

**United States Senate
Subcommittee on Education and Early Childhood Development
July 14, 2006 Hearing
New Orleans, LA**

**Written Testimony of Phyllis Landrieu
President, Orleans Parish School Board**

I am Phyllis Landrieu, President of Orleans Parish School Board, overseeing what was one of the poorest and poorest performing school systems in the nation. We were five new members on a seven- member board taking office in January 2005 with excitement and promise to turn the system around. But little did we know what troubled waters lay ahead.

In the first three months, our Superintendent resigned. Shortly after that, the state auditor told us that our system was bankrupt. Then the state superintendent informed us that the system had spent \$100 million in federal funds with no accounting. Under threat of taking over the school system, he advised us to hire a national financial turnaround firm, Alvarez & Marsal, at the cost of \$16 million, a difficult decision for a broke school board and a critical community. What was even worse, while our schools had made significant improvements in that year's accountability tests, the majority of our 59,000 students were receiving a mostly failing education. This was the toughest pill to swallow for our new school board. And then came Katrina.

Eighty-five of our 128 schools lay under water and the others had severe wind damage. Teachers and students were scattered to the four corners of the country. The school board administrative building was damaged beyond repair and many of the records lost. Nearly every school was additionally spoiled by trespassers or people taking refuge from the storm. In addition they were ransacked and looted of thousands of computers, band instruments, sports and other equipment, and other valuables. The Orleans Parish school system was destroyed and defunct.

Within days following the storm, acting Superintendent Ora Watson and Alvarez & Marsal members under the leadership of Bill Roberti began to assemble in the state education offices in Baton Rouge. With a handful of staff, they embarked upon the most difficult of endeavors, communicating with nearly 60,000 students and their parents, and 12,000 employees, and making plans to reassemble a school system. It was a mind-boggling, superhuman effort for which they have received little recognition or appreciation. Meanwhile, school board members, all of whom had evacuated to other cities, and three of whom had lost their homes and businesses, reassembled in Baton Rouge as well, and we began to reopen the school system.

Employees had to be paid, health premiums had to be made, school records were requested by the 50 states now housing our students, and assessments needed to be made of the condition of the schools. Slowly, families began to return to New Orleans seeking schools for their children and the demand for schools began to rise. As the water

receded, ugly mold took its place, creating untold environmental hazards to say nothing of the school basements and cafeterias that retained water for weeks after the flood left the city streets.

Fortunately, a portion of the city that did not flood had several schools that could be cleaned and repaired within a reasonable time, and by late November the school board was able to open one elementary school. It was a happy day in New Orleans. Hundreds of children poured into the classrooms escorted by anxious parents, who even though unable to live in their own homes and whose futures were uncertain, were determined to continue their children's education. Dedicated and devoted teachers put their own recovery aside to give the children a feeling of welcome and security.

By January, we were able to open two high schools and by February, another elementary school, as well as four additional schools on the Westbank, across the river in Algiers. Meanwhile, in February of 2006, a special legislative session under the Governor's leadership authorized the state department of education to seize 112 of the schools deemed to be performing below the academic standard. The Orleans Parish School Board retained 16 of the "high performing" schools, forcing the OPSB to lay off 7500 employees. In the ensuing weeks and months, the state appointed an advisory board and hired an acting superintendent, and began to make plans to open schools. Meanwhile, the Orleans Parish School District graduated over 500 seniors and completed a full semester of school by in June.

Giving this brief account of the events between August 29 and today totally discounts the tremendous effort by so many people to stand up a large urban school system. To some, it may appear that the process moved slowly, but to those of us who have lived through it, and to those volunteers, employees, teachers, and staff who paid a monumental price for getting the school system operational we owe a debt of gratitude.

If you wanted to create the most complicated school system you can imagine, we now have it. Of the 16 "high performing" schools that remained with the school board, we chartered 11 of them. There was almost a frantic pace to do so. In response to the frantic need for student spaces, the district opened a PM High school and the state opened three Recovery district schools in April. Meanwhile, the state recovery district has 9 charters presently operating and 3 district schools, so with our 6 district schools and one educational program, our 11 charters, a total of 26 schools and 12,000 students and approximately 400 teachers comprised our school system this past semester.

In many ways there are two distinct school systems, our district school system, and the recovery school system, within which there are both district and charter schools, including two charter associations. The plan is to open 24 to 34 more schools in the fall and spring to accommodate 24,000 to 34,000 anticipated students.

This is an extremely difficult endeavor given that the remaining schools that we are trying to open are some of the most damaged in the system, and in fact, all of our occupied schools will have ongoing construction for a period of time before the storm damage is mitigated. Meanwhile, construction must closely observe FEMA regulations

in order to assure maximum reimbursement for the repairs. Another challenge is to collect the full measure of insurance, even though our school system was neglectfully underinsured. Pre-Katrina, our schools were dilapidated, dangerous, and dirty. We must not only overcome the storm damage, but provide a safe environment, as well. I know that Superintendent Jarvis and Mr. Brian Reidlinger of Algiers Charter Association will address the details of their systems. My goal is to work in partnership with the RSD and the state Superintendent to develop a seamless relationship between our system and among our schools.

In 5 years, the state is scheduled to return our schools, so it only makes sense that we organize this diversified system in a way that will best accommodate the return of the schools. In addition, our population is extremely mobile. We must establish a system where children can move through it freely. This is why I am supporting and pushing for a Unified Orleans Parish School System at this time. Dr. Scott Cowen, President of Tulane University, contributed many hours and resources to develop a model of a comprehensive management system under which this diverse system could operate. It is my hope that we can continue our dialogue with the state, with the city, and with our school system to pursue a unified organizational structure. We must maximize our investment, and minimize our duplication if we are to build an improved system. Additionally, we can hardly afford to be in a competitive salary price war for teachers and other employees, and for other resources that may come available. Pre-Katrina, the school system was grossly under-funded. Now with fewer resources and more decentralization, we cannot expect to have the investment needed to improve our system unless we conserve our resources.

Pre-Katrina, while there were many talented and devoted teachers, our children were grossly underserved by the poor academic performance of our educators. Our highest priority is to greatly advance the capability of our teachers and our learning potential. Also, we must provide facilities in the short term, that are safe, clean, and present a learning atmosphere, and in the long-term, we must provide modern learning facilities. Pre-Katrina, our school system and our children were criticized and degraded by community officials and leaders and the community at large laid our city's social problems squarely at the feet of the education system. We must form a cohesive, powerful community force that includes every leader and every member of the community to achieve change.

Finally, we must recognize and address the physical, mental, social, and psychological deficiencies of a large part of our school population. I call it the GAP. Low birth rate, poor nutrition, undiagnosed illness and disease, physical and mental problems, lack of socialization training, dysfunctional or non-existent families, and the many other effects of multi-generations of poverty that hold our children down. They begin school four years behind their peers in St. Tammany, Jefferson, and the nation with whom they must compete. And since there is nothing in our education system to help them overcome these deficiencies, they end their school career four years behind. It's time to address this GAP and put our children on equal footing.

We have recently formed an organization being chaired by Orleans Parish School Board member, Pastor Torin Sanders, and represented by a number of key individuals involved in the development of children. We intend to develop a plan that addresses the disparities of our children from the time they enter our doors so that by the time they reach the third grade, many of their problems will have been addressed. This will require a much greater investment in our system than is presently planned, and very aggressive efforts to coordinate with organizations now serving the pre-school population. These special services must continue throughout our system and extend to our teachers as well. We will require a significant increase in specialized personnel and services to accomplish this goal.

There is one more important aspect of our school system that must be discussed. Our current board inherited \$450 Million of debt when we took office - \$250 Million in bond obligations and about \$200 Million in unmet financial obligations brought on by fraud, mismanagement, lack of oversight, and unaccounted for spending. Alvarez and Marsal have done a magnificent job of assembling our shattered financial system and laying out for the first time our financial challenges.

When the state assumed the 112 schools, they took the income but left the debt to our system. Our funding is derived from the State MFP, significantly lower this coming year reflecting our reduced student population, and local property and sales taxes also significantly reduced by the storm. We have already received \$25 Million in Community Block Grant funds, and were expecting another \$220 Million (although I am now told the RSD will take a share of that) in coming months. We expect \$250 Million in insurance reimbursement and 90 % reimbursement from FEMA of our expenditures to repair and reopen schools, which by the way has been funded to date solely by the Orleans Parish system. We have been given a grant of \$6.7 Million from the legislature as a stipend to supplement our retiree health premiums. And we are eligible for a \$76 Million state tax- exempt loan to reassure our bond payments in the short term. Our finances should be able to support our system and put us on a sound financial footing. However, we will not saddle our system and our citizens with more debt.

But the longer term is very problematic. Unless we have significant investment in resources to build sound facilities, train teachers, meet the GAP, and purchase national expertise and options to raise our standards, five years from now our system will be better managed and improved but still not providing a quality education for all our students. Our system must establish an adequate and reliable financial base, much like the other successful systems in the New Orleans region and the nation. First, the current debt must be fairly shared throughout the entire system, and I am in discussions with Superintendent Picard to accomplish this. It is unreasonable for the Orleans Parish school children to shoulder the entire debt. Then we must seek the additional resources needed to make our system successful and provide our children with the quality education and the better life they deserve. We will be counting on the leadership of the Governor and the Mayor for this. All boats need to rise. The entire system needs to be elevated to a higher level than has ever existed before. We are on track to have a better-managed system; we must also build a better-educated system, and a better financed one.

We thank you and the President and Congress, as well as the Governor and State officials for their support and understanding. We call for your continued help, your leadership, and your resources. We pledge our work, our leadership, our efficient use of the precious resources that have been provided, and our determination. Our system, in order to succeed, must become unified, have a plan, and must follow the plan though to success. I appreciate the partnership we have developed with State Superintendent Picard and his staff, and the working relationship we have with Superintendent Robin Jarvis. We will continue to work to unify and build a model for the state and the nation of a successful school system.