As you may know, I announced last fall that I would be retiring as president and CEO of the L.A. Area Chamber due to my ongoing battle with leukemia and its complications. My successor, Gary Toebben, starts on the job next week.

For nearly four years, The Business Perspective has been the voice of the Chamber and the voice of business on public policy issues at the local, state and national levels. We have never missed a week: we have never strayed from controversy. Gary Toebben plans to continue that tradition.

Thank you for being continuing readers – and thank you for your support.

-- Rusty Hammer

There is no question about the need for fundamental reforms in the Los Angeles Unified School District. None of us—not the school board, parents, elected officials, or others—can be satisfied with the school district’s record, despite some recent successes in school construction and advancing student achievement in the elementary grade levels.

Mayor Antonio Villaraigosa has made LAUSD reform a central piece of his administration and is campaigning to fundamentally alter the governance structure of the district. He has spent a significant amount of time in Sacramento negotiating with the legislature and teachers’ union to come up with a compromise that both sides can live with, and we have applauded his political leadership on this issue.

Throughout this debate, the Chamber has called for collaboration and authentic, intellectually honest community dialogue. We have commended the Mayor’s collaborative intentions in working with the teachers unions, and we expect he will extend that to the school board and other community stakeholders. We still believe the Mayor can be the right leader at the right time to set this district on the right course.

The question now is whether the proposed compromise is good for the students and whether it will accomplish what we all know is needed: greater accountability, more flexibility in managing the district, reducing the role and influence of the unions in the affairs of the district, improving student performance, reducing drop out rates—the list goes on and on.

Our initial review of the compromise raises some key questions:

- Does the proposal perpetuate the unworkable present system of allowing board members to exercise control over the hiring and firing of principals?
- Will maintaining an elected board also continue the teachers unions’ ability to spend millions to control policy making, and even management of the district, by promoting their own candidates? If an elected board remains, serious campaign reform will be needed to prevent single special interests from controlling a majority of the board.
- Split responsibility for executive authority is apparent. Budgets are proposed by the Superintendent, input is given by the Council of Mayors (who have ultimate hiring and firing authority of the Superintendent) but then it must be subsequently approved by the Board. If responsibility is split, who is truly accountable?
- Is the superintendent really the CEO? At this time, the authority of the superintendent seems unclear. But it is clearly not similar to a corporate CEO, who would have the full management authority and responsibility.

The most promising element of the current proposal may be the intention to carve out three clusters of the lowest performing sets of elementary, middle and high schools into a separate entity, the “Mayor’s Community Partnership for School Excellence,” which the Mayor will oversee. This could be a tremendous opportunity for innovation, aligning more resources with bold leadership and direct accountability to create breakthroughs for the children most in need of attention.

The actual legislation is changing daily as representatives of both sides negotiate language. Notice “both sides”--the Mayor and the teachers. But that does not include the many other interests that must...
be involved in a grand compromise. Perhaps now is the right time for a community compact, modeled on an extraordinary initiative in Boston: a formal community agreement to define our education goals and shared ownership of implementation, including the district, unions, business, higher education, foundations, community groups and elected officials.

It seems that the current proposal is not at all what the Mayor first discussed, and what we know is required - a fundamental overhaul of the district’s governance, administrative and operational structure. Indeed, it seems to fall short of that, and some question whether it may be even worse than what we currently have.

The Chamber has not yet taken a position on the proposal as it continues to evolve. We will wait until a final plan is on the table. But as far as we can tell, the current plan needs further development in order to achieve true breakthroughs in our schools.

And that’s The Business Perspective.

Russell J. Hammer
President & CEO
Los Angeles Area Chamber of Commerce