

REPORT  
OF THE  
JOINT EDUCATION COMMITTEE  
TO THE  
NEW JERSEY LEGISLATURE

INCLUDING THE MINORITY REPORT  
SUBMITTED BY ANTHONY SCARDINO, JR.  
SENATOR 36TH DISTRICT

JUNE 13, 1974

TRENTON, NEW JERSEY



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Philip H. Burch, Jr.  
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John A. White



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PART I -- Legislative Findings

The New Jersey Constitution specifies in Art. VIII, Sec. IV, Par. 1 that:

The Legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years.

This clause makes it clear that the Legislature has the ultimate responsibility for the discharge of the constitutional mandate, including provision for the definition of "thorough and efficient". The Legislature may delegate a certain amount of its responsibility to appropriate state and local agencies, so long as there are adequate legislative guidelines. However, under the law of delegation of authority the Legislature remains ultimately responsible for the manner in which other authorized parties exercise the authority in question.<sup>1</sup> That is to say, discharge of the "thorough and efficient" mandate is the responsibility of the Legislature, no matter what agencies or officers are involved in the first instance, and the Legislature remains responsible if the task is performed improperly or inadequately.

In Robinson v. Cahill, 62 N. J. 473 (1973), supp'l op., 63 N. J. 196 (1973), the New Jersey Supreme Court ruled that the State's school finance laws were unconstitutional because they failed to assure all students a "thorough and efficient" educational system. The Court ruled in this manner for two reasons. First, it maintained that because of

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Paul L. Tractenberg, Some Aspects of "Thorough and Efficient" (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #27).

heavy reliance on the local property tax there was a great disparity in dollar input among the local school districts, which presumably led to substantial differences in educational output or attainment. Second, the Court found that the State had never specified what it meant by the term "thorough and efficient". Accordingly, the Court ruled that the State must define "in some discernible way" its educational obligation to the children in the public school system. The Court laid down a deadline of December 31, 1974 for legislative action, with implementation no later than July 1, 1975.

Extensive efforts have been made to deal with the Supreme Court's ruling. A special Joint Education Committee was created by Chapter 14 of the Laws of 1974 (see Appendix B), composed of five members of the Senate and five members of the General Assembly. This Committee, acting with the cooperation and participation of other members of the Assembly Education Committee, has held twelve meetings since its organization on April 11. Officials of the State Department of Education, representatives of professional organizations and persons having experience in other states have been interviewed. The Committee has held three public hearings -- one in Trenton on May 14, one in Glassboro on May 28, and one in Paterson on June 5 -- at which a total of close to 100 persons testified. At its first meeting, the Committee instructed the staff to arrange for the preparation of a number of position papers dealing with one or more educational or financial aspects of "thorough and efficient" in conformance with an approved research plan. In all, a total of about 30 papers were prepared by educational authorities selected both from within New Jersey and from other states. The papers were

summarized by the staff and distributed to Committee members and have formed the basis of discussion in Committee meetings. Throughout its activities the Joint Education Committee has kept in close touch with similar efforts underway in the executive branch, including activities in both the Department of Education and the Department of Treasury.

On the basis of the evidence presented in the course of these hearings and deliberations, the Committee has concluded that the provisions to be made for a thorough and efficient school system must treat the sufficiency of education as a steadily growing and evolving concept. Such provisions cannot be defined with permanence at any given time. Instead, the definition of "thorough and efficient" and the means chosen to achieve that goal must be evaluated periodically, with a major evaluation taking place after the first four years of operation. It must be borne in mind that education is not an end in itself, but a means to an end -- namely, to provide each student upon leaving public school with a reasonable set of skills to function effectively in our economy and society and thus help equalize opportunities in later life.<sup>2</sup> As social and economic conditions change, so must the schools adjust accordingly. The goals of the schools must reflect the needs of a complex and changing world. Given this steady development, it is impossible to prescribe a fixed set of goals and procedures. Instead, the Legislature can respond best through the establishment of a State-local educational system which is expressly

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See James S. Coleman, What is Meant by "An Equal Educational Opportunity"? (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #11) and J. W. Guthrie, G. B. Kleindorfer, H. M. Levin, and R. T. Stout, Schools and Inequality (M. I. T. Press, 1971), pp. 138-39.

designed, with sufficient checks and periodic reviews, to provide its students with the skills to function effectively as well-rounded, responsible, and productive citizens in the years ahead.

The Committee stresses its commitment to the concept of local school management and the desirability of public involvement in the overall conduct of local school affairs. Without sound local school board management and an interested citizenry actively supporting the public schools, relatively little can be accomplished in the field of education. The local school districts must have considerable freedom and encouragement to innovate and experiment, to try new approaches and promising programs for, otherwise, educational practice will stagnate and rigidify. The detailed operation of the public schools is clearly best handled at the local level, which is closest to the people. The Committee feels that widespread civic support, dedicated lay board direction, and sound professional management are essential components of any thorough and efficient system of free public schools.

In line with its commitment to local responsibility, the Committee believes that the funding of such an educational system should be partially local in nature. A move to full State funding could lead to a considerable loss in concern and interest at the local level, both with regard to the financial operation of the schools and to their educational management. Over time, full State funding might also lead to excessive State intervention in local school affairs. Yet, the Committee also realizes that a substantial amount of the funds for most local school districts must be raised at the State level. As the Court clearly stated, New Jersey cannot continue to rely largely on local property taxes for the support of its public schools. To do so would perpetuate the sizable disparities

which presently exist in the funding, operation, and performance of the public schools. In addition, as a matter of equity, New Jersey should try to equalize better the tax effort required of the local units in providing sufficient funds to maintain a thorough and efficient system of free public schools. This can only be accomplished through significantly greater State participation in the raising and distribution of school funds.

Thus, in accordance with the above findings, the Joint Education Committee recommends that the Legislature assume the following responsibilities:

- (a) to define the overall goal of a thorough and efficient system of free public schools in New Jersey;
- (b) to establish statutory guidelines within which such a system shall operate;
- (c) to delegate to appropriate State and local agencies the authority both:
  - (1) to establish goals and objectives consistent with legislative guidelines, and
  - (2) to define standards of performance necessary to indicate achievement of these goals and objectives;
- (d) to establish a funding structure which will ensure that adequate financial resources are available to enable the system of free public schools to operate throughout the state; and
- (e) to monitor the system of free public schools and provide for corrective action when necessary to ensure adequate progress toward the achievement of goals and objectives.

PART II -- Goals, Guidelines, Objectives and Standards

The Legislative Goal

The Committee recommends that the basic goal of a thorough and efficient system of free public schools shall be to provide to all children in New Jersey, regardless of socio-economic status or geographic location, the educational opportunity which will prepare them to function politically, economically and socially in a democratic society to the extent of their individual talents and abilities.

It is imperative that the public schools prepare young people in New Jersey to participate effectively as adults in a democratic society. This goes beyond the mere act of voting, important though that may be, to an ability to take a meaningful and active role in public and civic group affairs. It is equally, if not even more, essential that the public schools provide their students with sufficient skills either to be able to pursue a course of post-secondary education or to compete successfully in the labor market upon leaving public school. At the same time, the schools should supply their students with enough knowledge of the workings of our economic system to serve in their role as consumers. And finally, the schools should go beyond work-a-day concerns to broaden the horizons of their students, so that they may later make rewarding and constructive use of their leisure time.

Statutory Guidelines

A mere statement of legislative goals, however, is not enough. Since the Legislature is ultimately responsible for the operation of a thorough and efficient system of free public schools, it must give sufficient direction to State and local educational authorities to enable them to

achieve this end. Therefore, the Joint Education Committee recommends that the Legislature adopt the following set of statutory guidelines to define the major elements of a thorough and efficient system of free public schools:

- (1) the establishment of educational goals at both the State and local levels;
- (2) encouragement of public involvement in the establishment of educational goals;
- (3) sufficient instruction to assure the attainment of reasonable levels of proficiency in the basic communications and computational skills;
- (4) a reasonable breadth of program offerings to develop the individual talents and abilities of students;
- (5) adequate programs and support services for all students, especially those who are educationally disadvantaged or who have special educational needs;
- (6) adequately-equipped, sanitary, and secure physical facilities; adequate materials and supplies;
- (7) sufficient qualified personnel to enable all students to develop to the best of their abilities;
- (8) efficient administrative procedures;
- (9) ample research and development programs; and
- (10) a sound evaluation and monitoring program at both the State and local levels.

Both State and local efforts involving, wherever possible, a strong element of public and professional participation, are required if realistic goals are to be set for New Jersey's school system. The Committee believes that the public schools in New Jersey must see to it that their students attain at least reasonable levels of proficiency in reading, writing, and mathematics by the time they leave the public school system, for without such basic skills, few persons have a reasonable chance of success in today's economic and political

and social world. It should be noted that this statutory guideline calls for attainment of a reasonable level of proficiency, which is clearly something more than minimal or barely adequate.<sup>3</sup> Indeed, these levels may well have to be increased in the years ahead, if the needs of society, the economy, and the individual so indicate.

The requirement of a reasonable breadth of program is no less important if we are to provide the means to enable all students of many different talents to develop to the best of their abilities. The Joint Education Committee, however, does not feel that the Legislature should prescribe the exact content of this overall program. Rather, this is a matter which the Committee believes can best be handled through the combined efforts of State representatives and local school boards, whose members are in close touch with the people of the community and in a better position to meet diverse local needs.

It is essential that there be adequate programs and support services for all public school students in the state, especially those who are educationally disadvantaged or those who have special educational needs. Ultimately, it is the responsibility of the Legislature to ensure that adequate physical facilities, and supplies, and sufficient

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This point is made quite clearly in:

Paul L. Tractenberg, Some Aspects of Thorough and Efficient (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #27);

Harris I. Effross, Thorough and Efficient -- Its Meaning in 1875 (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #17); and

R. L. Granger, Response to Selected Questions on the Robinson v. Cahill Issue (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #7).

qualified personnel are provided by the local school districts to enable all students to develop their full educational potential. And it is also the duty of the Legislature to make sure that efficient educational and administrative practices are followed by local school authorities.

No thorough and efficient system of schools would be complete without the establishment of a sound evaluation and monitoring program to assess educational programs and performance. After extensive deliberation and analysis, the Committee has concluded that this can best be accomplished through the creation of such procedures at both the State and local levels, to some extent as a check on each other. At the State level, this would include a statewide testing program in at least the basic communications and computational skill areas and, possibly, the collection, with the cooperation of the local school districts, of pertinent data on such matters as school dropouts. At the local level, this could be accomplished through a wide variety of self-evaluation techniques. Along with this dual evaluation and monitoring program, there should be ample provision for research and development, so that new techniques and approaches essential to a thorough and efficient system can be tried and tested in New Jersey.

#### Delegation of Authority

Since the Legislature can only establish general goals and guidelines, the Committee recommends that the Legislature delegate to the State Board of Education the power and duty to establish, with the advice of the Commissioner of Education, more detailed goals and standards, which shall be applicable to all public schools in the State, and which shall be

consistent with the above-described legislative goals and guidelines.  
At the same time, each local board of education should be granted the  
right, in accordance with the rules promulgated by the State Board,  
to establish such additional goals, objectives and standards as they  
desire, so long as they are consistent with the goals and guidelines  
of the Legislature and the State Board of Education. This is in keeping  
with the established philosophy of New Jersey education, which is that,  
while certain powers must be exercised by the State in order to provide  
a reasonably adequate level of service throughout the state in selected  
essential areas, most of the important decision-making authority should  
rest with the local boards of education. The Committee believes that  
such a division of authority will satisfy the constitutional mandate  
calling for the provision of a thorough and efficient system of free  
public schools in New Jersey.

Since educational goals, objectives and standards may tend to become  
outdated, the Committee firmly believes that the State Board of Education  
and each local board in New Jersey should periodically review and update  
the goals, objectives and standards which they have established. The  
Committee recommends that this be done at least once every five years.  
In its efforts to keep its overall goals and standards current, the  
State Board should logically be assisted by other State officials who  
can contribute their knowledge and expertise. The Commissioner of Labor  
and Industry, in consultation with employer and employee groups, should  
submit an annual report describing New Jersey's employment qualifications  
and conditions and projecting future labor needs. The Chancellor of Higher  
Education, after consultation with the institutions of post-secondary

education in the state, should report annually on post-secondary entry requirements and anticipated enrollment levels in the colleges. The Commissioner of Health should report annually to the State Board as to the current and projected health needs in New Jersey. The Commissioner of Institutions and Agencies should report annually to the State Board regarding the education of pupils within the department's jurisdiction. In addition, the State Board should consult such other officers and employees of the State as may be helpful in this review process.

Local boards of education in New Jersey should be encouraged to make a needs assessment as to whether their schools are providing programs required to enable students to compete effectively in the present and future labor market, and should be encouraged in this connection to consult with various informed groups in their communities.

PART III -- Evaluation and Reporting

It is no simple matter to measure the adequacy of educational performance. The Supreme Court in Robinson v. Cahill said:

The trial court found the constitutional demand had not been met and did so on the basis of discrepancies in dollar input per pupil. We agree. We deal with the problem in those terms because dollar input is plainly relevant and because we have been shown no other viable criterion for measuring compliance with the constitutional mandate. (Emphasis added)

Steps are being recommended in Part V of this report to provide for more nearly equal dollar inputs to the New Jersey public schools, but more is required if the state is to have a thorough and efficient system of free public schools for all of its children.

A major element of any soundly-conceived educational system with this goal is the continuing analysis or evaluation of the system. And this evaluation must not only examine the educational processes which are involved; it must also include some stress on the assessment of educational outcomes and attainment. <sup>4</sup> The Joint Education Committee recommends that a dual plan of State evaluation of local school districts and of local reporting by the districts themselves be implemented, with appropriate periodic reports to the Governor, the Legislature, and the people.

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Henry M. Levin, Response to Questions Posed by the Joint Education Committee (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #114).

### State Level

At the State level, it is imperative that the Commissioner of Education, with the approval of the State Board, develop and administer a uniform, statewide system for evaluating the performance of each school and each school district, based in part on annual testing at various grade levels for achievement in the basic skill areas. Other means to determine student progress and the degree of achievement of established educational goals and objectives would be utilized wherever possible.

### Local Reporting

At the same time, each school district would report annually on its educational status and progress in relation to both State goals and standards and its own locally-determined goals and objectives. The school district's annual report should include, but not be limited to:

- a. pertinent demographic data relating to each school,
- b. a facilities survey, including current use practices and projected capital project needs,
- c. results of assessment programs, including statewide and district testing conducted at each school,
- d. budgetary and cost data on each school's fiscal operation,
- e. an analysis of each school's relative progress in meeting State and district goals and objectives,
- f. plans for professional improvement,
- g. a report on the employment and educational status of recent high school graduates,<sup>5</sup>

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See Carl J. Schaefer and Annell Lacy Simcoe, Equal, Thorough and Efficient -- But Who Will Speak for the Non-College-Bound? (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #10).

- h. plans for innovative or experimental programs, and
- i. recommendations for school improvements during the ensuing year.

Reports to the Legislature

District reports should be submitted each year to the Commissioner of Education, who should use them, together with the State evaluation, as the basis for an annual report to the Governor and the Legislature, describing the condition of education in the state, the efforts of New Jersey schools to meet the goals of a thorough and efficient system, the steps underway to correct each deficiency in school performance, and the standing of New Jersey schools in comparison with other public education systems in the United States.

In accordance with its responsibility to monitor the implementation of a thorough and efficient system of schools in New Jersey, the Joint Education Committee recommends that the State Board, four years after this program is put into effect, make a major, comprehensive report to Governor and Legislature on its impact. This report should assess whether the goals, objectives, and guidelines established and the financial structure provided have, in fact, produced a thorough and efficient system in New Jersey. It should include an account of the progress made by each local school district, identify those districts and schools which are failing to meet accepted standards, and make recommendations for eliminating deficiencies.

Thereafter, the Governor should prepare and deliver a biennial message to the Legislature, reporting on the progress of New Jersey schools in meeting the goal of a thorough and efficient system of

public schools, and recommending changes, when appropriate, in the statutory guidelines and financial structure.

A Permanent Legislative Organization

The Committee recommends that there be some permanent, properly-staffed unit established within the Legislature to provide a continuing monitoring of the operation of the constitutionally-mandated system of free public schools. Until December 31, 1974, its statutory expiration date, the Joint Education Committee can and should serve in this capacity, giving further attention to certain questions which require additional study, such as the role of the county superintendent of schools, the treatment of capital and debt service costs, the improvement of business efficiency in the school districts, and the problems of providing special education. However, some more permanent provision should be made to continue this work after that date, to ensure that the Legislature is adequately organized and staffed to perform its monitoring responsibilities.

PART IV -- Correction of Educational Deficiencies

For many years, New Jersey statutes have authorized the Commissioner of Education to inquire into the thoroughness and efficiency of any school in the state and to report any deficiencies found to the State Board. That the process has not been effective in providing a thorough and efficient system is generally acknowledged, and one of the reasons generally cited is that the only real power available to encourage correction of deficiencies has been the Commissioner's authority, with the approval of the State Board, to withhold State aid funds from local school districts for nonperformance of duty.<sup>6</sup>

It is essential that some more formal procedure, involving both local and State agencies be established so that the system will serve all of the children of the state adequately. The Committee recommends that the following State-local system be established for correcting educational deficiencies.

In the first instance, it will be the responsibility of every local school district to recognize shortcomings in any of its own schools through its self-evaluation program, and to devise and implement corrective actions.

Remedial Plans

If, however, this is not done, the Commissioner of Education, drawing

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L. E. Law, What Sanctions Can Be Imposed for Non-Compliance With the Definition of "Thorough and Efficient"? (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #5).

upon both the state-wide evaluation of schools and the various local district reports, should determine whether there remains a need for further action. Where such action is indicated by the evaluation, the Commissioner should be empowered to order a school district to draw up a remedial plan for review. <sup>7</sup> If the remedial plan is adequate, the Commissioner should take steps to see that it is implemented in a timely and effective manner. On the other hand, if the proposed remedial plan appears unlikely to correct the deficiencies, the Commissioner should have the authority to order revisions in it, including, but not limited to, a reallocation of resources within the district or the in-service training of teachers.

#### Hearing

If the Commissioner directs revision of a remedial plan, the State Board must hold a hearing on the matter, giving due notice to the local board of education and the citizens of the community. Following the hearing, the State Board might confirm, modify or vacate an order of the Commissioner regarding a remedial plan, and it might direct any other budgetary changes or measures which it considers appropriate.

#### Court Orders

Finally, as a last resort, if a local board of education fails or refuses to comply with an order of the Commissioner or the State Board,

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The importance of diagnosis of school performance and the development of responsive action has been stressed in: Garlie A. Forehand, Assessment Diagnosis and Response in a Thorough and Efficient Education (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #15).

the State Board should have the right to apply to the Superior Court, by a proceeding in lieu of prerogative writ, for a court order directing compliance.

PART V -- State School Aid

The New Jersey Supreme Court, in rendering its decision in the case of Robinson v. Cahill, indicated that:

Upon the record before us, it may be doubted that the thorough and efficient system of schools required by the 1875 amendment can realistically be met by reliance upon local taxation.

The Committee is in accord with this view, and has recommended above that the Legislature clearly accept the responsibility for establishing a funding structure which will assure the availability of adequate financial resources to enable a thorough and efficient system of free public schools to operate throughout New Jersey.

Current Expenses

Desirable Attributes of a Funding Plan

A funding structure to meet this responsibility should have several  
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attributes:

- (1) The funding plan should provide for a significant degree of equalization of the financial resources available for the education of all children ages five through eighteen throughout the state,

There is little need to elaborate on the variations in the level of property tax resources per pupil from school district to school district in New Jersey. This has been done in report after report and in great detail for the court record in Robinson v. Cahill. It is sufficient to point out the extreme variations -- from over \$1,000,000 per pupil at one end of the scale to less than \$5,000 per pupil at the other end. Even if the 60 highest and 60 lowest districts are eliminated, the range is still from \$100,000 of taxable property per pupil down

to less than \$30,000.

The court decisions in Robinson v. Cahill were based on data which are now several years old. Substantial amounts of additional State aid have since been allocated to the full funding of the existing Incentive Equalization formula to accompany the Minimum Aid provision that every operating school district receive at least \$132 per pupil, regardless of its entitlement according to the formula. Despite these additional funds, the Committee has concluded that the equalization goals of a funding plan have not been met adequately. Indeed, the Supreme Court had anticipated such a conclusion by stating in its opinion that it could find no basis for expecting that full funding of the act would satisfy the constitutional obligation of the State. In the 1974-75 school budgets, one school district in North Jersey can still plan to spend \$1,964 per pupil for a school tax rate of \$1.56 per hundred dollars of true value, while a nearby district must tax itself \$2.74 to spend \$1,700. Among the seashore communities the discrepancies are even greater, with one district spending \$2,171 per pupil at a tax rate of \$.28, compared to another with an expenditure of \$1,448 and a school tax rate of \$2.74.

- (2) The funding plan should provide stimulation of effort, particularly at the local level, to develop sound educational programs in areas where they may not presently exist.

While data are difficult to obtain proving that school districts in New Jersey are not meeting their responsibilities within a thorough and efficient statewide system, there may be a fair assumption that some deficiencies exist when some districts spend less than \$800 per pupil in a state where the average is over \$1,400, and where some

district expenditures range up to more than \$2,000 per pupil. As the court said in Robinson v. Cahill:

The constitutional mandate could not be satisfied unless we were to suppose the unlikely proposition that the lowest level of dollar performance happens to coincide with the constitutional mandate and that all efforts beyond the lowest level are attributable to local decisions to do more than the State was obliged to do. (Emphasis added)

- (3) The funding plan should provide for some measure of tax relief if the existing tax burden is not equitably distributed.

Here, data for New Jersey are not lacking. The system of public finance in this state places heavy emphasis on the property tax, with much of the burden due to the financing of public schools. In 1972, the New Jersey Tax Policy Committee found that 54.4% of all State and local revenues in this state were raised through property taxes, compared with a national average of 38.7%,<sup>9</sup> and there is little reason to believe that the situation has changed substantially since that time. Moreover, the use of the property tax results in wide variations in tax burden from community to community. Present school tax rates extend from less than \$1.00 per hundred of true property value in places with few children and many ratables, to over \$7.00 per hundred in places where the reverse is true.

#### The Alternatives

It may seem that one alternative course of action open to the state is to do nothing -- to accept the situation as it now stands, with its

apparent deficiencies. This is probably not a feasible alternative. In the Superior Court decision in Robinson v. Cahill, Judge Theodore I. Botter originally ordered that, if no corrective action were taken, Minimum Support Aid under the existing Incentive Equalization law should be withheld from those school districts now receiving such funds and distributed to those other districts which would be entitled to the funds under the Incentive Equalization formula. Although the Supreme Court has withheld ruling on whether it would utilize the same approach if the State does not act to adopt a new funding plan by December 31, 1974, it can well be argued that there is an implied threat to do so. If this were done, the results could be sweeping. Almost 400 of New Jersey's 600 school districts now receive only Minimum Aid. If this aid were withdrawn and redistributed, many, possibly most, of the districts in New Jersey would lose all State financial assistance for general budget support.

#### Available Funding Plans

Several different kinds of funding plans have been used to provide State support for local school districts in the various states. Each plan has its advantages and its disadvantages. The alternatives include:

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Some of the districts losing Minimum Aid might qualify for Incentive Equalization Aid according to the recalculated formula if Minimum Aid were redistributed.

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For a detailed discussion of the alternative plans see:

David Listokin, Alternative Plans for the Allocation of State Funds to Local School Districts (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #12).

William H. Wilken, Legislative Options for School Finance Equalization: What Should Be Considered? What Should Be Done? (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #13).

William Miller, A Legislative Response to Robinson v. Cahill (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #16).

flat grants, in which the State gives each local school district a fixed amount of money per pupil, with the local districts having the option of taxing themselves to spend beyond this amount;

foundation programs, where the State establishes a "foundation grant" of a certain amount of money per pupil, and from this is deducted a "local fair share", found by multiplying the district's taxable property by a fixed, statewide tax rate, the net difference being the amount of the State grant to the district;

cost-sharing plans, based on percentage equalization, in which the amount of the State grant varies, depending upon the wealth of the local school district, a wealthy district receiving less State aid, and a poor district receiving more aid, so that for any selected level of expenditure per pupil, every district will have the same local tax rate, regardless of its wealth; and

full State funding, in which the State assumes all or almost all of the responsibility for providing the funds necessary for local school districts to provide a thorough and efficient system of public schools.

The Recommended Approach: Cost Sharing

After weighing the advantages and disadvantages of each approach, the Joint Education Committee recommends use of a percentage-equalized, cost-sharing plan in New Jersey for current expenses. The advantages of this approach are:

- (1) Local control of school expenditures is emphasized. Each local community, through its board of education and with citizen participation through public hearings and budget referenda, sets its own spending level and its own tax level.

- (2) Local resources for education are equalized, since the poor community receives larger amounts of State assistance, while the wealthier community receives less. Local tax rates are equalized for any given expenditure level.
- (3) If the overall level of State sharing is high enough, the plan produces substantial tax relief, or substantial stimulation of educational development where it is needed, or some combination of these effects. The Committee recommends an overall State sharing level of 50 percent to achieve significant measures of equalization, tax relief, and educational development. This means that the State would contribute half of the current expense costs in a district of average wealth, somewhat more than half in poorer districts, and less than half in wealthier districts.

In broad outline, the cost-sharing approach recommended by the Committee works in the following way:

- (a) In the Fall of each year, the secretary of each local board of education files with the State Commissioner of Education a report indicating the number of resident pupils then enrolled in the public schools.
- (b) At the same time, the Director of the State Division of Taxation files a report showing the equalized valuation, or true value, of all taxable property in each municipality.
- (c) The State's share of a local school district current expense cost is calculated by:
  1. dividing the total equalized valuation in the state by the total number of pupils enrolled in all of the school districts to find the State average valuation per pupil.

2. multiplying the State average valuation per pupil by two, and rounding the product off to the nearest thousand dollars, to find the guaranteed valuation per pupil.
3. dividing the equalized valuation of the school district by the number of pupils enrolled to find the district equalized valuation per pupil.
4. dividing the district equalized valuation per pupil by the guaranteed valuation per pupil and subtracting the quotient from 1.0000 to find the State support ratio for that school district.

For example: State totals: \$ 77,721,458,161 equalized valuation  
1,465,458 pupils

1.  $\frac{\$77,721,458,161}{1,465,458} = \$53,036$  State average valuation per pupil
2.  $2 \times \$53,036 = \$106,071$  rounded off to \$106,000 guaranteed valuation per pupil
3. School district equalized valuation per pupil = \$40,000
4.  $1.0000 - \frac{(\$40,000)}{(\$106,000)} = .6226$  or 62.26% State Support Ratio

(d) In each district, the State support ratio would be multiplied by the district's net current expense budget to find the amount of equalization support in dollars.

#### Limitations on the Plan

Just as the recommended cost-sharing plan has several advantages, in its elementary form it has several weaknesses, and steps must be taken to correct these.

- (1) Since the State promises to pay for a certain percentage of the local school district's net current expense budget, and since the

size of that budget is to be determined locally, there is always the possibility that local school districts may be tempted to budget for higher expenditures than are warranted. In order to forestall this possibility, the Committee recommends that no State support for current expenses be paid for expenditure levels per pupil above the 65th percentile. Based on adopted 1974-75 school budgets, this figure is \$1,500 per pupil. While precise data are not available, the weight of professional opinion presented to the Committee is that any school district in the state could participate as part of a thorough and efficient system with net current expenses set at this level, and the Committee is satisfied that this is so.

Expenditures beyond \$1,500 per pupil, if desired locally, will be financed by local tax levies with no State support. Questions may be raised as to whether the State may constitutionally permit school districts to spend above the \$1,500 level using their own resources. In connection with this point, the New Jersey Supreme Court said:

Nor do we say that if the State assumes the cost of providing the constitutionally mandated education, it may not authorize local government to go further and to tax to that further end, provided that such authorization does not become a device for diluting the State's mandated responsibility.

If the budget review proposals made below in this report are carried out, the Committee sees no reason to believe that permission for local districts to spend above the 65th percentile level would in any way dilute the State's mandated responsibility.

- (2) By encouraging local decision-making on budgetary matters by 600 local boards of education, the plan introduces an element of uncertainty on State budget requirements. This will be particularly

true if there is an attempt to provide funds on a current year basis. Local budget estimates and enrollment projections made in the early Fall for a school year beginning the following July would have to serve as the basis for calculating the State funds required, and there has been sufficient experience with this approach to indicate that such estimates are subject to considerable revision in practice. Therefore, the Committee recommends that the calculation of State equalization support for current expenses be made on a prior year basis. In other words, the dollars of State support for the 1975-76 school year would be calculated using September, 1974 enrollments, October, 1974 equalized valuations, and adopted 1974-75 school budgets.

This does introduce a new factor. That is, while the Committee has recommended an over-all State support level of 50%, calculations made on a prior-year basis in an inflationary period would fall slightly below 50%. In response to this, it should be noted that not counted in such a calculation would be certain substantial programs which are fully State-funded and which, if added into the total, would bring the over-all level of State financial support at least up to 50%. These include in 1974-75, for example, \$172,000,000 as the State's contribution to the teachers' pension fund.

- (3) Another problem which might arise through the delegation of budget-making powers to a multitude of local school districts is the possibility that, in order to keep taxes low, some boards of education might decide on a low level of educational services -- perhaps less than is really required for a thorough and efficient system of free public

schools. In order to prevent any such development, the Committee has recommended a continuing process of evaluation, reporting, and correction of educational deficiencies, as detailed in Parts III and IV of this report.

- (4) A final potential problem flowing from the choice of a funding plan is the danger, particularly in the first year or two, when taxes are reduced considerably below their previous level through the provision of substantial amounts of State funds, that expenditure levels might be raised in some cases more rapidly than a school district could efficiently utilize the money. For this reason, the Committee recommends that, for purposes of the 1975-76 and 1976-77 budgets, school districts be limited in the increases which they may budget, on a per pupil basis, to the following maximum figures:

for districts spending in the previous year below the 20th percentile per pupil, not over a 20% increase,

for districts spending in the previous year between the 20th and the 40th percentiles per pupil, not over a 12% increase,

for districts spending in the previous year between the 40th and 65th percentiles per pupil, not over a 10% increase, and

for districts spending in the previous year above the 65th percentile per pupil, not over a 8% increase.

Applying these maximum permissible increases to the existing situation, it appears that most districts could be brought within a reasonable range of expenditures per pupil within a few years. These limits should apply to all districts with the exception that the Commissioner of Education should be authorized to waive the limits for individual school districts if, upon request of the local board of education, it is determined that the application of the limit is preventing

the implementation of a thorough and efficient system of free public schools.

### Special Cost Pupils

The idea that some pupils bring special costs to a school system if an equal educational opportunity is to be provided has been generally acknowledged. <sup>12</sup> The Supreme Court recognized this fact in its opinion, when it said:

Although we have dealt with the constitutional problem in terms of dollar input per pupil, we should not be understood to mean that the State may not recognize...a need for additional dollar input to equip classes of disadvantaged children for educational opportunity.

Present legislation makes allowances for special pupil cost factors of various sorts:

By pupil grade level; for example, by providing more assistance for high school pupils than for elementary school pupils.

By educational program; for example, by providing more assistance for vocational pupils than for pupils in academic programs.

By economic status; for example, by providing more assistance to a school district having large numbers of children in families receiving Aid to Families of Dependent Children.

By physical or mental handicap; for example, through a special program of State-local cost sharing for various categories of "atypical" pupils.

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See:

Henry M. Levin, Response to Questions Posed by the Joint Education Committee (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #14).

David Listokin, Grade Levels and School Programs as Cost-Producing Factors (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #26).

Laurence H. Falk and Harriet Levinson, Response to Questions 7(c)-15-17-18-23-25 (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #28).

### Grade Level Cost Differentials

Most authorities agree that cost differentials do exist by grade level throughout the country. With few exceptions, school systems spend more per pupil in the upper grades than they do in elementary schools. This probably is the major reason why regional high school districts in New Jersey appear more expensive to operate than regular kindergarten-through-twelfth-grade districts. However, there is a considerable difference of opinion as to whether this should be the case. A growing trend appears to be toward the position that a dollar spent in the earliest years of a child's educational career will have at least as much, and probably more, impact than a dollar spent in secondary school. While not prepared to implement this idea fully, the Committee does recommend that all pupils be counted and weighted equally on a grade level basis for State aid purposes, thus permitting local boards of education to determine in the first instance the desirable allocation of funds within the district. If misallocation of funds produces educational deficiencies, the evaluation and reporting system described in Part IV will be expected to identify such a situation for correction.

### Full Funding of Categorical Program Costs

There is no doubt that a number of other kinds of pupils, because of some handicap, do require additional expenditures if they are to have an equal opportunity to succeed, and there is no doubt on the part of the Joint Education Committee that the State should accept this responsibility. For specified types of categorical pupils, the Committee recommends full State funding of the special costs required. In this approach, the State and the local school district would share in the basic cost for each pupil, according to the State support ratio calculated for that district. For

each qualifying categorical pupil, the State would pay, in addition, a fixed proportion of the average net current expense cost per pupil state-wide, known as the Additional Cost Factor. The following Additional Cost Factors are recommended by the Committee:

<u>Special Education Classes</u>	<u>Additional Cost Factor</u>
Educable	.5
Trainable	.9
Orthopedically Handicapped	1.2
Neurologically Impaired	1.0
Perceptually Impaired	.8
Visually Handicapped	1.8
Auditorially Handicapped	1.3
Communication Handicapped	1.0
Emotionally Disturbed	1.2
Socially Maladjusted	.9
Chronically Ill	.8
Multiply Handicapped	1.2
 <u>Special Services</u>	
Approved Private School Tuition	1.0 plus the additional cost factor of the handicap
Home Instruction	1.0
Supplementary Instruction	.4
Speech	.4
 <u>Other Classes and Services</u>	
Bi-lingual Education	.15
State Compensatory Education	.10
Approved Local Area Vocational Education	.5

Most of the categories listed above, already exist, and procedures have been established for classifying children. Additional categories may be required in the future. It is recommended by the Committee that procedures be developed, by separate legislation if necessary, for the arbitration of differences where the parents of a child classified for special education classes or special services contests the classification.

One new category is the designation of a State compensatory education pupil, who is defined as a pupil enrolled in approved compensatory programs supplemental to the regular program which are designed to assist pupils who

have academic, social, economic or environmental needs that prevent them from succeeding in regular school programs. It is the intention of the Committee that State compensatory education funds and programs be available to school districts for any pupil requiring such assistance wherever located in New Jersey and that such funds be used for the benefit of such pupils.

The additional cost factors recommended above are based on the best available information. Conditions change, however, and costs change. An annual review and up-dating of these figures should be included in the Commissioner's annual report, with recommendations for legislative action to revise additional cost factors where advisable.

An example of the calculation of categorical cost is as follows:

State average net current expense cost per pupil = \$1,400  
State support ratio in District X = 50%  
District X net current expense budget per pupil = \$1,500

State support for an orthopedically handicapped pupil with an Additional Cost Factor of 1.2 would be:

Current Expense Support:  $50\% \times \$1,500 = \$ 750$   
Additional Cost Support:  $1.2 \times \$1,400 = \$ \underline{1,680}$   
Total State Support:  $\$ 2,430$

#### Capital and Debt Service Costs

A foundation program approach is now in use to provide limited support for local school district capital and debt service costs, with a "foundation grant" of \$45 per pupil, minus a .75 mill tax for the "local fair share". In addition, there is an Emergency Building Aid program to provide debt service funds in a limited number of districts. In Robinson v. Cahill, the Supreme Court specifically cited the State's obligation to ensure that adequate capital facilities could be financed if a thorough and efficient system were to be maintained.

Available Plans

Various plans for providing State capital and debt service assistance to local school districts have been suggested.<sup>13</sup> These include:

- (1) an up-dating of the present foundation program in which the pressures of inflation over recent years have made the 1966 dollar figures contained in the statute quite obsolete,
- (2) a cost-sharing program similar to that recommended for current expenses,
- (3) State flat grants on a per pupil basis,
- (4) State loan programs,
- (5) full State funding of local capital and debt service costs,
- (6) school building authorities with rentals to school districts, and
- (7) a State bond bank to purchase local bond issues.

The problem of equity is complicated, since some school districts have bought and paid for their schools, others are now paying debt service on bonds issued for more recent buildings, and still others have deferred construction because of competing pressures on their tax resources.

The Recommended Approach: Cost Sharing

The Committee recommends that both capital and debt service costs be included in the cost-sharing approach described for the funding of

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See:

William Miller, A Legislative Response to Robinson v. Cahill (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #16).

David Listokin, Capital and Debt Financing (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #19).

Full State Funding of School Construction in Maryland; An Appraisal After Two Years, Department of Fiscal Services, Maryland General Assembly, Annapolis, Maryland, October, 1973, summarized in Staff Note #8.

current expenses. No restrictions similar to the 65th percentile limit on State aid for current expenses are suggested for debt service, since it is believed that administrative restraints exercised through the budget and program review process will be sufficient to identify any excessive costs and to prevent abuse of the State program. However, since capital outlay is more difficult to control on a year-to-year basis, it is recommended by the Committee that state support for budgeted capital outlay in any district should not exceed  $1\frac{1}{2}\%$  of the total current expense and budgeted capital outlay in the district.

In view of the complexity of the subject, however, the Committee will undertake a further examination of other possible approaches to the problem of capital and debt service funding.

#### Regional School Districts

In the formation of some regional school districts, a decision has been made in the past to apportion current operating costs among the constituent districts in proportion to the number of pupils from each community attending the regional schools. This frequently has resulted in inequities among constituent districts with varying levels of taxable property per pupil. In order to correct this situation, the Committee recommends that hereafter all regional school district operating costs be apportioned among the constituent districts on the basis of apportionment valuations.

### County Vocational Schools

It has been estimated that three-fifths of the 1974 high school graduating class in New Jersey will enter the work force immediately upon graduation, while close to half of the remaining pupils who go on to academic college level work will ultimately drop out; thus, almost 80%<sup>14</sup> of the graduating class will require some occupational training.

With this in mind, the role of the county vocational schools cannot be slighted. The Joint Education Committee recommends that the calculation of State aid for county vocational schools be placed on the same shared-cost approach used for the regular school districts. However, in recognition of the higher per pupil costs for this kind of training, the cut-off for State aid should be set at 175% of the 65th percentile of the statewide net current expense budget per pupil.

### Regional Cost Variations

#### Transportation Aid

New Jersey laws have provided for many years that the State should pay for 75% of the cost of approved transportation, a term which has come to be interpreted as transportation for pupils residing more than two miles from an elementary school or two and one-half miles from a secondary school. In addition, local boards of education may authorize transportation for other pupils without being reimbursed by the State.

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Carl J. Schaefer and Annell Lacy Simcoe, Equal, Thorough and Efficient -- But Who Will Speak for the Non-College-Bound? (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #10).

Transportation costs are clearly one of the school cost factors which vary according to the region of the state.<sup>15</sup> If transportation costs were placed on a shared-cost basis, along with other school operating expenses, the more sparsely-populated school district with large transportation costs would be forced either to tax itself more heavily than other districts, or it would have to divert funds from educational programs to cover the unshared portion of the transportation costs. Therefore, the Committee recommends that approved transportation costs be funded by the State on a 100% basis, and that the mileage limits be specifically established by law. Unapproved transportation costs, provided at local discretion, would be borne by the local school district.

#### Cost-of-Living Differences

Some other states, notably Florida, have attempted to recognize regional cost-of-living variations in their school aid formula. The Committee has received conflicting opinion on the degree to which cost-of-living differences influence school operating costs within New Jersey. This is a small state, and the wider variations anticipated in larger areas may not exist here. Of more immediate concern is the fact that adequate data for different regions within the state do not now exist, and the effort to develop such data may well be more costly than it is worth, at least for use in a State school aid formula. The Committee recommends, therefore, that no recognition be given to cost-of-living variations within New Jersey on a geographic basis.

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Walter I. Garms, Providing for Regional Variations in Educational Cost: A Consideration of the Alternatives and the State of the Art (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #18).

### Municipal Overburden

Municipal overburden is a term used to describe a situation where educational programs in some communities are limited because of competition for the local tax dollar from other essential services, such as public safety, public welfare, and the administration of justice. So long as the schools must turn to local tax resources for a portion of their revenue, the potential for a municipal overburden problem will exist. It could be ended by adopting a program of full State funding of the school system, but this might detract from the goal of maintaining local control of the schools. Thus, New Jersey must face the overburden problem. There is little doubt that such a problem does exist in the state.<sup>16</sup> However, to build an adjustment for overburden into the school aid formula is to attack the problem indirectly and probably ineffectively, and should be attempted only as a last resort. The Committee, therefore, recommends that steps be taken through separate legislation to reduce and equalize county and municipal dependence on the property tax base.

### Review of School Budgets

Present State law authorizes the Commissioner of Education to review each item of appropriation in the budget of a school district where State financial aid exceeds the local tax requirement. In the past year, 42 districts have had their budgets reviewed under this law. The efficient

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Aaron S. Gurwitz, Municipal Overburden and School Finance Reform in New Jersey (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #20).

David Listokin, An Examination of Municipal Overburden (a paper prepared for the Joint Education Committee, May, 1974, summarized in Staff Note #22).

and effective operation of the school system throughout the State has been recognized as a State responsibility. The Committee, therefore, recommends that the budget review authority of the Commissioner of Education should be extended to all school districts in the state. For maximum effectiveness, such a budget review should be made not only for technical financial adequacy, but also for adequacy in meeting the educational needs of the district as determined in the program of evaluation and reporting described in Part IV. Such a budget review will require time which is not now available in the school budget timetable. Therefore, the Committee recommends that provision be made for submission of the local school budget to the Commissioner by December 1 of the year preceding the school year.

#### Calculation of Equalized Valuations

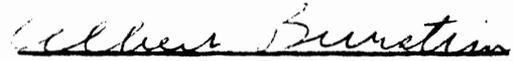
The calculation of equalized valuation for any school district becomes a critical factor in the effective administration of the plan of State school aid recommended by the Joint Education Committee. At the present time, this task is carried out by the State Division of Taxation through a process which analyzes and compares the sales prices and the assessments of properties which are sold over a period of time in each community. While the Committee considers recommendations on this subject to be beyond its present scope, it acknowledges that problems exist and that the procedures for calculating equalized valuation should be the subject for intensive further study.

Conclusion

The Committee now presents this report to the Legislature. While the Committee has heard from the public extensively in its deliberations, it looks forward to further hearing of the public on the legislation accompanying this report, in the interest of full discussion before final action by the Legislature.

Approved by:

  
Stephen B. Wiley, Chairman

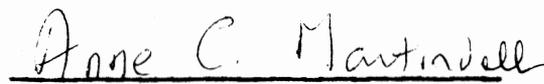
  
Albert Burstein, Vice Chairman

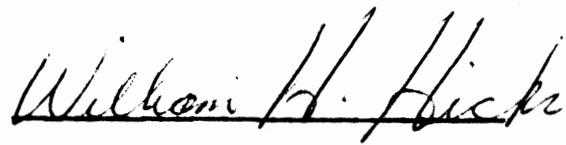
  
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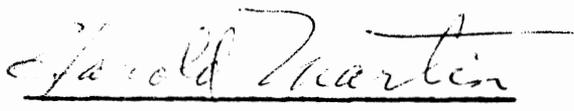
  
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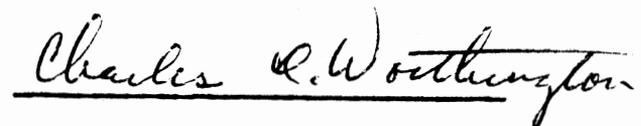
  
Anne C. Martindell

  
William H. Hicks

  
Anthony Scardino, Jr.\*

  
Daniel F. Newman

  
Harold Martin

  
Charles D. Worthington

\* Senator Scardino does not agree with the entire content of the report, and he reserves the right to issue a minority report, but his signature acknowledges participation in the deliberations of the Committee.  
(Minority Report follows)

MINORITY REPORT  
RELATIVE TO THE REPORT  
OF THE JOINT EDUCATION  
COMMITTEE TO THE  
NEW JERSEY LEGISLATURE

SUBMITTED BY

ANTHONY SCARDINO, JR.

SENATOR 36TH DISTRICT



The "thorough and efficient" question concerning the education of our young people is perhaps one of the most significant and monumental tasks that the Legislature has undertaken. It has been the responsibility of the Joint Education Committee to absorb and understand as much information and material as possible in order that adequate and meaningful conclusions can be reached and presented in the form of legislation. In essence, this committee, in a matter of a few months, has had to take the research, findings and technology that required many years to develop and thereby be able to determine from this mountain of knowledge and experience what constitutes a "thorough and efficient" education. Although this is no small task for even the most experienced educators, the Supreme Court has decided that a conclusive answer must be reached by the end of this year. In keeping with this mandate, the Joint Education Committee recently issued a majority report on their findings. In this minority report, I shall attempt to answer two major questions and then deal with some of the conclusions reached by the members of this committee. In so doing, I will address myself to those areas in which I differ.

The appropriate starting point in such a report must be the New Jersey Supreme Court decision in Robinson v. Cahill. It is my firm conviction that the committee's report has not adequately addressed itself to that decision nor to the validity of that opinion as a result of the subsequent findings as re-

vealed in the State Report on the 1972-73 Educational Assessment Program. When the basic premise upon which one proceeds is found to be lacking in validity, that which follows must be questioned.

The initial question that must therefore be answered is to whom the responsibility is delegated to define the term, "a thorough and efficient system of free public schools". The New Jersey Constitution, Art. VIII, Sec. 10, Par. 1 states that:

The Legislature shall provide for the maintenance and support of a "thorough and efficient" system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years."

This provision has cast upon our Legislature the ultimate responsibility of defining the phrase "thorough and efficient". This is not to say that the Legislature may not delegate part of that responsibility to local agencies or to be precluded from receiving the invaluable input and experience of the Department of Education, but should in fact do so. I further believe that there should be a broader spectrum of cooperation and input from local boards of education, superintendents and officials. One point that I feel was overlooked in this task was the fact that the Department of Education did not supply each school district with a copy of the initially proposed Administrative Code. It seems to me that those districts that ultimately must adhere to certain rules and regulations, especially when they might become mandatory in nature, should

have the opportunity to look at them and to be allowed to offer suggestions and comments. Education, by no means, should be a one-sided issue. Everyone involved, from the taxpayer to the parent, to the administrator, to the State Department of Education, and finally, to and through the Legislature, should have something to say on the subject. Until the Legislature, with the assistance of the above mentioned expertise, fulfills its constitutional authority to define a "thorough and efficient" education and to thereafter measure by way of the Educational Assessment Program whether that definition has, in fact, been met, can it be truly stated that the present financial system is inequitable, needs change or more dollars? The committee on page 1 of its report stated that:

"the New Jersey Supreme Court rules that the State's school finance laws were unconstitutional because they failed to assure all students a 'thorough and efficient' educational system."

Apart from whether or not the New Jersey Supreme Court in fact meant that the finance laws were unconstitutional as opposed to whether or not the constitutional mandate for a "thorough and efficient" education has been met (which I firmly believe are mutually exclusive propositions), it is difficult to conceive at this juncture how something can be declared unconstitutional before it is even defined by the Legislature.

The second questions asks: What did the term "thorough and efficient" mean when it was introduced into the State Con-

stitution in 1875? We have learned from the decision in Robinson v. Cahill that "thorough and efficient" does not mean that the State is barred from delegating the taxing responsibility to local government. As the court stated:

"It seems clear that the 1875 amendment has not been understood to prohibit the State's use of local government with local tax responsibility in discharge of the constitutional mandate.....  
.....It cannot be said that the 1875 amendments were intended to insure statewide equality among taxpayers."

The court went on to state that:

"But we do not doubt that an equal educational opportunity for children was precisely in mind."

It is my conviction what was meant by the 1875 amendment, as interpreted by the Supreme Court, is that the State has the obligation of providing each child an equal opportunity to acquire the necessary communicative and computational skills necessary to function as an independent member of our society. Although there has been a lot of history and a great deal of changes since 1875, this still does not preclude the fact that basic skills are still definitive, and knowledge imparted on this basis should be the only significant mandated function on the part of the Department of Education. The question that many opponents raise, relevant to the new proposed code is that there are a number of suggestions being made in terms of attitudinal, and behavioral application on the part of the schools in its

dealings with the youngsters. It is my firm opinion that this remains an ultimate and sole parental discretion and that school districts on a local decision making effort should have the right to implement such programs with the advice and consent of their public.

Accepting, for the moment, that the constitutional mandate has been defined, it is now incumbent upon the Legislature to insure that this mandate is being accomplished. The Supreme Court found that this was not the case and gave for its reasons the following:

"The trial court found the constitutional demand had not been met and did so on the basis of discrepancies in dollar input. We agree. We deal with the problem in those terms because we have been shown no other viable criterion for measuring compliance with the constitutional mandate."

The committee, in Part I of its report, proceeded upon this basic premise in that its focus was directed towards the financial or dollar input basis. I disagree with this approach because adequate measurements were non-existent at the time of this decision to determine whether success or failure in our school system bears any correlation to dollar input. Initially, it was a widespread belief that these tests would show tremendous disparity in basic levels of educational achievements between the inner city child and his contemporary in the suburb. However, the recently publicized statewide test scores, if anything,

indicate that there is little disparity among the youngsters that are living in an inner city or wealthy suburb. This has been substantiated by Dr. Gordon Ascher, Director of the Bureau of Assessment and Evaluation for the State Department of Education when he admitted to his surprise that the tests, in fact, did not show the great disparities that were anticipated. In my mind, this important and significant finding and statement negates the court's opinion and the committee's interpretation of that ruling which "maintained that because of heavy reliance on the local property tax there was a great disparity in dollar input among the local school districts, which presumably led to substantial differences in educational output or attainment". Also in light of the above mentioned facts, the committee's statement which reads:

"As the court clearly stated, New Jersey cannot continue to rely largely on local property taxes for the support of its public schools. To do so would perpetuate the sizable disparities which presently exist in the funding, operation and performance of the public schools",

cannot be supported and necessitates asking the question whether or not a new system requiring the expenditure of vast sums of money would indeed be necessary. Is it not possible that the present system is perhaps insufficient in some cases but adequate in most? Is it not possible that other areas might be explored more thoroughly to determine how the quality of education might be improved without the necessity of utilizing

the historic but unworkable remedy: spending more money? I am not at all convinced that a school district which spends eleven hundred or twelve hundred dollars per student is not, in fact, providing a "thorough and efficient" education. Through all of the committee hearings and meetings which I have attended, I have not been able to adequately balance in my mind how a youngster in one school district with eighteen hundred dollars (\$1,800.00) behind his education is getting less than that youngster in a district which has twelve hundred dollars (\$1,200.00) behind each student.

In Part II of the majority report entitled Goals, Guidelines, Objectives and Standards, I would like to offer for consideration an addition to the Legislature's goal as outlined on page 6. The committee recommends that:

"the basic goal of a 'thorough and efficient' system of free public schools shall be to provide to all children in New Jersey, regardless of socio-economic status or geographic location, the educational opportunity which will prepare them to function politically, economically and socially in a democratic society to the extent of their individual talents and abilities."

This provision, which calls for a "thorough and efficient" education for all our children regardless of status or location, should be amended to include "school of choice". I recognize and appreciate not only the words of the New Jersey Constitution when it speaks of a "thorough and efficient system of

free public schools" but also those of the United States Constitution pertaining to the separation of church and state. However, we must also recognize that more than three hundred thousand students are enrolled in private or parochial schools. Certainly, it is an individual choice whether or not to attend a private or parochial school, as it is for veterans who collect a stipend from the Government, but nonetheless, we owe a responsibility to provide equal protection for a "thorough and efficient" education to all our children. We must also be realistic in the fact that these same schools have directly assisted the State in fulfilling its responsibility. With the increasing financial difficulty that the private schools and the parents are experiencing, we may be forced to face a problem for which we are not prepared.

Page 9 of the majority report addresses itself to the "establishment of a sound evaluation and monitoring program to assess educational goals and performance". I wish to state that this is an extremely delicate area and will be the proof of the pudding in terms of whether or not the Legislature will support its guarantee that local control in the operation of its school system is foremost. Whatever plans or decisions are implemented to provide a sound evaluation and monitoring program, it shall be incumbent upon all legislators to insure that such a program will have the flexibility to emphasize and encourage local discretion and creativity.

Part III of the committee's report is concerned with

evaluation and reporting. The report cites a section of the court's ruling as follows:

"The trial court found the constitutional demand had not been met and did so on the basis of discrepancies in dollar input per pupil. We agree. We deal with the problem in those terms because dollar input is plainly relevant and because we have been shown no other viable criterion for measuring compliance with the constitutional mandate."

The following sentence which was not included in the report is, in my opinion, noteworthy. It states that:

"The constitutional mandate could not be said to be satisfied unless we were to suppose the unlikely proposition that the lowest level of dollar performance happens to coincide with the constitutional mandate and that all efforts beyond the lowest level are attributable to local decisions to do more than the State was obliged to do."

It is important to note that this unlikely provision is in fact, reality. As Dr. Gordon Ascher so explicitly stated and as revealed in the 1972-73 Evaluation Assessment Program, many districts that are at a low level of dollar performance are in fact, educating their youngsters in compliance with the Legislature's mandate. This reinforces my contention that while the present funding method might be insufficient in some

cases, it is still adequate in most, according to the committee's definition of a "thorough and efficient" education. Those districts that are spending the highest level of dollars behind each student are not necessarily achieving the results anticipated. This can be clearly seen in the following example: It has come to my attention that Englewood, New Jersey, which has a total school budget of approximately nine million dollars (\$9,000,000.00) for approximately 3,600 students, has been considered a model educational plant. Interestingly, in contrast, Garfield, with approximately 3,300 students and a budget of approximately four million dollars (\$4,000,000.00), achieved higher scores in the statewide examination than the community of Englewood. It can only be said that dollar input was relevant, because at the time of its decision in Robinson v. Cahill, the New Jersey Supreme Court had no viable criterion for measurement. Had the Educational Assessment Program been available to the court, it is difficult to understand how they would have reached the same result.

CONCLUDING STATEMENT

I disagree entirely with Part V entitled State School Aid in the Joint Education Committee Report. All of the remarks that I have made earlier substantiate my position. It is clear that the committee's recommendation addresses itself to one or two possible methods of financing public education. One is the

establishment of an income tax which, in my mind, is totally unnecessary and unjustifiable based on what we are supposed to be really addressing ourselves to in this case. The second possibility under the proposal would be a statewide property tax and this also is unacceptable and unfair. I am convinced that we should not deal in terms of municipal overburden in any shape or form as a part of this committee's responsibility to define and implement a "thorough and efficient education". The constitutional mandate concerning "thorough and efficient" should not be used as a guise in order to pour millions of dollars in municipal areas other than education, It follows then that I am also convinced that one of the greatest and most significant deficiencies that we have in our State is in the area dealing with youngsters who do indeed have an economic and sociological deficiency, particularly those living in the inner cities. I am confident that the State can address itself successfully in this area without the implementation of this vast and indirect program that has been recommended. I also find it to be a fallacy when we speak of property evaluation in determining community wealth. My conception of a community is not its physical nature; it is specifically its people. While it is true that some properties in some areas of the State are valued higher than comparable parcels elsewhere, it does not mean that the individual who owns that land is necessarily wealthy. It appears that this is the person who is going to get hit the hardest, whether it is to be an income tax or statewide property tax. Input on the local level should

be based on the ability of the residents within that locality to pay, with a minimum standard set by the State, through its Legislature. In this way it shall be the responsibility and the obligation of that local district to see to it that the process that emanates from the input will be carried out as thoroughly and efficiently as is possible so that the ultimate output shall be a person who will be a credit to society and to himself or herself.

APPENDIX A

Consultants to the Committee

(The following persons prepared position papers in response to questions from the Joint Committee)

John R. Casey  
Director of the Office of  
Research Information  
New Jersey State Department  
of Education

James S. Coleman  
Professor of Sociology  
The University of Chicago

Harris I. Effross  
Associate Research Professor  
Bureau of Government Research  
Rutgers University

Laurence H. Falk  
Associate Professor of Economics  
Rutgers University

Sidney A. Fine  
Senior Staff Psychiatrist  
Upjohn Institute for Employment Research

Garlie A. Forehand  
Director, Educational Studies Division  
Educational Testing Service

Walter I. Garms  
Associate Professor of Education  
The University of Rochester

Marilyn Gittell  
Professor of Political Science  
Brooklyn College

Robert L. Granger  
Dean, School of Education  
Kean College

Aaron S. Gurwitz  
School of Education  
Stanford University

Maurie Hillson  
Professor of Education  
Rutgers University

Lillard E. Law  
Assistant Professor of Education  
Graduate School of Education  
Rutgers University

Henry Levin  
School of Education  
Stanford University

Harriet M. Levinson  
Department of Economics  
Rutgers University

David Listokin  
Research Associate  
Center for Urban Policy Research  
Rutgers University

Duane Lockard  
Professor of Politics  
Princeton University

Claude A. Mayberry  
Associate Dean of Students  
University of Pennsylvania

William Miller  
Attorney  
Princeton, N.J.

Jack L. Nelson  
Professor of Education  
Graduate School of Education  
Rutgers University

Peter R. Moock  
Professor of Economics and Education  
Teachers College  
Columbia University

Harold J. Noah  
Professor of Economics and Education  
Teachers College  
Columbia University



Ann Parker Parelius  
Rutgers College  
Rutgers University

William H. Wilken  
Associate Professor of Political  
Science  
Georgia State University

Robert James Parelius  
Department of Sociology  
Douglass College  
Rutgers University

Allan Parry  
Legislative Budget Analyst  
Office of Fiscal Affairs  
State of New Jersey

Carl J. Schaefer  
Professor of Education  
Graduate School of Education  
Rutgers University

Gordon J. Schochet  
Associate Professor of Political Science  
Livingston College  
Rutgers University

Annell Lacy Simcoe  
Associate Professor of Education  
Graduate School of Education  
Rutgers University

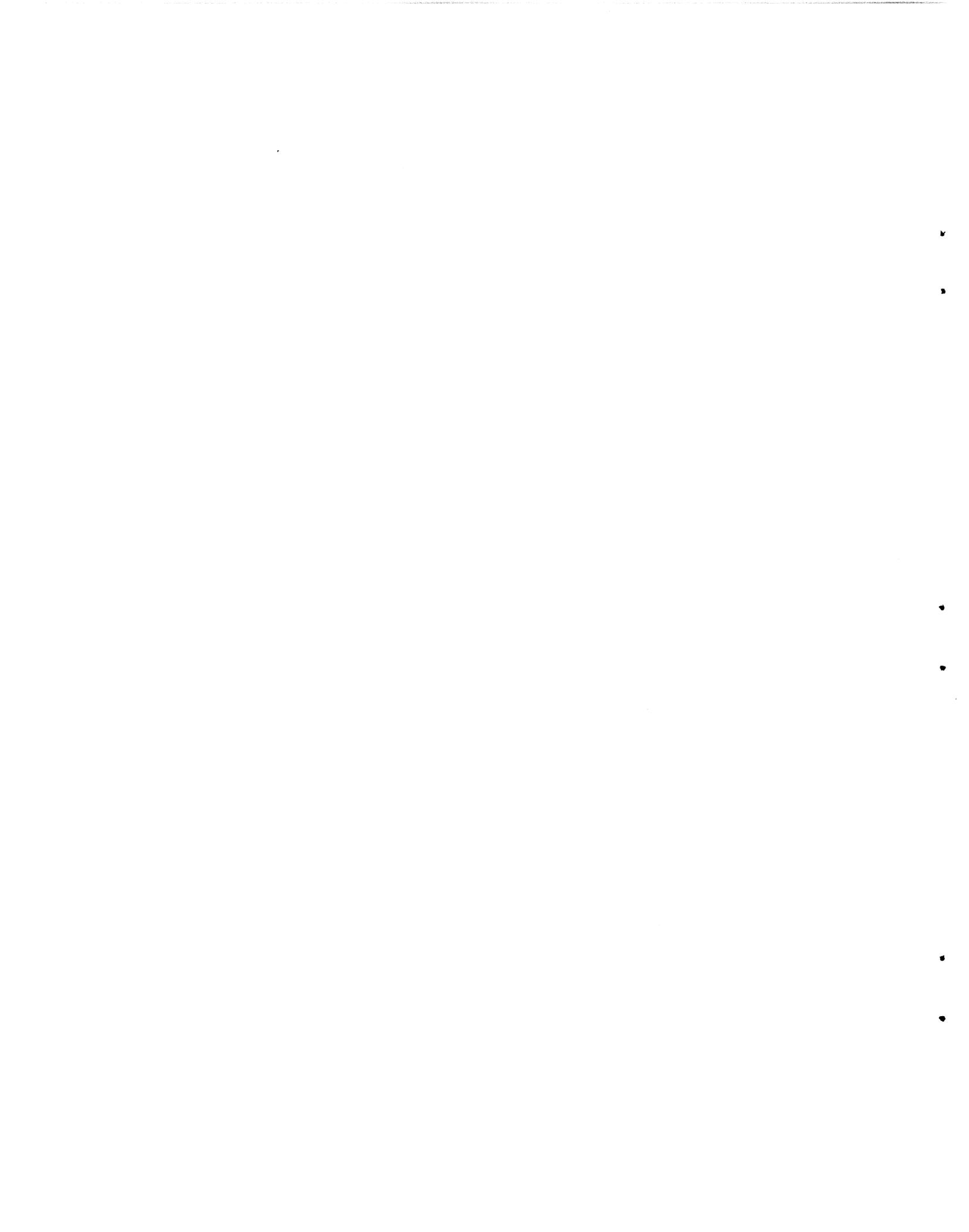
John A. Stoops  
Dean, School of Education  
Lehigh University

Paul Tractenberg  
Director  
Education Law Center, Inc.  
Newark, N.J.

Ronald J. Samuda  
Associate Professor of Applied  
Human Development  
Teachers College  
Columbia University

W. Bruce Tuckman  
Professor of Vocational Education  
Graduate School of Education  
Rutgers University

W. Donald Walling  
Professor of Education  
Graduate School of Education  
Rutgers University



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