, consistent

curriculum and instruction, dealing with school security issues, having more qualified teachers.

They cut the central bureaucracy, cut $350 million annually out of the central bureaucracy. In typical big-city school systems, the bureaucracy then controls and dictates to the schools. They actually turned that upside down. And now every principal of every school in New York can choose -- they broke the bureaucracy into four different entities, and now the principals can choose which -- obviously, schools need certain support services, but now the principals are in charge.

So they cut the bureaucracy, pushed the money down to the principals, gave the principals more responsibility but also more accountability. Principals can -- if their schools are not delivering results, if it's a chronically-failing school, that principal is going to lose his job, or her job, but --

So there were additional resources pushed down to the school level. Every school in New York City is now a school of choice. There is no such thing as you just automatically go to

a school. Every parent must choose to -- they have to pick a school. And, obviously, they have a local school that's sort of the default option, but they have to choose. So there's then more options created.

Joel Klein has been a real champion of high-quality charter schools. We have probably the highest concentration of high-caliber, super high-performing charter schools in the country in New York City, including KIPP, and we have six -- six KIPP schools in New York, but -- Uncommon schools, Achievement -- Achievement First, Harlem Success, et cetera, so -- we've created many charter school options as well. There's better information available for families.

Every school in New York City now gets a letter grade -- A, B, C, D, or F -- every year based partly on where the students are, but most importantly on student growth. So the schools that have the better-off kids that were, you know, the -- the kids coming in, 80 percent of them are at grade level. They don't get rewarded with an A just because they happen to have, you know, kids already coming in at a high

level, but it's -- a big chunk of the grade is based on, okay, wherever you took the kids, that's -- coming in, what was the growth?

Here's a quote from Christine Quinn, the City Council speaker saying, "There's real accountability for the first time. Having a single elected official in charge of all 1,400 schools gives the public a clear point of responsibility. Every mayor is now forced to be an education mayor."

So over the past seven years or so, since this was instituted, the number of schools in the bottom 20 percent statewide has fallen by a third. The number of schools in the top 20 percent has doubled. The achievement gaps, with the rest of the state, have declined dramatically. The ethnic achievement gaps within New York City have narrowed as well.

It's great to see both white and black and Hispanic students all increase. White students are doing better as well, but the achievement -- lower-performing minority students are gaining faster, so --

And the progress has really been across the board. New York has five boroughs, a lot of

different neighborhoods, some very -- it has the wealthiest census tract in the country and certainly some of the poorest.

Across the board there are benefits, and I -- the greatest benefits have been in the most -- in the poorest neighborhoods and the most struggling schools.

So here's our graduation rates since then (indicating). You can see it, you know, started to take off like a rocket as soon as we had mayoral accountability instituted. It's up more than 10 percentage points, so . . .

Reports on this said, "When the mayor is willing to be held responsible for all aspects of the school system's performance, it becomes possible to exercise the bold leadership required to overcome the inertia and resistance to change that has so handicapped progress in the past."

So let's talk about -- that was New York City. Let's talk about what's happening -- a number of other cities have gone to a system of mayoral accountability. And there's a study -- I believe you were provided with a hard copy of the study -- not the entire book, but at least

this paper and summary and article, but let me summarize it for you. It's a study of 104 big-city school systems in 40 states, some with mayoral accountability, some without. So there was a -- sort of a control group as well.

And I won't read all of this to you, but basically it was -- one of the reasons these systems are resistant to change -- the very fragmented power structure and a lot of finger pointing and -- so no one's really accountable, so the mayoral accountability in certain cities created that -- centralized the control and created the conditions by which a strong mayor could drive change.

And so -- so you can read this at your leisure, but in terms of statistical gains, the cities that had a strong form of mayoral accountability showed consistently stronger gains in student achievement relative to other large school systems that did not have mayoral accountability. And it wasn't just the big gains are not at the already high-performing schools, but, in fact, precisely the reverse. So they're not necessarily spending more, but they're spending smarter, and more of the

resources are going into the classroom for instructional services. There's -- when you have, you know, one person in charge, you have a greater ability to sort of tackle the bureaucracy, which is -- invariably, there's lots of room to cut some costs there and push -- push more of the money down into the schools and into the classrooms.

It's also demonstrated where you have mayoral accountability, there's -- there's just better ability to get things done in terms of inviting a Teach for America or a KIPP or some other -- you know, some organizations that can help drive change, so --

There's a lot of variety, though. Every city has done this a little bit differently, and that's one of the things you-all, I'm sure, will want to think about.

This chart here (indicating) is from, I think, the handout that you have showing a lot of different models. You know, for example, in Hartford there are nine school board members, five of them the mayor appoints, including the chair, but four remain elected. So there can be sort of a hybrid model here as well, but -- you

might want to consider. Every city has done things a little bit differently in this, so there's no one right answer here.

So it's important to understand, mayoral accountability is not a silver bullet. The schools -- having mayoral accountability, if you have the wrong mayor who doesn't use the power of the office and so forth, you know, may not change anything at all, but it's -- so it doesn't guarantee success, but it's really a prerequisite.

It is so hard to change these systems, just partly because of inertia, partly because of the entrenched interests. But in order to change them, somebody's got to have power and control to try and drive that, and the experience is -- is that school boards generally don't do that very well. You have a chance, anyway, if you have a mayor who's willing to drive this. So the structure isn't a solution, but it's an enabler. It creates at least the possibility that you could drive real change.

So here's some quotes from Arne Duncan, a Democrat I should point out, you know, talking -- who ran Chicago's public schools with

mayoral accountability and is now secretary of education and is a huge proponent and -- you know, there's been a level of innovation, a level of creativity you very, very rarely see without mayoral control. That creativity, that innovation, that flexibility, you need the courage and the vision to be able to do that and strong mayoral leadership.

Part of the reason urban education has struggled historically is you haven't had that leadership from the top. Where you've seen real progress, the sense of innovation, guess what the common denominator is? Mayoral control and mayoral accountability.

So let's just -- let me briefly conclude with what some of the talking points are for folks who are -- have concerns or not supporting mayoral accountability.

It's pretty consistent talking points. My understanding here mirrors what we hear all over the country, so let me -- I've got a couple of slides just on each of these.

The school boards are -- there's already accountability and would you lose the accountability to the voters?

Well, the problem is -- is when you have sort of spread-out accountability, everyone can finger point and blame somebody else. And voters, it turns out, in general, are very poorly informed about who the school board candidates are and what the issues are and so forth, so -- and I'd ask you the question -- and I certainly know the answer in other cities. It's given me history of educational quality in your city and elsewhere. How many school board members get voted out of office as a result of that? And the answer is generally none.

So how about sort of disenfranchising voters somehow if they lose the ability to elect the school board or a majority of the school board? And it's just -- they don't lose the ability. It's simply they -- it now comes down to who they vote for for mayor, and this is -- it is -- you know, Mayor Bloomberg has been running on this issue.

Mayors get -- mayors who have control of the schools and have failed to deliver can get voted out of office. So in some ways I believe it returns power to voters because it allows them to hold one elected official responsible

for the schools, whereas with the school boards, the -- there's very little accountability because voters don't have -- tend to have very little knowledge. It's -- it looks like democracy, but, in fact, it's sort of a semi-democracy, a breakdown in the democratic process where special interests can often dominate the school board elections and -- so many of these elections are uncontested.

What if a bad mayor is elected? Well, that would be bad certainly if -- if you have a bad mayor on education reform and you had mayoral accountability, but that's why mayors can be voted out of office. And the mayor is the city's most visible public figure and can be replaced.

So -- well, if only we had better city government, you know, there would be better schools. You can't blame the schools, you can't blame the school board. And this is sort of more finger pointing and evidence of lack of accountability, avoidance of accountability.

There was no -- there's no correlation in New York or anywhere else I've seen just generally between the school quality and overall

economic conditions. New York City spends ungodly amounts of money, total and per capita, on various human and social services. That doesn't affect -- changes in that don't affect student outcomes. So a broken school system is not going to be cured by incremental municipal spending or services.

The point about education is too important to fall to the mayor. I would argue that education is too important not to have accountability.

So let me just summarize here from the beginning.

The returns on education is critically important for the success of an individual, for the success of a city, a region, and it becomes increasingly important over time in this world. The consequences for a lack of education are increasingly dire.

Jacksonville -- the data on Jacksonville shows that -- very, very poor scores and high school graduation rates on almost any measure, very wide achievement gaps. So, you know, this is, to some extent -- sort of shifting the system of governance is a change,

and there's no guarantee it will work.

And if you had a great school system here that was doing real well, why tinker with success? But all the data I'm seeing shows that is not the case here and there is a tremendous need for reform here.

So the real question for you is, well, what system is more likely to lead to reform? Well, you've tried one system. It isn't working very well. So I think there's a pretty strong argument, both based on your current situation here and the evidence from New York and other cities, that creating a system of mayoral accountability is much more likely to lead to the kind of reforms that this city needs, that the children -- particularly the most disadvantaged, vulnerable city in this -- children in this city demand.

So these are some of the questions -- you know, obviously ask yourself, what is best for the kids? What kind of system is most likely to result in change that the children need? And I think the answer is pretty clear, that some form of mayoral accountability is most likely to lead to those kind of changes.

So that's a hundred slides in -- goodness, I don't know how many minutes, but I'm happy to take questions as long as -- as long as you have them.

THE CHAIRMAN: That was 55 minutes. Very well done. Thank you very much. Very cogent, very concise.

And the first question will be from Vice Chair O'Brien.

MS. O'BRIEN: Thank you so much for joining us. In fact, our weather has warmed up for you, so I'm glad to present a sunny Florida day.

I have three questions in part. First and foremost, Chancellor Klein, does he have, in your view, any more power than a traditional superintendent has?

Question number two, how did he work -- I would assume the New York school system had a very strong union, teachers union and such.

MR. TILSON: Still does.

MS. O'BRIEN: How did he work with them?

And I forgot the other one.

MR. TILSON: Okay. Well, when you think of it -- I'll address the first two.

The first -- first one was, how is

Chancellor Klein's power, as a superintendent, different from -- just other cities with mayoral accountability or just general -- because not that many cities have mayoral accountability, so --

MS. O'BRIEN: In particular, I'm interested in how it would compare to Duval County where we have a superintendent who is hired by the board -- the school board.

MR. TILSON: Yeah. Well, generally, in most cities where the school board sort of has the ultimate say, the chancellor who -- or superintendent who wants to make any of these changes, it has to be approved by the school board, and in -- the school boards -- those elections tend to result in very status quo folks. Generally, the union-backed candidates are the majority, if not the -- not the entire members of the school board.

So when it comes to challenging things that just need to be challenged, like the -- I mean, I could -- I wish I had the -- we had time to show you the slides about, you know, how teacher talent is distributed.

There's -- there are two general problems.

I mean, everything -- the evidence is overwhelming that teacher quality trumps all else. If you take the most privileged kids and give them a bottom quartile teacher and then you take the most disadvantaged kids, give them a top quartile teacher, the disadvantaged kids, because they have a better teacher, are going to show dramatically more gains, but the dirty little secret of our American educational system is -- on any measure of teacher quality, the most privileged, wealthiest, generally whitest kids, a third of kids get the best third of teachers in terms of teacher quality and the middle third get the middle, and the bottom third get the bottom third.

And so if you're going to try and address the achievement -- so the -- so there's an overall problem of -- the overall teacher quality has been declining, but then there's -- just the way the system works, there's just a pernicious way in which the rookie teachers, the least experienced teachers who went to noncompetitive colleges -- you know, by any metric, low-income minority kids get those teachers, right?

So you need to have -- so the teachers union -- I don't think anyone actually sits there. I don't think there's anybody, anyone, teacher, or any politician, or -- or school leader who says, "You know what? Let's take the kids that are starting school with two strikes against them and let's make sure to give them all the worst teachers," right? I don't think anybody actually sits there and says that. It's just the way the system works, and it works in two ways:

Way number one it works is -- is that everything is driven by seniority. So what happens if you've got a lot of schools -- every year you've got teacher turnover, you've got the highest turnover generally in the schools that have the highest percentage of low-income minority kids, so your last teachers hired every year get put disproportionately into those schools. Some sink, some swim, but the ones who stick around actually turn out to be pretty decent. What do they do after two, three, four years? Well, now they've got a little seniority and the first thing they do is use that seniority to go to the, quote, better schools,

right?

So every year this process continues where the last teachers hired -- the low-income minority kids get the last teachers -- rookie -- you know, rookie teachers every year, and --

So no one's sitting there saying, I want this outcome, but it's just the way the system works.

Answer number two is that -- you know, Joel Klein has got 80,000 teachers in New York City. At least 10 percent are failing to impart any knowledge to children, and so he's got -- but he can't get rid of any of them. Okay? Because the -- the very strong union in New York -- I don't know if any of you read that rubber room article in the New Yorker a couple of months ago, just -- it is -- it is unbelievable, the process of trying to remove even the most -- I mean, short of a major felony. Once a teacher stays around for two years, automatically gets tenure, cannot be removed for any reason ever, short of a major felony, but -- I'm not overstating it.

So he's got to put those 10,0000 teachers who just shouldn't be teaching, he's got to put

them somewhere. Well, where's he going to put them? He can't put them in my neighborhood, on the Upper East Side, because parents in my neighborhood will figure it out pretty quick, and more importantly, they've got power -- I mean, the New York Times -- there will be a riot. The New York Times will come do a cover story and all that.

So where does he put the teachers who aren't getting the job done? Because he's got to put them somewhere. He can't get rid of them. Well, he sticks them in the South Bronx and Central Brooklyn.

So now imagine -- this is not just New York. This is every city in the country. I can show you the Dallas numbers, the Chicago numbers, et cetera.

So you have a -- you have a school chancellor who sort of needs to -- who wants to take that on and you have a school board that's basically elected by the union with union backing, it's just not going to happen.

So what happened in New York is -- at least now you -- basically, Joel Klein is at war with the union, has been at war with them for eight

years because the union there didn't want to -- you know, didn't want to go along with reforms he was proposing.

And the union is very powerful and it's not like Joel Klein can go in and dictate things. I mean, it's a brutal negotiation and the union is very powerful there, but -- but at least it's sort of a fair fight. And where you've got a chancellor who is sort of hamstrung with the school board, it's not a fair fight, and the chancellor -- any chancellor -- I mean, Alan Bersin in San Diego, you name it, just look at the history of chancellors who have tried to be bold and really change the status quo where there was no mayoral accountability and they were subject to being fired by the school board, they all got fired by the school board, you know, less than two years later. So you just have this revolving door.

So that was question one. Question two?

MS. O'BRIEN: You answered it, how he dealt with the unions, the -- the eight-year fight with them --

MR. TILSON: And, by the way, not --

(Simultaneous speaking.)

MS. O'BRIEN: -- (inaudible) --

MR. TILSON: It doesn't have to be a war, by the way. Joel Klein is -- has been pretty aggressive and pretty provocative.

Arne Duncan had a -- you know, was not at war with the union and sort of -- he's less of a bomb thrower by nature. I think that's part of the reason he's secretary of education and not Joel Klein, who was considered for that job.

There are -- I'm actually increasingly -- I mean, you-all have probably read about Joel Klein and Michelle Rhee in D.C., where it's literally an all-out war, but there are some real reformers that -- driving real change. I mean, a little bit more conciliatory way with a little bit different style, and that -- I'm increasingly open to the way -- maybe that's a better way to ultimately get things done.

MS. O'BRIEN: And lastly, just yes or no, your charter school system in the city, is it a unionized teacher program or not?

MR. TILSON: No, it is not.

There are -- the union itself opened two of their own schools. They've invited a charter school operator out of California called

Green Dot that's opening up a -- it's a union -- it's unionized. They started unionizing out in LA. They were founded by a union organizer named Steve Barr.

But it's a thin contract. It's not the 700-page contract that basically is a straight jacket trying to run any kind of sensible school. It's a thin contract that he can live with, and Green Dot actually runs pretty good schools.

But the vast majority of charter schools, both in New York City and nationwide, are not unionized. And in part it's because to run a really effective school, it's -- it is not quite completely incompatible, but it's pretty darn tough within the constraints of any typical big-city union school contract.

THE CHAIRMAN: Commissioner Oliveras.

MR. OLIVERAS: Thank you, Mr. Chairman.

Mr. Tilson, thank you for being here. Fantastic presentation, lots and lots for us to digest.

A few questions for you. One, first of all, about KIPP. You said the kids come in on a lottery system, but is there a testing

protocol? Are they -- you know, is it a fifth grader at a fifth grade education level?

I'm looking to see how that actually -- how they fit in, how they're plugged in.

MR. TILSON: Well, the answer is 40 states have charter laws. We operate -- KIPP operates 82 schools in 19 states. This will be the 20th state, I guess, and the District of Columbia. So the answer is a little different, depending on which state we're in, but KIPP, in particular, we deliberately choose to locate our schools in the highest need areas.

So any city where there's a KIPP, go to the lowest income, highest crime neighborhood, that's where you'll find our school because that's our mission, to serve the students who need us the most.

By law, in almost every state -- I'm trying to think of any exception -- we cannot be selective in any way. All you have to do -- all a parent -- a parent has to choose, but in New York City now every parent has to choose every school, but that's not true in most places.

But the application process is literally

just put your kid's name down. That's it. And then there's generally a lottery. And so the second part is -- is -- so there's no application criteria. They don't have to submit any test scores, grades, or anything. In fact, most of the kids coming in, we can't get their test scores and grades, so we do our own testing as soon as they start so we know where they're at.

I just saw the numbers for the incoming fifth graders in KIPP Newark, for example. Thirty-one percent were on grade level. You know, 10 percent or so, you know, were at first grade level. The average of the other students who weren't on grade level, it's about two years below grade level, so --

So does that answer your question?

MR. OLIVERAS: Yes. Thank you.

I read -- last night I was reading Mr. Wong's report, his paper. Interesting that -- conclusions, but I didn't see anything on the specifics with the mayoral involvement. How does that specifically -- how do we make a difference there? Is it about personality or are there specifics? I mean, are there specific

ideas? Are there specific things that are done differently when the mayor is involved than other models? Because I didn't quite see that in the paper.

MR. TILSON: Yeah. Well, the answer is -- I mean, mayoral accountability looks different in every city, and let me just shoot back to the sort of list of things, like -- you know, what actually happens -- I think -- if I understand your question, is like what -- you know, what -- once you have mayoral accountability, what specifically does the mayor do to actually start changing the system; is that your question?

MR. OLIVERAS: Yes.

MR. TILSON: Well, obviously, the -- the most important thing is the mayor isn't the one actually doing this. The mayor brings in a chancellor or a superintendent who then -- I'm just pulling up this slide, slide 42, on the left-hand side.

You know, what is the -- what does the sort of game plan look like? You know, there are -- let me just highlight a few of these: sort of creating choice among public schools so you have -- even if you're not talking about

vouchers, even if you don't have very many charter schools, creating choice among schools so that there's some marketplace of chronically failing school students, there's some exit visa for them, setting high standards.

You know, one of the unfortunate consequences of No Child Left Behind -- and there is -- which is a civil -- a piece of Civil Rights legislation, was probably one of the most powerful things shining a light on the way our school systems systematically screw low-income minority kids. It's -- got many problems with that law, but it absolutely shined a light on that because it required schools to report their numbers, broken down, by income and ethnicity.

But one of the problems was -- is it lets states set their own bars, and so you have absurdities, you know, where 40 states engaged in a race to the bottom in terms of what they defined as proficient.

And so the absurdities -- I forget -- it's Mississippi or Alabama or something says that 80 percent of their fourth graders are at grade level. And then the NAEP test, the

nationally-recognized, you know, credible test comes in and says, oh, it's not 80 percent, it's 20 percent, you know, because -- because if you set the bar low enough, of course, even the kids who can't read will -- will show that.

Some states, to their credit, like Massachusetts about 15 years ago, set their standards very high, internationally benchmark high standards, and started to measure the schools. The schools are -- there's reporting, et cetera. And Massachusetts is the highest performing state across the board now. They would be ranked number five internationally, whereas the United States as a whole is ranked number 25 on -- for example, the math and science tests.

You know, I've talked about hiring and training better principals and empowering them, measuring student achievement and teacher effectiveness in part by putting in data systems that you can track. It -- most data systems that have been around for a while will take a snapshot, but the value of the school shouldn't be whether you happen to be in a poor neighborhood or in a higher income

neighborhood. Obviously, the higher income neighborhood schools are going to have kids with higher test scores.

The key is -- is you've got to be able to measure growth, and that's a hard thing to do, but there are now data systems that can do it. So you've got to -- you have to put in the data systems that allow you to create some sort of accountability.

One of the most obvious things in -- you need to do is -- and there's a whole -- there are three different areas of debate over teacher pay, and the one that gets a lot of debate is -- is you want to pay your better teachers more, the ones who are really driving student achievement. That's really hard to measure, though.

But there are two other areas that are sort of no-brainers. You need to pay teachers in teacher shortage areas, like math and science, more money. Why? Because they can -- people with math and science degrees get paid more money in the private sector. So if you want to attract talented people to teach math and science to your kids, you got to pay them more

money because that's what the marketplace is.

Now, in most big cities it's sort of lockstep pay.

And, lastly, Joel Klein once told me, if I have a science teacher opening in the South Bronx and a science teacher opening on the Upper East Side and I have 12 qualified candidates on the Upper East Side and I don't have a single qualified candidate for my opening in the South Bronx, then -- it's the exact same pay level, but the South Bronx is a much tougher place to teach and tougher kids to educate and, you know, it's -- it's not as nice a place to go to work, right?

So you've got to -- you know, they're -- he's pointing out that, you know, at the same pay level I've got 12 people that want that job here and nobody wants that job over here. I need to be able to pay an extra amount of money to get talented people to come up and teach in my schools in the South Bronx, so -- so introducing some differential pay is -- is one of the those 101 percent solutions.

Eliminating social promotion. I just don't understand how you can get fourth graders who

can't read. How does that happen? How does somebody -- how does a kid get out of first grade unable to read?

And so, you know, what -- in most systems, what "social promotion" simply means is it doesn't matter if you can't read, we're going to promote you to the next grade. And Joel Klein, one of the first things he did is he put a stop to that. He said we're going to test kids at third grade. Kids who can't read, who are below basic, they will not start fourth grade. And it creates a level of accountability in the schools because now the schools can't pass along the problem. They're stuck with the problem. If they fail to educate a child, that child is coming back the next year.

And in the first year they implemented it, 15 percent of kids didn't go to the next grade. It created -- all hell broke loose. Parents were pissed because for the first time the parents figured out that their kids couldn't read because the school kept telling them, "Oh, your kid's doing fine. He's getting good grades. You know, we're going to promote him to the next year."

It's shocking to us at KIPP. We get kids coming in at the first or second grade level and -- and the parents don't even know because the schools have been telling them, "Your kid is doing fine."

So ending social promotion and telling -- having the message go out to the schools that -- that if the kid is not demonstrating at least basic proficiency at grade level, starting with reading, your -- that kid is coming back next year.

So within two years, the percentage of kids that were the very bottom 10 percent that weren't getting promoted, you know, went from 15 percent of the kids to 2 percent of the kids because the schools all of a sudden realized, okay, well, we got a problem here. What are we going to do? So they started focusing more attention on the kids who were really struggling readers and brought -- and brought those kids up.

So I could go on for a -- for a long time -- let me just mention one other thing.

Geoff Canada of Harlem Children's Zone, who's a wonderful educator, he said, I know of

no organization in the world that is failing as badly as our schools where everybody goes home at 3:00 in the afternoon.

So one of the critical things that we do at KIPP and what they -- for example, in Massachusetts they've implemented this now in a few dozen schools, where -- the teachers have to vote for it. It's optional under the program in Massachusetts, but they extend the school day by a couple of hours, and the results at those regular public schools where the teachers have -- have voted -- they get paid some extra money, but they now have two more hours for -- to -- for enrichment in -- in particularly reading for the younger kids and so forth. So extending the school day and school year, particularly for struggling schools and struggling kids, there's no substitute for more time on task.

Other questions?

MR. OLIVERAS: One last question.

MR. TILSON: Sure.

MR. OLIVERAS: And don't feel bad if you don't have the answer.

On the -- the graduation rankings with

Brevard County being 30 points higher than Duval County, do you know of -- any of the specifics? What are they doing better down there? What are they doing differently down there? What can we take from them and apply here?

MR. TILSON: I don't know. I have not studied Florida enough to know, but I'm sure I can put you in touch with some people who have, some of the people who helped me prepare these -- you know, prepare some of this Florida data.

MR. OLIVERAS: Okay. If you will, please, if you can.

Thank you.

THE CHAIRMAN: In fact -- thank you, Commissioner Oliveras, for asking that question.

Mr. Tilson, could I ask you to go back through those slides again? Because you went through them --

MR. TILSON: All one hundred?

THE CHAIRMAN: No, no, no, sorry.

The graduation -- the Duval graduation breakdown by ethnicity and --

MR. TILSON: Sure.

You do -- do you have the hard copy of

these slides as well?

THE CHAIRMAN: We do.

MR. TILSON: Okay.

THE CHAIRMAN: Slide 53.

MR. TILSON: So here's your overall (indicating). So here's African-American at 57.8.

THE CHAIRMAN: Mr. Tilson, can I ask you to pause for a second?

MR. TILSON: Yes.

THE CHAIRMAN: Can the people in the audience see the whole slide?

AUDIENCE MEMBER: Yes.

THE CHAIRMAN: Because the bottom of my slide is cut off.

Okay. Thank you. I just wanted to make sure you could see it.

Go ahead.

MR. TILSON: It's a good question, how is Brevard up in 91 percent? I want to know. So when I find out, I'll let you know as well.

MR. OLIVERAS: Thank you.

MR. TILSON: Here's the white students, about 70 percent.

There's a summary slide, by the way. You

can -- this sort of captures the summary of -- broken out of each of your subgroups as well.

About a 12, 13 point gap in -- ethnically.

THE CHAIRMAN: Also, do the differential between other -- and improvement over the last five years.

MR. TILSON: Yes.

So up from 62.3 to 64.5 here (indicating), and here are the gains in the other districts, big districts and statewide.

THE CHAIRMAN: And if I could ask you also to show that slide where you broke down the math on -- the $395 million.

MR. TILSON: Sure.

Let me start with the -- the 1.1 billion of spending per cohort over 13 years. So it's -- 9,000 bucks a kid times 13 years is $117,000 is the amount you-all are spending for one child, K through 12, at today's -- today's run rate, so $9,000 per child.

And then you have 9,500 students in each grade approximately, so that's 1.1 billion of annual investment for each cohort or vintage of student. And then you just multiply that 1.1 billion by your graduation rate or the

inverse of the graduation rate being 35.5 percent nongraduation rate. So 1.1 billion times the 35.5 percent is $395 million of that 1.1 billion spent that did not result in a high school diploma at your current rate.

THE CHAIRMAN: And that's 395 million over K through 12, but presumably that number occurs every year?

MR. TILSON: Yeah. It's for each -- yeah, it would be for each -- every year for each cohort of children.

THE CHAIRMAN: Okay. Thank you very much.

Commissioner Miller.

MS. MILLER: Through the Chair, thank you so much for being here. We really appreciate it.

MR. TILSON: You're welcome.

MS. MILLER: I think what this commission has been asking for for sometime is someone to come forward and tell us objectively about ourselves, maybe some things we already knew. So I appreciate your -- your candor.

I have three types of questions. The first has to do with graduation rates, the second has to do with the superintendent appointment, and

the third has to do with governance structures, specifically about New York, but -- what works and what doesn't, so if you'll bear with me.

The first regarding graduation rates, have you done any analysis of Duval -- first, do you know where Florida ranks in its public K through 12 system in the United States?

MR. TILSON: Well, let's go to the summary slide where we can see Florida overall.

Tom, do you remember what the Florida overall -- is it --

AUDIENCE MEMBER: Seventy-six percent last year.

MR. TILSON: So 76 percent, which is exactly the national average on that one slide I showed relative to OECD countries where -- the OECD average is 82 percent. The U.S. is 76 percent. So Florida's would be exactly in the middle.

MS. MILLER: In the middle, between the OECD countries --

MR. TILSON: No, no. Middle for the United States. In other words, Florida's high school graduation rate is 76 percent. It is basically exactly the same as the U.S. national

high school graduation rate of 76 percent.

MS. MILLER: Okay. And so do you have any sense of where, then, Duval County would lie when we compare ourselves against -- not Florida but the United States?

MR. TILSON: Where would 64.5 percent rank relative to all states? That's a good question. I could get an answer probably with a quick Google search, but that's 11-and-a-half points under the national average. It would have to be -- it would surprise me if that wasn't the very bottom.

MS. MILLER: At the very bottom of Duval County compared to --

MR. TILSON: Duval County would be -- if it were a state, would be among the lowest, if not the very lowest. I think Washington D.C. would probably be lower than that, which is sort of -- in the national data, that's sort of added in this line 51.

MS. MILLER: You mentioned earlier the importance of graduation rate as an indicator of the community, economic development, jobs, crime rate. Would you go over some of those statistics? What does this mean for our

community?

MR. TILSON: Well, it's -- I mean, I can shoot back to some of the data on the importance of education, so let me see if I can come back to a couple of slides on here.

But basically it -- it matters a lot for the individuals in that the higher education gives them -- you need -- I mean, a high school diploma just -- just gets you to the starting line of having a chance at living the American dream, a nice middle-class existence in this country.

I would argue it's increasingly -- you need a four-year college degree, but you can't even start to think about that until you've got your high school degree.

So in terms of income, it matters a lot. In terms of both an individual's chance of getting a job as well as your region's chance of attracting jobs are absolutely dependent on the education level of your workforce. And that is, you know, putting on my businessman's hat again and so forth.

You know, what are companies looking for? Obviously, cost is important and, you know, ease

of permitting and finding suitable space and so forth, but increasingly the stuff that has not gone offshore has not gone offshore because it has an education-related component.

You need employees who can really think, and so -- so it's critical for long-term prosperity, economic development, job creation and attraction in any particular area to have as high an education level as possible among your population. So from other areas of unemployment, workforce participation, the inverse of that is, obviously, equally true, and --

I was also just reading -- and I haven't yet created a slide on it. I was really quite shocked to be -- the likelihood of just dying. People of lower education levels each year have a much lower average life expectancy and each year their odds of dying are much higher than people with higher average education levels. Quite, quite shocking differences.

And, obviously, there are many correlating factors there. The likelihood of being a smoker, for example, is much higher the lower the education level, but, you know, it's not

just -- it's not just jobs and income. I mean, it's literally people's lives.

MS. MILLER: Thank you.

The second question is regarding the appointment, particularly in New York City, of the superintendent and maybe your experience in looking at other cities with mayoral accountability and -- for education. What is -- how are the superintendents selected and what is the superintendent turnover in those communities as compared with other superintendent --

MR. TILSON: Well, let me ask the -- address the first question.

I mean, in -- the process of selecting a superintendent, whether you've got a school board or mayor accountability, is -- if there's some, you know, search firm that hired and candidates selected and so forth, I can tell you, given that I know -- I mean, Michelle Rhee is a personal friend, Joe Klein is a personal friend, Paul Vallas in New Orleans, the guy who was brought in to fix New Orleans post-Katrina is a friend.

High-caliber, reform-minded people, who have the -- who have the willingness to suffer

brain damage just daily to try and fix these systems, they are so rare, if you really want change to -- and people like that will not come into a situation where there's some crazy school board that -- if they try and bring about change is going to boot them out. They won't even get hired.

So it's not so much the actual process. It's the question of can you attract a real high-caliber person who has the skill set and the willingness to, you know, get in the trenches because this is -- this is bloody, brutal blocking and tackling.

The stories you hear from people -- I mean, I could go on for a long time about -- you know, a good friend of mine is running District 69 in New York, which is the district -- it's the only nongeographic district in New York. It handles the school at Rikers Island, so prisons -- the young people who are in prison, she runs those schools. It's the -- it's the students who have been suspended for bringing a gun to school. They get a one-year suspension. There's a special school for them. The adults who are -- the adult GED program and the illiterate adults,

the special programs for them.

So it was a dumping ground for students and it was a dumping ground for your teachers, a dumping ground for your principals. You know, she went in there and found dead people on the payroll. She showed up at a -- she -- they couldn't tell her how many schools she had, how many students she had, how many principals she had, how many teachers she had, not even basic information.

So she showed up at a school one day unannounced, this -- on her -- that was listed as having 100 students, 15 teachers, and she showed up and there was one teacher with ten students, but everybody else was still getting paid, of course.

So the -- you know, trying to go in and fix, you know, these systems -- and I'm going to presume that that level -- I mean, that's probably the most extreme case I've seen.

So finding people who have the ability and the -- and the stamina to do that, they're only going to come into a situation where --

You know, my friend Cammie Anderson who runs District 79 only took that job -- she knew

what she was getting into. Well, she had some idea. She only took that job because Joel Klein said, I will back you a hundred percent in all the wars you're going to have to fight. And Joel Klein only took his job because Mayor Bloomberg said, I will back you a hundred percent, and he could deliver on that promise because he legally had the power to deliver on that promise.

So, you know, one of the key things to think about here is -- is you're not going to find -- it's not just one change agent. It's not just the superintendent. That superintendent has to hire in all the next level of staff and attract talented people. You need a system that will enable you to attract talented people who can then change the system.

And, by the way, it's not always a -- it's not a question of, you know, necessarily bringing in outsiders. A lot of -- in a lot of these systems there are talented people there, but, you know, you're losing them every year.

It's a system that entrenches mediocrity across the board, from the very lowest level first-year teacher all the way up to the most

senior levels of the bureaucracy. It's a system that rewards and entrenches mediocrity or worse and drives out your bad people -- your good people because they're sick of the brain damage after a couple of years and good people have other options. So the --

Sorry if I'm digressing a little --

MS. MILLER: Thank you very much.

What about turnover, the -- of the --

MR. TILSON: The turnover -- I'm trying to remember off the top of my head.

In sort of big cities, it's -- it's shocking. It's like a -- two years, I think, is the average tenure, and -- and there's a -- there's a perverse effect where sort of the -- the ones who last longer tend to be the ones who aren't driving any change and aren't challenging the status quo, so they last. And your good people, like everyone else -- everywhere else in the system, tend to leave pretty quickly. So turnover is extremely high.

With the mayoral accountability, that -- that changes. The -- you know -- you know, Klein has been there eight years. Ernie Duncan was in Chicago seven years before -- the only

reason he left is he was made secretary of education. Paul Vallas was Ernie Duncan's predecessor. He was there probably five or six years. He's been in New Orleans ever since Katrina. So mayoral accountability helps create -- helps you attract a more talented person and helps you keep that person.

MS. MILLER: Through the Chair, finally, I think you have made -- we have heard -- the talking points that you've mentioned, we have -- we've heard all of those, and then some, against this. And, unfortunately or fortunately, they're -- they're not supported by any kind of data.

And I think you have made the very best argument that I have heard to date, not just regarding mayoral accountability but a communitywide accountability.

Our current school board is -- is elected based on districts, geographic districts. When you have a school board that's appointed by a mayor who is elected communitywide, that changes the complexion of accountability because the community suddenly becomes responsible for the performance of the district as -- as its -- so

it actually empowers voters of the community to be more engaged and more responsible, and -- and that is -- it's a very powerful argument.

I have a question. It sounds like in -- in New York, but I'd like you to describe it. You said there were 13 school board members and eight of the 13 were appointed by the mayor.

MR. TILSON: Correct.

MS. MILLER: How are the other five selected?

MR. TILSON: I believe they -- they are -- they are not elected. You know, it's embarrassing that I don't know this off the top of my head because -- the reason is because the mayor -- those -- that eight is almost -- it's not just a slight majority. It's -- you've got an extra vote in there.

So the other five, I believe, are appointed by other entities, so the state commissioner appoints them, et cetera. So they've gone the route where there's no voting at all -- public voting for the other members, I believe.

There are -- mayoral accountability was just renewed by the state legislature just a few months ago. It was an enormous fight because --

in part, because Joel Klein -- Mayor Bloomberg and Joel Klein went in there and have shaken up one of the biggest, most dysfunctional bureaucracies known to man. It is a $20 billion a year system in New York City, 2 percent of U.S. school kids, a million-one, 80,000 teachers. And taking on that system, think of the politics around that in the New York City context, right?

So there was a lot of push-back in the state legislature, which is the most dysfunctional state legislature in the country, up in Albany. And that's not just my opinion. There have been various studies done comparing every state legislature in the country, and New York's is the worst -- that have a lot of political power that we're trying to strip -- strip it.

One of the complaints was -- is that there was -- under this system of mayoral accountability, there was not enough community support or community input, and -- and, you know, Joel Klein is one of those guys who is -- as he once said to me, he's like, I prefer to ask for forgiveness than permission.

So there are absolutely plenty of things he screwed up, and he changed from one busing system to another in the middle of the winter, and the -- the new busing system didn't work right, and so you had a lot of children freezing on street corners on what, unfortunately, turned out to be the coldest day of the winter. Yeah, you had public relations debacles like that, right?

And so one of the compromises was -- is that there is now -- I forget what it's called, but there's now sort of an elected advisory board that can -- has the power to hold hearings, and it's -- I would say it's a 5 percent diminution of the power that existed prior to the renewal, but -- but, you know, there was enough of a political blow-back that there were a few compromises that had to be made, but the good news is that eight years later there was a strong enough case to be made that, look, this is working. The last thing on earth we want to do is go back to the chaos prior to this and the dysfunction and the finger-pointing, et cetera.

So despite a very hostile political

environment -- I mean, I heard somebody say Joel Klein couldn't be elected dog catcher in Albany, so there's political hostility, but nevertheless they approved it with -- with only very limited tweaks that -- but we were actually -- we reformers were actually quite pleased with it, despite having our hearts in our mouths for a while wondering whether it would even get renewed at all.

MS. MILLER: Regarding selection of the -- the mayoral appointees, are there any criteria, geographic criteria, other criteria for how they're selected or where they're selected from?

I think you mentioned some communities, there's actually a panel that screens them and then nominates and --

MR. TILSON: Yeah. I don't know the nitty-gritty, honestly. I don't know any of them personally.

And, effectively, for better or for worse -- I think mostly for better is -- is they rubber stamp what Mayor Bloomberg and Chancellor Klein would want, and -- so there was -- at one point early in the tenure there was a -- the

vote on social promotion was a very controversial one, to end social promotion and not promote illiterate third graders to fourth grade, because it creates all sorts of chaos when you're holding kids back, and there is actually evidence that taking a third grader and not promoting them with their classmates is humiliating for a child and is -- is emotionally traumatic for a child and so forth, and there are many people who feel like that's just a horrible thing to do to a child.

And my feeling is, is it's more horrible to tell them that they're doing fine in school and promote them and have them be ninth graders who can't read. That's far more immoral, in my opinion, but there -- it was a controversial decision, and somehow Bloomberg -- one of his handpicked appointees held the critical vote and -- and was going to vote against it and Mayor Bloomberg felt so strongly about it that he engineered a midnight coup, you know, kicked out one of the people he appointed and brought in somebody else who would vote the way he wanted on this issue.

And, of course, that drove all the

opponents crazy, but that's what the system needs. And it was the right thing to do, in my opinion anyway, but reasonable people could argue, but -- but, you know, the reality is -- is sometimes you're going to get decisions that you don't agree with, but I'd sort of come back anyway, at least to the systemic reason -- it's -- it reminds me of what Winston Churchill once said about democracy. It's a terrible form of government. It's -- but it's better than any other, right?

You know, we know -- you-all know because you can look at the data and see what you've got here and you can look around the country and -- and you know the dysfunction and craziness and -- and how bad the system is and how much it needs change and how resistant to change the system is, and -- and school boards have, with very rare exceptions, proven unable to tackle that status quo and change it, and mayoral accountability at least gives you that chance.

THE CHAIRMAN: Commissioner Korman.

MS. KORMAN: One of the reoccurring things we've heard from public comment and even some speakers is, if we were to go from having an

elected school board to an appointed school board, the rift it would cause in the community. And I want to see if you could help us address how to overcome that if that's where we go, the other communities you see.

And also from what you know about how we run our school system, what would be your advice to us in terms of where to start if we were to follow a New York path?

MR. TILSON: So question number one is, if -- let me just flip to this just to show you all the models, just sort of, you know, what kind of models there --

I mean, you could do something like Hartford, where you give the mayor a slight majority, a five out of nine or -- or whatever, and then you leave people elected so that there still is some element of people who are elected by their local community and so forth. So you could do a hybrid model like that, and --

I'm not sure -- I don't think there is any exact model in, I think, reading the reports that you've been provided and looking at the different models here and then looking at sort of what might fly politically here and so

forth. This is something you-all are much better able to judge than I.

Another possibility, of course, is the New York model where you have a purely appointed board, but then you -- there's another entity. You know, call it the parental advisory board or something. There are other models for that that could have the ability to hold hearings for certain decisions.

For example, one of the most controversial things that goes on in New York -- I would -- New York, because it's New York, it's a big urban system, space is at such a premium, and one of the ways that the City and Klein and Bloomberg have attracted high-performing charter schools -- operators that were running a great school up in Connecticut, which was not at all a friendly environment, have come down to New York.

New York has been a magnet for talented reform-minded people because of the things Klein and Bloomberg are doing. One of the main things they're doing is providing us with space because otherwise you're looking at tens of millions of dollars to build a school building in New York

City.

Well, our six KIPP schools share space with regular public schools, and it's -- that could be politically contentious, and so the -- there have to be -- it's mandated, both before, but particularly after the mayoral accountability was renewed, that there have to be community hearings. And if the union or parents or whoever really wants to kick up a fuss, they could cause real headaches. So it's not unlimited dictatorial control even in New York, which has a pretty strong mayoral accountability system.

So you-all could think about, you know, creating some other body that would have some powers or -- or simply having a mixed board, but I would certainly urge you at the very least to have a majority of folks appointed by the mayor because otherwise the mayoral accountability doesn't mean anything.

What was your second question?

MS. KORMAN: My second question is -- we don't have -- we do not currently have a chancellor, we currently do not have an appointed school board, and our current mayor

doesn't -- isn't involved in education as in -- as Mayor Bloomberg is. So what would your advice be to -- how to start for our community if -- if we decide to follow New York, which has been successful?

MR. TILSON: Is your question saying that -- in the absence of a mayor like Bloomberg or a chancellor like Klein, what do you -- what do you do, even if you have mayoral accountability?

MS. KORMAN: We don't -- as I said, we don't have any of those three things that New York does. What would be your advice to us in how to get there? Is it to change our current system? Is it -- you know, what would be -- from what you've seen?

MR. TILSON: Well, even if you have a mayor who is not engaged on this issue of -- particularly reform-minded, if the mayor all of a sudden now realizes, hey, to get reelected, I'm now going to be held accountable; if the schools -- my opponent -- whoever my next opponent is is going to point to these statistics -- I just showed you -- and said, you know, now there's no school board to blame.

It's that guy. And, you know, we should vote him out, all of a sudden you'll find the mayors, when they actually sort of have control and power, even if they don't really want it because it's not really their issue, you know, start to respond, and -- because they realize if they -- if they don't and they don't start showing improvements, they're going to be held accountable by the voters, so then --

You know, once you create the accountability, it starts to create a set of incentives that -- then the mayor is like, okay, well -- and, by the way, I know nothing about your mayor or anything. I'm sort of speaking generally here, but -- but now a mayor has got to say, okay, well, I better find somebody who's going to start doing -- I better hire a good superintendent, a good chancellor, who's going to -- who's going to run my system.

And so, you know, once you create the mayoral accountability, then the mayor then becomes accountable for hiring the CEO basically, the superintendent or the chancellor. And, you know, at that point, if the -- if the mayor just -- I mean, I can

imagine a mayor saying, look, this just isn't where I -- is not where I want to spend my political capital, for whatever reason, and hires sort of a -- a lame superintendent who just sort of goes along and --

You know, everybody these days, everybody mouths reform. The real devil is in the details, whether somebody's really willing to make it a priority and fight the battles that need to be fought because it's real easy to just coast along and sort of be a pseudo reformer. That's sort of the norm. And that can absolutely happen under mayor accountability, but that's sort of what you've got now, so you're not -- you're not going to go in any worse direction by changing the governance structure that isn't working. We know that for sure.

THE CHAIRMAN: Commissioners, we -- it's five till. I intend to go till five after given the questioners in the queue.

Commissioner Catlin.

MR. TILSON: I'll try to keep my answers shorter so you can squeeze some more --

MR. CATLIN: This one should be pretty

easy.

You say that the parents are allowed to select the schools that their children go to, correct? I'll ask you that and then I'll ask you this: If that's the case, was that implemented in 2002, the first year?

MR. TILSON: Yeah.

MR. CATLIN: And did it create some kind of nightmare between the neighborhoods fighting -- what schools the kids are going to?

MR. TILSON: The answer is, that was instituted after mayoral accountability was created. That was one of the hundred changes, you know, that Klein implemented where every school became a school of choice, every public school, and -- but that was not a blanket choice where any student could go to any school.

There are certain, of course, schools like Stuyvesant Bronx Science that have always been -- you have to test in and so forth, the magnet schools, et cetera. And there's preference given to students within a district. So, for example, you know, each of our KIPP schools, there is -- first of all, there's a geographic preference and there's also a

socioeconomic preference. So the --

Our KIPP schools all have lotteries. So if I wanted to send my child from a different district in New York, I could not get my child into KIPP because while it's an open lottery, it's -- it's a -- the lottery is sort of held in stages. So first you have local students who are low income, then you have local students -- since we're in a low-income community, everyone is low income anyway.

Then you sort of have neighboring districts that are low income, then you have neighboring districts, and then the last criteria is the whole city, so --

That is also true of many public schools. So while it's called a system of choice, in reality, it doesn't mean that every -- any parent can send their child to any school in New York City. Some schools that are oversubscribed, there are no seats, and unless -- unless it is in your neighborhood, you're not going to get one of those seats.

So it's not a -- it's not a free market, but it is one small step in creating more choices for parents making schools almost sort

of -- at least in their mind think about competing for students, and -- and you don't automatically just get every student every year in your district, no matter how terrible you are.

And of the 1,400 schools in New York, there are 200, easily, that should be shut down tomorrow, easily. They're that bad. They've been chronically failing for -- year after year.

Now, when I say "shut down," that doesn't mean the kids have nowhere to go. It means -- like one of our KIPP schools is in a building that is probably -- it is the most notorious school in Central Brooklyn. A security guard was beaten to death by three ninth grade girls. I mean, that kind of school. Okay?

It was shut down, but it was shut down -- it was put into runoff, let's say. It's sort of controversial to actually shut a school down completely, so the -- the middle intermediate step is -- it was grades five through eight. That school didn't take -- it was put into a four-year runoff where the existing students were allowed to go through and graduate. It's politically, you know, easier.

So in fifth grade, our school came in, our KIPP, and we got the fourth floor. It's a four-floor building. So we took the incoming fifth graders that otherwise would have gone in. So the other school that we were sharing the building with took the fifth graders, then the next year our fifth graders became sixth graders. We took all the new fifth graders, and then the other school only had seventh and eighth graders. And over four years we took the building and the school, and now, you know, 80 percent of our kids are at grade level versus it used to be 20 percent.

So that's some background.

THE CHAIRMAN: Commissioner Garvin.

MS. GARVIN: Thank you.

Through the Chair, I may have missed this. How did you go from -- were you an elected school board before in New York?

MR. TILSON: Yes.

MS. GARVIN: And how -- the thing I keep hearing over and over is don't take the -- you know, you're taking my right to vote away. How did you over- -- how did they overcome that?

MR. TILSON: Things had gotten so bad and

there were so many scandals and the corruption and it was all these local -- it wasn't just one school board. You had local school boards all over the place, and it was just a nest of corruption and patronage and so forth, and things just got so bad in the schools and the statistics I showed you -- 86 percent of business leaders had lost confidence. And, finally, with the -- with the new mayor who came in and -- it helped that there was a mayor that came in who was -- you know, Bloomberg is sort of a Republican and sort of a Democrat, so, you know, we were able to -- you know, the -- we were able to get the legislation through Albany that gave Bloomberg a lot more power.

MS. GARVIN: But --

MR. TILSON: And then basically those school boards all just ceased to exist. That whole system just disappeared.

MS. GARVIN: Did the people have to vote for that?

MR. TILSON: No. It was -- it was a state legislature bill.

MS. GARVIN: That was --

MR. TILSON: I understand you-all have to

get this voted ultimately, like you-all come up with a proposal and then the citizens of the city here have to vote in favor of it, right?

So it's a little bit different -- a little bit different political obstacle.

I mean, I'm actually not sure whether -- which is better. It depends, I guess, on the political context. I mean, Albany was -- is a nightmare, so maybe it -- it might have even been easier -- we might have had it sooner in New York if it had been a ballot in New York City because everyone knew the system was horribly broken. It's just Albany is owned by special interests.

MS. GARVIN: I think, from looking at the statistics that you've given us today, our system is broken.

MR. TILSON: Yes.

MS. GARVIN: Thank you.

MR. TILSON: You're not alone, but fortunately you also -- there have been -- there's been real reform going on -- you know, it just started. It's really only in the past ten years, but now there are enough models out there. It's really a pretty exciting time and

we've got a president and a secretary of education that are really driving it.

Randy Weingarten calls it Bush III, what Obama is doing. And to some extent, that's true. In other words, Obama -- you know, as you probably saw on my bio, I'm one of the founders of Democrats for Education Reform. I'm a lifelong Democrat, but it came as -- it was one of the most horrifying revelations of my life when I realized many years into this that it was my party selling out low-income, inner-city kids, you know, minority kids, because we're supposed to be the party that's looking out for those kids, and -- and I realized my party had gotten hijacked by special interests that were looking out for the adults in the system, not the kids.

And so after being -- getting mad about it for about a year, I helped start an organization, a political organization, called Democrats for Education Reform. It's basically trying to create a very strong voice for the interests of what is best for the kids in the Democratic party.

And we met Barack Obama six or seven years

ago, before anyone had ever heard of him, before a speech at the Democratic National Convention, and thought he could be -- there weren't very many Democrats who were at all good on this issue, so it wasn't very hard to decide that -- after we had a conversation with him, that he might be able to drive change.

And we got really lucky, he got elected president six years later, and he's been -- he's been changing the whole political context, particularly within the Democratic party, embracing things that -- this used to be a Democrat versus Republican issue. In the past year or two years, it is now -- every sensible person in the country now sees that this is a -- people looking out for the interests of adults versus people looking out for the interests of kids, and that's the real divide here, not Democrats versus Republicans.

THE CHAIRMAN: Mr. Tilson, thank you very much for taking the time to come down here from New York, for putting this presentation together, and giving us the benefit of your insight and experience. It's been invaluable for us. We very much appreciate it.

MR. TILSON: My pleasure.

Good luck with it.

THE CHAIRMAN: Thank you.

We're adjourned.

(The above proceedings were adjourned at 12:05 p.m.)

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C E R T I F I C A T E

STATE OF FLORIDA:

COUNTY OF DUVAL :

I, Diane M. Tropia, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

Dated this 20th day of January, 2010.

Diane M. Tropia