

# Committee Meeting

of

SENATE EDUCATION COMMITTEE

and

ASSEMBLY EDUCATION COMMITTEE

SENATE BILL No. 1370 and ASSEMBLY BILL No. 3

(The "Public School Reform Act of 1992")

**LOCATION:** Committee Room 9  
Legislative Office Building  
Trenton, New Jersey

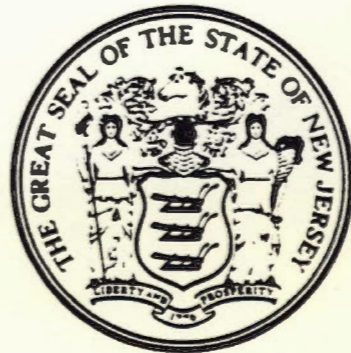
**DATE:** November 23, 1992  
1:30 p.m.

## MEMBERS OF SENATE COMMITTEE PRESENT:

Senator John H. Ewing, Chairman  
Senator Joseph A. Palaia, Vice Chairman  
Senator Andrew R. Ciesla  
Senator Joseph M. Kyrillos, Jr.  
Senator Dick LaRossa

## MEMBERS OF ASSEMBLY COMMITTEE PRESENT:

Assemblyman John A. Rocco, Chairman  
Assemblyman Robert J. Martin, Vice Chairman  
Assemblyman Fredrick P. Nickles  
Assemblywoman Mary Virginia "Ginny" Weber  
Assemblyman David W. Wolfe



## ALSO PRESENT:

Darby Cannon, III, and Kathleen Fazzari,  
Office of Legislative Services  
Aides, Senate Education Committee  
David C. Hespe  
Aide, Assembly Education Committee

***Hearing Recorded and Transcribed by***

The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, CN 068, Trenton, New Jersey 08625





John H. Ewing  
CHAIRMAN  
Joseph A. Palaia  
VICE-CHAIRMAN  
Andrew R. Ciesla  
Joseph M. Kyrillos, Jr.  
Dick LaRossa  
Matthew Feldman  
John A. Lynch

**New Jersey State Legislature**  
**SENATE EDUCATION COMMITTEE**  
**ASSEMBLY EDUCATION COMMITTEE**  
TRENTON, NEW JERSEY 08625-0068  
(609) 984-6843

JOHN A. ROCCO  
Chairman  
ROBERT J. MARTIN  
Vice-Chairman  
FREDRICK P. NICKLES  
MARY VIRGINIA "GINNY" WEBER  
DAVID W. WOLFE  
Joseph Charles Jr.  
Louis A. Romano

**N O T I C E**

**TO: MEMBERS OF THE SENATE EDUCATION COMMITTEE**  
**MEMBERS OF THE ASSEMBLY EDUCATION COMMITTEE**

**FROM: SENATOR JOHN H. EWING, CHAIRMAN**  
**ASSEMBLYMAN JOHN A. ROCCO, CHAIRMAN**

**SUBJECT: COMBINED COMMITTEE MEETINGS**

*The public may address comments and questions to Darby Cannon, III, or Kathleen Fazzari or David C. Hespe, Aides to the Committees, or make bill scheduling inquiries to Mary C. Lutz or Bernadette Kmetz, secretaries at (609) 984-6843.*

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The Senate Education and Assembly Education Committees will hold a series of combined meetings in order to receive public testimony on the following bills:

**S-1370 Ewing/Palaia**  
**A-3 Rocco/Weber**

**The "Public School**  
**Reform Act of 1992."**

The meetings will be held at the following places at the dates and times listed:

**Monday, November 23, 1992**  
**1:30 P.M.**

**Committee Room 9**  
**Legislative Office Building**  
**Trenton, New Jersey**

**Tuesday, November 24, 1992**  
**4:00 P.M.**

**Ocean County Library Meeting Room**  
**Washington Street**  
**Toms River, New Jersey**

**Tuesday, December 1, 1992**  
**4:00 P.M.**

**Auditorium**  
**Somerset County Vo-Tech**  
**North Bridge Street & Vogt Drive**  
**Bridgewater, New Jersey**

**Wednesday, December 2, 1992**  
**4:00 P.M.**

**Helen Smith Elementary School**  
**Cambridge Street**  
**Saddle Brook, New Jersey**





STATE OF NEW JERSEY

INTRODUCED NOVEMBER 16, 1992

By Senators EWING and PALAIA

1 AN ACT providing for the maintenance and support of a system  
2 of free public schools <sup>1</sup>[and] <sup>1</sup> revising parts of the statutory  
3 law <sup>1</sup>and making an appropriation<sup>1</sup>.  
4

5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. (New section) This act shall be known and may be cited as  
8 the "Public School Reform Act of 1992."

9 2. (New section) a. The Legislature finds and declares that:

10 (1) It is the public policy of this State to provide all children in  
11 New Jersey, regardless of socioeconomic status or geographic  
12 location, with the educational opportunity which will prepare  
13 them to function politically, economically and socially in a  
14 democratic society.

15 (2) In a world of international commerce and high technology,  
16 this preparation must ensure that each child develops those  
17 higher order thinking skills and competencies that are essential if  
18 the child is to lead a satisfactory and productive life.

19 (3) The achievement of these objectives will require a new  
20 vision of educational excellence, and new approaches to teaching  
21 and learning. State policy must foster an environment which  
22 encourages school districts to adopt programs and strategies  
23 which research and experience have proven to be effective in  
24 improving pupil performance and to experiment with new  
25 programs within the local community. State policy must also  
26 include incentives to ensure that the new vision becomes as  
27 reality.

28 (4) Education excellence cannot occur in a vacuum. Schools  
29 cannot be viewed as separate from the families and the  
30 communities which they serve. The modern school must involve  
31 every member of that community in the educational process.  
32 State policy must facilitate that involvement, and must also  
33 encourage schools to reach beyond the local community, to other  
34 school districts, institutions of higher education, business,  
35 industry and other communities.

36 (5) As an integral part of the community, the school system  
37 must develop effective strategies to meet the needs and improve  
38 the entire environment of the child, especially those who are  
39 economically or educationally disadvantaged. State policy must  
40 provide for integrated health, nutrition, social and family  
41 services programs and full day kindergarten and prekindergarten  
42 programs for disadvantaged children in order to help overcome  
43 the special problems faced in these communities.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:  
Senate SED committee amendments adopted December 10, 1992.

1 (6) An education finance law which does not address the  
2 qualitative issues which confront contemporary education cannot  
3 meet the State's obligation of providing equal educational  
4 opportunity to each child in the State.

5 b. Therefore, the Legislature declares that it is the obligation  
6 of the State:

7 (1) To provide for the maintenance of a school system that will  
8 enable all children to develop those higher order thinking skills  
9 and competencies that are necessary in modern society.

10 (2) To provide fiscal equity to those school districts which are  
11 unable to meet those needs within local resources because of  
12 socioeconomic or geographic disadvantage.

13 (3) To develop a plan for the achievement of program equity to  
14 ensure that each child has access to those courses and programs  
15 which are determined to be necessary to provide the child with  
16 the educational opportunity which will allow each child to attain  
17 those skills and competencies.

18 (4) To encourage and provide support to school districts in  
19 establishing innovative and non-traditional programs which have  
20 been proven to be successful in improving educational  
21 achievement of pupils.

22 3. (New section) For the purposes of this act, unless the  
23 context clearly requires a different meaning:

24 "Bilingual education pupil" means a pupil enrolled in a program  
25 of bilingual education approved by the State board.

26 "Commissioner" means the Commissioner of Education.

27 "County regular education average budget" shall be annually  
28 determined by the commissioner for each county by dividing the  
29 sum total of regular education budgets of the school districts of  
30 each county in the prebudget year, by the sum total resident  
31 enrollment of the school districts of that county.

32 "County vocational school, special education services pupil"  
33 means a pupil who is attending a county vocational school and  
34 who is receiving specific services pursuant to chapter 46 of Title  
35 18A of the New Jersey Statutes in special class programs when  
36 the pupil is enrolled in a special class register.

37 "CPI" means the average annual increase, expressed as a  
38 decimal, in the consumer price index for all urban consumers in  
39 the New York City and Philadelphia areas during the three fiscal  
40 years preceding the prebudget year as reported by the United  
41 States Department of Labor.

42 "Current expense" means all expenses of the school district, as  
43 enumerated in N.J.S.18A:22-8, other than those required for  
44 interest and debt redemption charges and any budgeted capital  
45 outlay.

46 "Debt service" means and includes payments of principal and  
47 interest upon school bonds and other obligations issued to finance  
48 the acquisition of school sites and the acquisition, construction or  
49 reconstruction of school buildings, including furnishings,  
50 equipment and the costs of issuance of such obligations and shall  
51 include payments of principal and interest upon bonds heretofore  
52 issued to fund or refund such obligations, and upon municipal  
53 bonds and other obligations which the commissioner approves as  
54 having been issued for such purposes. Debt service pursuant

1 to the provisions of P.L.1978, c.74 (C.18A:58-33.22 et seq.),  
2 P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177  
3 (C.18A:58-33.2 et seq.) is excluded.

4 "Special needs district" means those school districts which are  
5 unable to meet the needs of the pupils of the district within local  
6 resources because of socioeconomic or geographic disadvantage.

7 "District factor group" means the division of school districts  
8 by socioeconomic status into ten groups with substantially equal  
9 pupil populations, designated DFG A through J with DFG A being  
10 the group with the lowest socioeconomic status and DFG J being  
11 the group with the highest socioeconomic status.

12 "Equalized valuation" means the equalized valuation of the  
13 taxing district or taxing districts as certified by the Director of  
14 the Division of Taxation on October 1 of the prebudget year. <sup>1</sup>In  
15 the event that the equalized table certified by the Director of  
16 the Division of Taxation shall be revised by the tax court after  
17 the State aid notification date pursuant to section 21 of P.L. ,  
18 c. (C. ) (now pending before the Legislature as this bill), the  
19 revised valuations shall be used in the recomputation of aid for an  
20 individual school district filing an appeal.<sup>1</sup>

21 With respect to regional districts and their constituent  
22 districts, however, the equalized valuations as described above  
23 shall be allocated among the regional and constituent districts in  
24 proportion to the number of pupils in each of them.

25 "Evening school pupils" means the equated full-time resident  
26 enrollment of pupils enrolled in a public evening school  
27 established pursuant to N.J.S.18A:48-1.

28 "Net debt service" means the balance after deducting all  
29 revenues from the school debt service budget of the school  
30 district and the school debt service amount included in the  
31 municipal budget, except the amounts to be raised by local  
32 taxation and State aid.

33 "Prebudget year" means the school year preceding the year in  
34 which the school budget will be implemented.

35 "Postgraduate pupils" means pupils who have graduated from  
36 high school and are enrolled in a secondary school for additional  
37 high school level courses.

38 "Regular education budget" means the sum of base aid  
39 received by the school district and the district's local levies for  
40 current expense and capital outlay.

41 For the 1992-93 school year, the regular education budget  
42 means the sum of foundation aid, transition aid, and at-risk aid  
43 received by the school district and the district's local levies for  
44 current expense and capital outlay.

45 "Resident enrollment" means the number of pupils who, on the  
46 last school day prior to October 16 of the prebudget year, are  
47 residents of the district and are enrolled in: (1) the public schools  
48 of the district, including evening schools; (2) another school  
49 district, other than a county vocational school district in the  
50 same county or county special services school district on a  
51 full-time basis, State college demonstration school or private  
52 school to which the district of residence pays tuition; (3) a State  
53 facility; (4) are receiving home instruction; or (5) are in a  
54 shared-time vocational program and are regularly attending a

1 school in the district and a county vocational school district.  
2 Pupils in a shared-time vocational program shall be counted on an  
3 equated full-time basis in accordance with procedures to be  
4 established by the commissioner. For purposes of this section,  
5 resident enrollment shall include, regardless of nonresidence, the  
6 enrolled children of teaching staff members of the school district  
7 who are permitted, by contract or local district policy, to enroll  
8 their children in the educational program of the school district  
9 without payment of tuition.

10 Handicapped children between three and five years of age and  
11 receiving programs and services pursuant to N.J.S.18A:46-6 shall  
12 be included in the resident enrollment of the district.

13 "School district" means any local or regional school district  
14 established pursuant to chapter 8 or chapter 13 of Title 18A of  
15 the New Jersey Statutes and any county special services or  
16 county vocational school district established pursuant to chapter  
17 46 or chapter 54 of Title 18A of the New Jersey Statutes.

18 "SGI" means the average of the annual percentage changes in  
19 State gross income per return over the four calendar years ending  
20 December 31 of the school year prior to the prebudget year. The  
21 State gross income per return shall be annually calculated by the  
22 Division of Taxation using gross income for all full year residents  
23 as reported on New Jersey gross income tax returns and the  
24 corresponding number of returns.

25 "Special education services pupil" means a pupil receiving  
26 specific services pursuant to chapter 46 of Title 18A of the New  
27 Jersey Statutes in special class programs when the pupil is  
28 enrolled in a special class register.

29 "State facility" means a State residential facility for the  
30 retarded; a day training center which is operated by or under  
31 contract with the State and in which all the children have been  
32 placed by the State, including a private school approved by the  
33 Department of Education which is operated under contract with  
34 the Bureau of Special Residential Services in the Division of  
35 Developmental Disabilities in the Department of Human Services;  
36 a State residential youth center; a State training school or  
37 correctional facility; a State child treatment center or  
38 psychiatric hospital.

39 "Statewide average equalized school tax rate" means the  
40 amount calculated by dividing the sum of the current expense and  
41 capital outlay tax levies for all school districts, other than county  
42 vocational school and county special services school districts, in  
43 the State for the pre-budget year by the equalized valuations of  
44 all taxing districts in the State except taxing districts for which  
45 there are no school tax levies.

46 <sup>1</sup>["Statewide equalized valuation" means the equalized  
47 valuation of all taxing districts in the State as certified by the  
48 Director of the Division of Taxation on October 1 of the  
49 prebudget year. In the event that the equalized table certified by  
50 the Director of the Division of Taxation shall be revised by the  
51 tax court after December 15 of the prebudget year, the revised  
52 valuations shall be used in the recomputation of aid for an  
53 individual school district filing an appeal.]<sup>1</sup>

54 "Statewide regular education average budget" shall be annually

1 determined by the commissioner by dividing the sum total of  
2 regular education budgets of the school districts of the State in  
3 the prebudget year, by the sum total resident enrollment of the  
4 school districts of the State.

5 4. (New section) a. Beginning with the 1993-94 school year,  
6 and until such time as the designation is altered by statute,  
7 "special needs district" shall mean any school district, other than  
8 a school district in which the equalized valuation per pupil is  
9 more than twice the average Statewide equalized valuation per  
10 pupil, which, as of June 5, 1990: a. was classified by the  
11 Department of Education as an urban school district and was  
12 included in the department's district factor group A or B; or b. in  
13 which the quotient produced by dividing the number of pupils  
14 eligible for AFDC by the resident enrollment, less the number of  
15 preschool, evening school and post-graduate pupils, is greater  
16 than or equal to 0.15 and the number of pupils eligible for AFDC  
17 is greater than 1,000. For this calculation, pupils eligible for  
18 AFDC means those children aged 5-17 and resident in the district  
19 who are members of families which are eligible for "Aid to  
20 Families with Dependent Children" pursuant to P.L.1959, c.86  
21 (C.44:10-1 et seq.), as of September 30 of the prebudget year.

22 b. On or before July 1, 1995, and every seven years thereafter,  
23 the Commissioner of Education, in consultation with the  
24 Commissioners of Community Affairs, Labor and Human  
25 Services, shall review the criteria for the designation of special  
26 needs districts and, if appropriate, shall recommend to the  
27 Governor and the Legislature changes or modifications of those  
28 criteria and in the districts so designated. The Commissioner of  
29 Education also shall recommend criteria for the designation of  
30 those school districts which represent the wealthier districts in  
31 the State for the purposes of providing special needs district  
32 supplementary aid as required pursuant to section 13 of P.L. ,

33 c. (C. ) (now pending before the Legislature as this bill).

34 5. (New section) There is established the Education Reform  
35 Commission which shall be composed of two members of the  
36 Senate to be appointed by the President thereof, not more than  
37 one of whom shall be of the same political party, two members of  
38 the General Assembly to be appointed by the Speaker thereof, not  
39 more than one of whom shall be of the same political party, the  
40 Commissioner of Education and the Chancellor of Higher  
41 Education, or their respective designees, and ten public members,  
42 five to be appointed by the President of the Senate, not more  
43 than three of whom shall be of the same political party, and five  
44 to be appointed by the Speaker of the General Assembly, not  
45 more than three of whom shall be of the same political party .  
46 The public members shall include experts on education reform  
47 initiatives, education practitioners, and representatives of  
48 business and the public at large.

49 Members of the commission shall serve without compensation,  
50 but public members shall be reimbursed for expenses actually  
51 incurred in the performance of their duties.

52 The commission shall organize as soon as may be practicable  
53 after the appointment of its members and shall select a chairman  
54 from among its members and a secretary who need not be a

1 member of the commission. It shall be entitled to the assistance  
2 and services of the employees of any State, county or municipal  
3 department, board, bureau, commission or agency which it may  
4 require and which may be available to it for these purposes, and  
5 to employ stenographic and clerical assistants and incur traveling  
6 and other miscellaneous expenses necessary to perform its duties,  
7 within the limits of funds appropriated or otherwise made  
8 available to it for these purposes. The commission may meet and  
9 hold hearings at the place or places it designates.

10 a. By July 1, 1993, the commission shall:

11 (1) Review the educational goals and objectives established  
12 pursuant to P.L. 1975, c.212 (C.18A:7A-1 et seq.) and report to  
13 the Joint Committee on the Public Schools as to the  
14 appropriateness of those goals and objectives, including in the  
15 report any changes which the commission wishes to recommend.

16 (2) Determine those programs and courses of study which are  
17 necessary to ensure that each child has the opportunity to  
18 develop the skills necessary to achieve the goals and objectives.  
19 This program review shall include an analysis and assessment of  
20 State compensatory education programs.

21 (3) Review the research to determine which programs and  
22 services have been shown to be demonstratively effective for  
23 students in special needs districts, and establish a schedule for  
24 the implementation of those programs in those districts.

25 (4) In consultation with the Department of Education, survey  
26 the State to determine the availability and the geographic  
27 distribution of the programs identified pursuant to <sup>1</sup>[subsections]  
28 paragraphs<sup>1</sup> (2) and (3) of this subsection <sup>1</sup>and determine the  
29 manner in which these programs may be funded utilizing existing  
30 State revenues<sup>1</sup>.

31 <sup>1</sup>(5) In consultation with the Department of Education, survey  
32 the State to identify variations in educational costs among  
33 counties and regions and determine whether the use of county  
34 regular education average budgets in the distribution of base aid  
35 accurately reflects these cost differences and does not unduly  
36 limit aid to districts in low spending counties.<sup>1</sup>

37 b. By January 1, 1994, the commission, in consultation with  
38 the Commissioner of Education and the Task Force on Technology  
39 established pursuant to this act, shall develop and submit <sup>1</sup>[for  
40 approval to the State Board of Education,] to the Governor and  
41 the Legislature<sup>1</sup> a Program Equity Plan which shall ensure that  
42 all programs identified by the commission, pursuant to paragraph  
43 (2) of subsection a. of this section, shall be available to students  
44 throughout the State. The plan shall include recommendations as  
45 to how this can be accomplished with the greatest cost  
46 efficiencies, including, but not limited to, the potential for the  
47 provision of programs and services on a county or regional basis,  
48 jointures, shared facilities and the utilization of advanced  
49 educational technology. The plan shall include recommendations  
50 as to the appropriate time frame for its implementation. <sup>1</sup>The  
51 plan shall also address any other issue within the commission's  
52 charge.<sup>1</sup> The commission shall terminate 30 days following  
53 submission of the plan <sup>1</sup>[to the State board]<sup>1</sup>.



1 c. <sup>1</sup>[By July 1, 1994, based upon the recommendations of the  
2 commission, the State board shall adopt and submit to the  
3 Governor and the Legislature a Program Equity Plan.]<sup>1</sup> The plan  
4 shall take effect upon approval by the Legislature.

5 d. Each board of education shall review its programs and  
6 curricula and shall adopt such revisions as are necessary to ensure  
7 that the Program Equity Plan is fully implemented throughout the  
8 State within the time frame specified in the plan. The  
9 Commissioner of Education shall provide such technical  
10 assistance to boards of education as may be necessary to enable  
11 the boards to implement the plan in a manner that is both cost  
12 effective and suitable to conditions within the local school  
13 district.

14 e. Within five years of the effective date of this act, the  
15 Commissioner of Education shall report to the Governor and the  
16 Legislature on the status of the implementation of the Program  
17 Equity Plan, the mechanisms which local districts have utilized,  
18 and the impact of the plan on the improvement of pupil  
19 competencies and proficiencies. The commissioner may include  
20 in the report recommendations for changes in the Program Equity  
21 Plan and its implementation schedule.

22 6. (New section) a. There is established the Task Force on  
23 Technology, hereinafter "Task Force," which shall be an advisory  
24 group which shall report to the State Board of Education. The  
25 Task Force shall consist of nine members who shall be appointed  
26 no later than 120 days after the effective date of this act by the  
27 State Board of Education. Every effort shall be made to obtain  
28 the services of those whose background and knowledge of  
29 education and technology will be of greatest benefit to the State,  
30 including persons with expertise in the areas of research,  
31 technology, economic development, education, and business.  
32 Members shall receive no compensation but may be reimbursed  
33 for actual and necessary expenses in accordance with State laws  
34 and regulations.

35 As soon as possible after their appointment, the members shall  
36 hold an organizational meeting, and shall elect a chairman from  
37 among the members, and any other officers deemed necessary.

38 For the purposes of this section, "technology" includes, but is  
39 not limited to, computers, telecommunications, cable television,  
40 interactive video, film, low-power television, satellite  
41 communications, and microwave communications.

42 b. The Task Force shall develop a detailed five year plan for  
43 education technology, which shall provide for the efficient use of  
44 technology at all levels from primary school through higher  
45 education, including vocational and adult education <sup>1</sup>and  
46 determine the manner in which the implementation of this  
47 technology may be funded utilizing existing State revenues<sup>1</sup>.  
48 The plan shall focus on the technology requirements of classroom  
49 instruction, literacy laboratories, instructional management,  
50 distance learning, and communications as they relate to the goals  
51 and objectives established pursuant to P.L.1975, c.212  
52 (C.18A:7A-1 et seq.) The plan shall also outline activities related  
53 to purchasing, developing and using technology to improve the  
54 efficiency and productivity of school administrators.

1 (1) The five year plan shall cover all aspects of education  
2 technology, including but not limited to, its use in educational  
3 instruction and administration, video and computer systems,  
4 software and hardware, multiple delivery systems for satellite,  
5 microwave, cable, instructional television fixed service, fiber  
6 optic, and computer connections products, the preparation of  
7 school buildings for technological readiness, and the development  
8 of staff necessary to implement the plan.

9 (2) The five year plan shall include specific recommendations  
10 to the State Board of Education for the establishment of an  
11 integrated technology based communications system to provide  
12 comprehensive, current, accurate, and accessible information  
13 relating to management, finance, operations, instruction, and  
14 programs which are under the jurisdiction of the Department of  
15 Education. The system shall be operational by the beginning of  
16 the 1995-96 school year. This uniform and integrated system  
17 shall be used by all school districts.

18 c. The Task Force shall develop the five year plan for  
19 education technology by January 1, 1994, and shall include  
20 recommendations as to the appropriate time frame for its  
21 implementation. The Task Force shall submit the plan to the  
22 <sup>1</sup>[State Board of Education for approval. The State Board of  
23 Education shall either recommend changes in the plan to the Task  
24 Force, or approve the plan and submit it to the]<sup>1</sup> Governor and  
25 the Legislature. The plan shall take effect upon approval by the  
26 Legislature. <sup>1</sup>The Task Force shall terminate 30 days following  
27 submission of the plan.<sup>1</sup>

28 d. The Task Force shall assist the Education Reform  
29 Commission in development of the Program Equity Plan required  
30 pursuant to subsection b. of section 5 of P.L. , c. (C.  
31 )(now pending before the Legislature as this bill).

32 7. (New section) a. Each local board of education shall utilize  
33 its base program aid entitlement provided pursuant to paragraph  
34 (1) of subsection a. of section 10 of P.L. , c. (C. )(Now  
35 pending before the Legislature as this bill) for the establishment  
36 of programs which will foster change in the educational system,  
37 encourage educational creativity and initiative and enhance  
38 student learning. In developing its program, a board of education  
39 may enter into cooperative relationships with other school  
40 boards, institutions of higher education and nonprofit private  
41 institutions or organizations, and may seek corporate sponsorship  
42 to enhance its proposal.

43 b. By July 1, 1993, the Commissioner of Education shall  
44 prepare and disseminate to local boards of education a list of  
45 those programs which have been identified by research and  
46 experience as having a significant impact on pupil achievement  
47 and performance.

48 c. During the 1993-94 school year, each board of education  
49 shall designate the educational program or programs which shall  
50 be implemented or have already been implemented in the district  
51 as soon as may be practicable, but not later than in January,  
52 1994. This determination shall be made through a planning  
53 process in which teaching staff members, parents and the entire  
54 educational community play a major role. The planning process

1 may include expanded in-service training for teaching staff  
2 members if that will be required to implement the program. If a  
3 district wishes to implement or has already implemented a  
4 program which has not been specified by the commissioner  
5 pursuant to subsection b. of this section, the district may submit  
6 a request to do so to the commissioner, together with information  
7 and research data supporting its request. Upon request of a board  
8 of education, the department shall provide technical assistance to  
9 facilitate the planning process.

10 d. A board of education may submit to the State Board of  
11 Education a request for a modification or a waiver of State rules  
12 or regulations if the board determines that such a waiver is  
13 necessary for the implementation of its program. A board may  
14 not request a waiver of regulations that would effect the health  
15 and safety of the pupil. The request for a waiver shall include:

16 (1) A detailed description of the proposed program;

17 (2) The reason or reasons why the board believes that the  
18 waiver is necessary; and

19 (3) Written certification indicating that the teaching staff of  
20 the district was directly involved in the development of the  
21 program and that they support the request for the waiver.

22 The State Board of Education shall grant the waiver if it  
23 determines that it is necessary to enable the district to  
24 implement the program.

25 e. Within five years of the effective date of this act, the  
26 Commissioner of Education shall report to the Governor and the  
27 Legislature on the extent to which the base program aid has  
28 fostered change in the educational system, encouraged  
29 educational creativity and initiative and enhanced student  
30 learning. The report shall also indicate the extent to which  
31 cooperative relationships have been established between school  
32 districts, institutions of higher education and nonprofit private  
33 institutions or organizations, and the extent that corporate  
34 sponsorship has been available. The commissioner may include in  
35 the report recommendations for changes or expansion of the base  
36 program aid initiative.

37 8. (New section) a. Each special needs district shall establish  
38 full day kindergarten programs and make them available to all  
39 children in the district beginning in the 1993-94 school year and  
40 shall establish pre-kindergarten programs and make them  
41 available to all children in the district beginning in the 1995-96  
42 school year or upon the availability of facilities, whichever is  
43 earlier. The pre-kindergarten programs shall be available to all  
44 four year old children and to three year old children when  
45 developmentally appropriate. The programs shall be based on a  
46 developmentally appropriate and integrated curriculum which  
47 promotes the physical, emotional, social, and cognitive areas of a  
48 child's development.

49 b. By February 1, 1993 and every February 1 thereafter, each  
50 special needs district shall prepare a plan to provide full day  
51 kindergarten and pre-kindergarten programs pursuant to this  
52 section for the coming school year and submit the plan to the  
53 Commissioner of Education for approval. The plan shall be  
54 prepared in consultation with parents, teachers and community

1 leaders and shall:

2 (1) Address the full day child care needs of the child's working  
3 parents through before and after school programs;

4 (2) Be tailored to each child's needs and developmental  
5 readiness;

6 (3) Provide for the identification and remediation of  
7 developmental delays which could adversely effect future school  
8 performance;

9 (4) Encourage parents and members of the community to  
10 volunteer their time and services in operating the programs;

11 (5) Provide full day nutritional programs;

12 (6) Provide an information and referral service for health and  
13 social services for the child or the child's family;

14 (7) Provide a parent education component in order to  
15 encourage parents to read to their children, to take a more active  
16 role in the education of their children at home and at school, and  
17 to enhance the intellectual, physical, social and emotional  
18 development of their children;

19 (8) Utilize existing governmental and community resources and  
20 facilities and seek private foundation and business involvement;  
21 and

22 (9) Provide for a continuity of services to at-risk and  
23 developmentally delayed children as they move into the primary  
24 grades.

25 The Department of Education, in consultation with the  
26 Department of Human Services, shall provide guidance and  
27 technical assistance to local school districts in developing the  
28 plans required under this section.

29 If the district is unable to provide pre-kindergarten programs  
30 in the 1995-96 school year because of the unavailability of  
31 suitable facilities, the plan shall indicate what steps are being  
32 taken by the district to address this issue and an approximate  
33 date when suitable facilities will be available.

34 c. The school district shall provide transportation when  
35 necessary to children participating in a preschool program  
36 pursuant to this section who do not otherwise qualify for  
37 transportation and shall receive transportation aid pursuant to  
38 P.L. ,c. (C. )(now pending before the Legislature as this  
39 bill) for transportation provided under this paragraph.

40 d. In addition to the pre-kindergarten and full day  
41 kindergarten programs required pursuant to this section, each  
42 special needs district shall provide for the programs identified by  
43 the Education Reform Commission and approved by the State  
44 Board of Education as necessary for the special needs district to  
45 meet State educational goals and objectives according to the  
46 timetable established therein. The special needs district may  
47 utilize base program aid to implement the pre-kindergarten, full  
48 day kindergarten or other programs which may be required by the  
49 Education Reform Commission.

50 e. Notwithstanding any statute, rule or regulation promulgated  
51 by the State Board of Education, special needs districts may  
52 contract with New Jersey colleges and universities to provide in  
53 school, after school and special academic programs and services  
54 to assist the districts in providing the educational

1 opportunities required by this bill. The Chancellor of Higher  
2 Education shall prepare on or before July 1 of each year a report  
3 of programs and services available from New Jersey colleges and  
4 universities to assist these districts. The report shall be  
5 distributed to the commissioner and to the special needs districts.

6 9. (New section) In order to develop effective strategies to  
7 meet the needs and improve the entire environment of the  
8 educationally disadvantaged pupil, there shall be established in  
9 every special needs district a Community Alliance for Reform of  
10 Education (hereafter CARE). The CARE program shall provide  
11 health, nutritional, social and family programs to school age  
12 children and their families. For the purposes of this section  
13 "health, nutritional, social and family services" shall include, but  
14 not be limited to, primary and preventative health care services,  
15 nutritional services, drug and alcohol abuse counseling, pregnancy  
16 counseling, parenting education programs, child development  
17 programs, family crisis counseling, mental health counseling,  
18 suicide prevention, academic and vocational counseling and  
19 tutoring, employment placement and counseling, and child care  
20 programs.

21 a. The Commissioner of Human Services shall undertake and  
22 complete within one year of the effective date of this act a  
23 resource identification and needs assessment study concerning  
24 the health, nutritional, social and family services needs of pupils  
25 and their families within the special needs district. The  
26 department shall consult with federal, State, and local agencies  
27 and private organizations providing health, nutritional, social and  
28 family services funds or programs in developing the study. The  
29 Department of Human Services shall also conduct a facilities  
30 needs assessment for these programs.

31 b. Beginning with the 1994-95 school year, each special needs  
32 district shall employ a CARE Coordinator and shall receive full  
33 reimbursement from the State for the cost of the coordinator.  
34 The Commissioner of Education, in consultation with the  
35 Commissioner of Human Services, shall issue guidelines  
36 concerning the training and experience qualifications for the  
37 CARE Coordinator. The CARE Coordinator shall be responsible  
38 for:

39 (1) Facilitating assessment and referral of eligible pupils and  
40 their families to those services identified as available within the  
41 community by the Commissioner of Human Services;

42 (2) Identifying any additional resources available to eligible  
43 pupils and families within the district for health, nutritional,  
44 social and family services programs and referring the individual  
45 to the appropriate agency or organization offering the program;

46 (3) Developing a plan for the provision of those health,  
47 nutritional, social and family services programs not available  
48 within the community and identifying possible sources of public  
49 and private funding for these programs.

50 c. In order to implement the CARE program, each special  
51 needs district shall establish a social services resource center at  
52 or near every elementary school which the CARE Coordinator  
53 shall use as a focal point for health, nutritional, family

1 and social services for school age pupils and their families. Each  
2 special needs district shall also provide for at least one youth  
3 services center in the district which the CARE coordinator shall  
4 use as a focal point for services available to adolescents and their  
5 families and for community service programs.

6 10. (New section) a. Each school district's base aid for  
7 current expense and capital outlay shall equal the sum of (1) and  
8 (2) as follows:

9 (1) the district's base program aid, which shall equal \$300 for  
10 districts in district factor groups A, B or C; \$200 for districts in  
11 district factor groups D, E, F, or G and 1nonoperating school  
12 districts,<sup>1</sup> county special services and county vocational school  
13 districts; and \$100 for pupils in district factor groups H, I, or J  
14 multiplied by the district's resident enrollment;

15 (2) the district's base equalized aid, which shall equal the  
16 district's base budget, calculated pursuant to section 11 of P.L.  
17 , c. (C. ) (now pending before the Legislature as this bill),  
18 minus the district's base local share, which is the product of the  
19 district's equalized valuation multiplied by 0.0100. No district's  
20 base equalized aid shall be less than zero.

21 The equalized valuations for county vocational and county  
22 special services school districts shall be calculated by taking the  
23 total county equalized valuations, divided by the resident  
24 enrollment of the county, and multiplying this quotient by the  
25 resident enrollment of the county school.

26 b. Beginning with the 1994-95 school year, each district's  
27 maximum base aid shall equal its prebudget year base aid  
28 increased by the SGI and the average annual percentage increase,  
29 if greater than zero, in the district's resident enrollment over  
30 the four school years prior to the budget year. Any reduction in  
31 base aid as a result of this subsection shall be first made from the  
32 district's base equalized aid entitlement.

33 For the 1993-94 school year the district's maximum base aid  
34 shall equal its 1992-93 base aid increased by 1the following  
35 percentage:

36 (1)<sup>1</sup> two percent 1for districts with an equalized school tax  
37 rate less than 110% of the Statewide average equalized school  
38 tax rate;

39 (2) three percent for districts with an equalized school tax rate  
40 between 110% and 120% of the Statewide average equalized  
41 school tax rate;

42 (3) four percent for districts with an equalized school tax rate  
43 of 120% or more of the Statewide average equalized school tax  
44 rate<sup>1</sup>.

45 For the purposes of this subsection, base aid for the 1992-93  
46 school year shall equal the sum of foundation aid, transition aid,  
47 and at-risk aid received by the school district.

48 11. (New section) a. Each school district's base budget shall  
49 equal its county regular education average budget multiplied by  
50 the number of base units. The number of base units shall be  
51 determined by multiplying the number of pupils in resident  
52 enrollment by the appropriate weights:



1	Category	Weight
2		
3	Full Day Kindergarten or Preschool.....	0.90
4	Half Day Kindergarten or Preschool.....	0.45
5	Grades 1-5.....	0.90
6	Grades 6-8.....	1.00
7	Grades 9-12.....	1.20
8	Special Education Services Pupil.....	0.90
9	Evening School.....	0.45
10	Post Graduate.....	0.45
11	County Vocational School.....	1.20
12	Post Secondary Vocational Education.....	1.20

13  
14 For the purposes of calculating base units pursuant to this  
15 section, pupils in ungraded classes shall be assigned to the most  
16 appropriate grade category in accordance with procedures to be  
17 established by the commissioner.

18 <sup>1</sup>For the purpose of calculating base equalized aid, the total  
19 base units for grades preschool through 12th for a special needs  
20 district, as derived pursuant to the above table, shall be  
21 multiplied by 1.05.<sup>1</sup>

22 b. On or before April 1, 1994, and on or before April 1 of each  
23 subsequent even numbered year, the Governor, after consultation  
24 with the Department of Education, shall recommend to the  
25 Legislature any revision in the schedule of base aid weights which  
26 is deemed proper, together with appropriate supporting  
27 information. The revised weights shall be deemed approved for  
28 the fiscal year beginning one year from the subsequent July 1 at  
29 the end of 60 calendar days after the date on which they are  
30 transmitted to the Senate and General Assembly, or if the  
31 Legislature is not in session on the sixtieth day, then on the next  
32 succeeding day on which it shall be meeting in the course of a  
33 regular or special session, unless between the date of transmittal  
34 and the end of the above period, the Legislature passes a  
35 concurrent resolution stating that the Legislature does not favor  
36 the revised schedule of weights, in which case the weights then in  
37 effect shall continue in effect.

38 12. a. Each school district's maximum permitted regular  
39 education budget shall equal the district's regular education  
40 budget in the prebudget year increased by the sum of:

- 41 (1) the SGI;
- 42 (2) the average annual percentage increase, if greater than  
43 zero, in the district's resident enrollment over the four years  
44 prior to the budget year; and
- 45 (3) the product of 0.10 multiplied by the percentage by which  
46 the district's per pupil regular education budget in the prebudget  
47 year is below the Statewide regular education average budget  
48 multiplied by the district's base aid units.

49 <sup>1</sup>The district's maximum permitted regular education budget  
50 for the budget year shall be increased by the amount of any items  
51 in the capital outlay budget which are associated with the  
52 opening of a new or improved facility as well as any instructional  
53 supplies and materials and purchased professional and technical  
54 services in the current expense budget which are associated with  
55 the opening of a new or improved facility.<sup>1</sup>

b. Any school district may submit a proposal to raise the amount of tax levy necessary to exceed its maximum permitted regular education budget, pursuant to this section, to the legal voters of the district for type II school districts without a Board of School Estimate and to the Board of School Estimate for those school districts with a Board of School Estimate as required during the school budget approval process pursuant to chapters 22 and 54 of Title 18A of the New Jersey Statutes and section 13 of P.L.1971, c.271 (C.18A:46-41). The proposal to raise additional tax levy to exceed the maximum permitted regular education budget shall be in addition to the amounts required to be approved for each school district in accordance with chapters 22 and 54 of Title 18A of the New Jersey Statutes and section 13 of P.L.1971, c.271 (C.18A:46-41). In the event that a school district's proposal to raise the tax levy to exceed the maximum permitted regular education budget is not approved in accordance with the budget approval process set forth in chapter 22 of Title 18A of the New Jersey Statutes for type II districts and for type I districts, chapter 54 of Title 18A of the New Jersey Statutes for county vocational school districts and section 13 of P.L.1971, c.271 (C.18A:46-41) for county special services school districts, that disapproval shall be deemed final unless the district can demonstrate to the satisfaction of the Commissioner of Education that the cap waiver is necessary for the district to provide the constitutionally required educational opportunity.

13. (New section) a. Each special needs district shall be eligible to receive supplemental aid in addition to base aid to be calculated as follows:

$$SA = ((TB \times BU) - (BA + LS)) \times F$$

where

SA is the district's supplemental aid;

TB is the target budget which shall equal the average regular education budget per pupil, excluding base program aid, of the school districts in district factor groups H, I and J;

BU is the base units for the special needs district;

BA is the special needs district's base equalized aid; and

LS is the district's local share, which is calculated by multiplying the district's equalized valuation by the Statewide average equalized school tax rate for the prebudget year.

F is the supplemental aid factor, which shall equal .20 in 1993-94, .40 in 1994-95, .60 in 1995-96, .80 in 1996-97, and 1.00 in 1997-98 and thereafter;

The special needs district supplement provided pursuant to this section shall not be included in the calculation of the district's regular education budget.

b. The minimum tax levy for current expense and capital outlay in a special needs district shall equal its local share pursuant to subsection a. of this section. For those districts below their local share, the commissioner shall develop a plan for the district's tax levy for current expense and capital outlay to equal its local share by the 1998-99 school year.

1 A special needs district shall not decrease its tax levy for  
 2 current expense and capital outlay by an amount greater than the  
 3 SGI multiplied by its prebudget year local levies for current  
 4 expense and capital outlay.

5 14. (New section) Categorical program support in the 1994-95  
 6 school year and thereafter shall be paid in accordance with the  
 7 following calculations:

8 a. The number of categorical aid units for each school district  
 9 shall be determined by adding the products obtained by  
 10 multiplying the pupils in each category by the appropriate  
 11 weight. Unless the schedule of weights is or has been revised  
 12 pursuant to subsection e. of this section, the weights shall be the  
 13 following:

Category	Weight
Bilingual.....	0.18
County vocational secondary.....	0.26
County vocational post-secondary.....	0.13
Special Education	
Educable.....	0.60
Trainable.....	0.99
Orthopedically handicapped.....	1.70
Neurologically impaired.....	0.42
Perceptually impaired.....	0.12
Visually handicapped.....	2.79
Auditorily handicapped.....	1.63
Communication handicapped.....	0.84
Emotionally disturbed.....	1.09
Socially maladjusted.....	0.67
Chronically ill.....	2.23
Multiply handicapped.....	1.05
Resource room.....	0.45
Autistic.....	1.84
Preschool Handicapped, half day.....	0.30
Preschool Handicapped, full day.....	0.60
County special services school district	1.38
Regional Day schools.....	1.38
County Vocational School, Special	
Education Services.....	0.59
Residential facility for the retarded.....	1.72
Day training center.....	2.37
Residential youth center.....	1.39
Training school or correctional facility...	0.56
Child treatment center or psychiatric	
hospital.....	1.03
Supplementary and speech instruction.....	0.18

based on the number  
 of pupils actually  
 receiving such  
 instruction in  
 the prior  
 school year

1 b. The number of categorical aid units for home instruction  
2 shall be determined by multiplying the number of hours of  
3 instruction actually provided in the prior school year by 0.0025.

4 c. For the purposes of this section, categorical aid shall be  
5 paid to the districts in which the pupils reside except in the case  
6 of home, supplementary or speech instruction where aid shall be  
7 paid to the district providing the service. No tuition may be  
8 charged for such home, supplementary or speech instruction.

9 d. Categorical aid for each school district shall equal the  
10 number of categorical aid units multiplied by the State regular  
11 education average budget.

12 e. On or before April 1, 1994, and on or before April 1 of each  
13 subsequent even numbered year, the Governor, after consultation  
14 with the Department of Education, shall recommend to the  
15 Legislature any revision in the schedule of weights in this section  
16 which is deemed proper, together with appropriate supporting  
17 information concerning the average excess cost of providing the  
18 categorical program. The revised additional weights shall be  
19 deemed approved for the fiscal year beginning one year from the  
20 subsequent July 1 at the end of 60 calendar days after the date on  
21 which they are transmitted to the Senate and General Assembly,  
22 or if the Legislature is not in session on the sixtieth day, then on  
23 the next succeeding day on which it shall be meeting in the  
24 course of a regular or special session, unless between the date of  
25 transmittal and the end of the above period, the Legislature  
26 passes a concurrent resolution stating that the Legislature does  
27 not favor the revised schedule of weights, in which case the  
28 additional cost factors then in effect shall continue in effect.

29 15. (New section) a. Transportation aid in the 1994-95 school  
30 year and thereafter shall equal the sum of A1, A2 and A3  
31 determined as follows:

$$32 \quad A1 = R \times C + (R \times D \times W)$$

$$33 \quad A2 = RS \times CS + (RS \times DS \times WS)$$

$$34 \quad A3 = (R + RS) \times ((P \times PM) + (E \times EM))$$

35 where

36 R is the number of pupils eligible for transportation pursuant to  
37 N.J.S.18A:39-1 as of the last school day prior to October 16 of  
38 the prebudget year;

39 C is the per pupil constant, which shall equal 502.27 for school  
40 districts located in very high cost counties, shall equal 365.10 for  
41 school districts located in high cost counties and shall equal  
42 254.41 for school districts located in any other county;

43 D is the average distance between the home and school of the  
44 pupils eligible for transportation pursuant to N.J.S.18A:39-1;

45 W is the regular transportation mileage weight, which shall  
46 equal 21.57 for school districts located in the very high cost  
47 counties and high cost counties and shall equal 14.19 for school  
48 districts located in any other county;

49 RS is the number of pupils eligible for transportation pursuant  
50 to N.J.S.18A:46-23 as of the last school day prior to October 16  
51 of the prebudget year;

52 CS is the per pupil constant for transportation pursuant to  
53 N.J.S.18A:46-23, which shall equal 1051.72 for school districts  
54 located in very high cost counties, shall equal 914.55 for school

1 districts located in high cost counties and shall equal 803.86 for  
2 school districts located in any other county;

3 PM means the population density multiplier, which equals  
4 .00541;

5 P means population density, calculated as the district's  
6 population according to the most recent data available from the  
7 Bureau of the Census divided by the number of square miles in  
8 the school district;

9 DS is the average distance between the home and school of the  
10 pupils eligible for transportation pursuant to N.J.S.18A:46-23;

11 WS is the mileage weight for transportation pursuant to  
12 N.J.S.18A:46-23, which shall equal 64.05 for school districts  
13 located in very high cost counties and high cost counties and shall  
14 equal 56.68 for school districts located in any other county;

15 EM means the district size multiplier, which equals .00762; and

16 E means the resident enrollment of the district.

17 As used in this section a high cost county is a county in which  
18 for the 1988-89 school year the average cost per pupil mile for  
19 approved transportation, other than for handicapped pupils or  
20 pupils whose parent or guardian receives a payment in lieu of  
21 transportation pursuant to N.J.S.18A:39-1, exceeded the  
22 Statewide average by more than 15%.

23 As used in this section a very high cost county is a county in  
24 which for the 1988-89 school year the average cost per pupil mile  
25 for approved transportation, other than for handicapped pupils or  
26 pupils whose parent or guardian receives a payment in lieu of  
27 transportation pursuant to N.J.S.18A:39-1, exceeded the  
28 Statewide average by more than 85%.

29 Whenever a pupil receives transportation to and from a remote  
30 nonpublic school pursuant to N.J.S.18A:39-1 or whenever the  
31 parent or guardian of a pupil receives a payment in lieu of  
32 transportation pursuant to N.J.S.18A:39-1, the State aid for  
33 transportation received by the district for that pupil shall not  
34 exceed \$675 or the amount determined pursuant to section 2 of  
35 P.L.1981, c.57 (C.18A:39-1a), whichever is the greater amount.

36 County special services school districts shall be ineligible to  
37 receive state aid for purposes of this section.

38 For any school year in which the numerical values in this  
39 subsection have not been altered pursuant to subsection b. of this  
40 section, the State aid amount calculated for a district pursuant to  
41 this subsection shall be increased by the product of the amount  
42 calculated and the CPI. The CPI shall not be compounded over  
43 several years if the numerical values in this section have not been  
44 altered pursuant to subsection b. of this section.

45 b. On or before April 1, 1994, and on or before April 1 of each  
46 subsequent even numbered year, the Governor, after consultation  
47 with the Department of Education, shall recommend to the  
48 Legislature any revision in any numerical value in subsection a. of  
49 this section, including the numerical criteria for a high cost  
50 county and a very high cost county, which is deemed proper,  
51 together with appropriate supporting information. The revised  
52 values shall be deemed approved for the fiscal year beginning one  
53 year from the subsequent July 1 at the end of 60 calendar days  
54 after the date on which they are transmitted to the Senate and

1 General Assembly, or if the Legislature is not in session on the  
 2 sixtieth day, then on the next succeeding day on which it shall be  
 3 meeting in the course of a regular or special session, unless  
 4 between the date of transmittal and the end of the above period,  
 5 the Legislature passes a concurrent resolution stating that the  
 6 Legislature does not favor the revised schedule of values, in  
 7 which case the values then in effect shall continue in effect.

8 16. (New section) a. Each district's State aid for debt service  
 9 shall be calculated as follows:

10

$$11 \quad A = DB \times (BB - LS) / BB$$

12

13 where

14

15 A is the district's State aid for debt service;

16 DB is the district's net debt service budget;

17 BB is the district's base budget, as determined pursuant to  
 18 section 11 of this amendatory and supplementary act; and

19 LS is the district's base local share, as determined pursuant to  
 20 section 10 of this amendatory and supplementary act.

21 b. A county vocational school district and a county special  
 22 services school district shall be eligible to receive State aid for  
 23 debt service.

24 17. (New section) Each school district's maximum general  
 25 fund free balance shall not exceed 7.5 percent of its current  
 26 expense budget. If a district's general fund free balance exceeds  
 27 that amount, the district shall file a plan with the commissioner  
 28 to ensure that the district's general fund free balance shall be no  
 29 greater than 7.5 percent of its current expense budget in the  
 30 1994-95 school year.

31 <sup>1</sup>[18. (New section) a. Any board of education which, after the  
 32 effective date of P.L. , c. (C. )(now pending before the  
 33 Legislature as this bill), submits to the voters at a special school  
 34 election held pursuant to N.J.S.18A:13-34 a proposal to join or  
 35 create an all purpose regional school district may include a  
 36 question as to whether the amounts to be raised for annual or  
 37 special appropriations for the proposed regional school district  
 38 shall be apportioned among the municipalities included within the  
 39 regional school district on the basis of equalized valuations  
 40 pursuant to N.J.S.18A:13-23 or on a per pupil basis.

41 b. Subject to voter approval pursuant to subsection a. of this  
 42 section, a board of education of a regional school district may  
 43 apportion the amounts to be raised for annual or special  
 44 appropriations among the municipalities included within the  
 45 regional school district on a per pupil basis.]<sup>1</sup>

46 <sup>1</sup>18. (New section) A district, which was in district factor  
 47 group A, B, or C in the 1990-91 school year as determined by the  
 48 Department of Education based upon 1980 census data, shall  
 49 receive State lease purchase aid in an amount equal to the  
 50 payments made by the district on any lease purchase agreement  
 51 entered into during or prior to the 1990-91 school year, including  
 52 the refinance thereof, multiplied by .40.<sup>1</sup>

53 19. (New section) The amounts payable to each school district  
 54 pursuant to P.L. , c. (C. )(now pending before the



1 Legislature as this bill) shall be paid by the State Treasurer upon  
2 the certification of the commissioner and warrant of the Director  
3 of the Division of Budget and Accounting. Five percent of the  
4 State aid appropriation shall be paid on the first and fifteenth of  
5 each month from September through June. If a local board of  
6 education requires funds prior to the first payment, the board  
7 shall file a written request with the Commissioner of Education  
8 stating the need for the funds. The commissioner shall review  
9 each request and forward those for which need has been  
10 demonstrated to the appropriate officials for payment.

11 Debt service funds shall be paid as required to meet due dates  
12 for payment of principal and interest.

13 Each school district shall file an annual written request for  
14 debt service payments to the commissioner 30 days prior to the  
15 beginning of the fiscal year for which the appropriation is made.  
16 Such request shall include the amount of interest bearing school  
17 debt, if any, of the municipality or district then remaining  
18 unpaid, together with the rate of interest payable thereon, the  
19 date or dates on which the bonds or other evidences of  
20 indebtedness were issued, and the date or dates upon which they  
21 fall due. In the case of Type I school districts, the board  
22 secretary shall secure the schedule of outstanding obligations  
23 from the clerk of the municipality.

24 20. (New section) Annually, on or before October 20, the  
25 secretary of the board of education, with the approval of the  
26 superintendent of schools, or if there is no superintendent of  
27 schools, with the approval of the county superintendent of  
28 schools, shall file with the commissioner a report stating the  
29 number of pupils enrolled by grade, the number of these pupils in  
30 approved programs of special education, bilingual education and  
31 vocational education, and the number of pupils in State facilities,  
32 county vocational schools, county special services schools, State  
33 college demonstration schools, evening schools, approved private  
34 schools for the handicapped, other public or private schools to  
35 which the district is paying tuition, or who are receiving home  
36 instruction on the last school day prior to October 16. In  
37 addition, districts shall file annual reports providing such  
38 information as the commissioner may require for pupils receiving  
39 special education services.

40 21. (New section) Annually, <sup>1</sup>[on or after the last Tuesday in  
41 January] within seven days following the transmittal of the  
42 budget message to the Legislature by the Governor pursuant to  
43 section 11 of P.L. 1944, c. 112 (C.52:27B-20),<sup>1</sup> the commissioner  
44 shall notify each district of the maximum amount of aid payable  
45 to the district under the provisions of P.L. ,c. (C. )(now  
46 pending before the Legislature as this bill) in the succeeding year  
47 and shall notify each district of the district's maximum  
48 permitted regular education budget for the succeeding year. The  
49 actual aid payment to each district shall be determined after the  
50 district's budget is adopted.

51 22. (New section) Annually, on or before <sup>1</sup>[February 20] March  
52 8<sup>1</sup>, local boards of education shall submit to the commissioner a  
53 copy of their proposed budgets for the next school year.  
54 Beginning with the 1994-95 school year, the budget shall include,

1 by separate line item, the district's proposed expenditures under  
2 the base program aid initiative established pursuant to section 7  
3 of P.L. , c. (C. )(now pending before the Legislature as  
4 this bill). The commissioner shall review each item of  
5 appropriation within the current expense and capital outlay  
6 budgets and shall determine the adequacy of the budgets with  
7 regard to the annual reports submitted pursuant to section 11 of  
8 P.L.1975, c.212 (C.18A:7A-11) and such other criteria as may be  
9 established by the State board.

10 23. (New section) In order to receive any State aid pursuant to  
11 this amendatory and supplementary act, a school district shall  
12 comply with the rules and standards for the equalization of  
13 opportunity which have been or which may hereafter be  
14 prescribed by law, or formulated by the commissioner or the  
15 State board pursuant to law. The commissioner is hereby  
16 authorized to withhold all or part of that State aid for failure to  
17 comply with any rule or standard. No State aid shall be paid to  
18 any district which has not provided public school facilities for at  
19 least 180 days during the preceding school year, but the  
20 commissioner, for good cause shown, may remit the penalty.

21 24. (New section) When State aid is calculated for any year  
22 and a part of any district becomes a new school district or a part  
23 of another school district, including a county vocational school  
24 district or county special services school district established  
25 after January 1, 1991, or comes partly under the authority of a  
26 regional board of education, the commissioner shall adjust the  
27 State aid calculations among the districts affected, or between  
28 the district and the county vocational school district, county  
29 special services school district or the regional board, as the case  
30 may be, on an equitable basis in accordance with the intent of  
31 P.L. , c. (C. )(now pending before the Legislature as this  
32 bill).

33 Whenever an all-purpose regional district is approved by the  
34 voters during any calendar year, the regional district shall  
35 become effective on the succeeding July 1 for the purpose of  
36 calculating State aid, and the commissioner shall request  
37 supplemental appropriations for such additional State aid as may  
38 be required.

39 After a regional school district becomes entitled to State aid,  
40 it shall continue to be entitled to such aid as calculated for a  
41 regional district notwithstanding the subsequent consolidation of  
42 the constituent municipalities of the regional school district.

43 25. Section 17 of P.L.1987, c.399 (C.18A:7A-50) is amended to  
44 read as follows:

45 17. The State district superintendent of a State-operated  
46 school district shall develop a budget on or before the <sup>1</sup>[first]  
47 <sup>1</sup>fourth<sup>1</sup> Tuesday in <sup>1</sup>[April] March<sup>1</sup> and shall present this budget  
48 to the board of education to elicit the board's comments and  
49 recommendations. This budget shall conform in all respects with  
50 the requirements of chapter 22 of Title 18A of the New Jersey  
51 Statutes and shall be subject to the limitations on spending by  
52 local school districts otherwise required by [P.L.1990, c.52  
53 (C.18A:7D-1 et al.)] P.L. , c. (C. )(now pending before  
54 the Legislature as this bill).

55 (cf: P.L.1992, c.159, s.6)

1       26. Section 6 of P.L.1979, c.207 (C.18A:7B-2) is amended to  
2 read as follows:

3       6. a. For each child who is resident in a district and in a State  
4 facility on the last school day prior to October 16 of the  
5 prebudget year, the Commissioner of Education shall deduct from  
6 the State aid payable to such district an amount equal to the  
7 State [foundation] regular education average budget amount plus  
8 the appropriate [special education aid] categorical program  
9 support.

10       b. If, for any district, the amount to be deducted pursuant to  
11 subsection a. of this section is greater than State aid payable to  
12 the district, the district shall pay to the Department of Education  
13 the difference between the amount to be deducted and the State  
14 aid payable to the district.

15       c. The amount deducted pursuant to subsection a. of this  
16 section and the amount paid to the Department of Education  
17 pursuant to subsection b. of this section shall be forwarded to the  
18 Department of Human Services if the facility is operated by or  
19 under contract with that department, or to the Department of  
20 Corrections if the facility is operated by that department, and  
21 shall serve as payment by the district of tuition for the child.  
22 This amount shall be used solely for the support of educational  
23 programs and shall be maintained in a separate account for that  
24 purpose. No district shall be responsible for the tuition of any  
25 child admitted to a State facility after the last school day prior  
26 to October 16 of the prebudget year.

27 (cf: P.L.1990, c.52, s.34)

28       27. Section 19 of P.L.1979, c.207 (C.18A:7B-12) is amended to  
29 read as follows:

30       19. For school funding purposes, the Commissioner of  
31 Education shall determine district of residence as follows:

32       a. The district of residence for children in foster homes shall  
33 be the district in which the foster parents reside. If a child in a  
34 foster home is subsequently placed in a State facility or by a  
35 State agency, the district of residence of the child shall then be  
36 determined as if no such foster placement had occurred.

37       b. The district of residence for children who are in residential  
38 State facilities, or who have been placed by State agencies in  
39 group homes, private schools or out-of-State facilities, shall be  
40 the present district of residence of the parent or guardian with  
41 whom the child lived prior to his most recent admission to a State  
42 facility or most recent placement by a State agency.

43       If this cannot be determined, the district of residence shall be  
44 the district in which the child resided prior to such admission or  
45 placement.

46       c. The district of residence for children whose parent or  
47 guardian temporarily moves from one school district to another  
48 as the result of being homeless shall be the district in which the  
49 parent or guardian last resided prior to becoming homeless. For  
50 the purpose of this amendatory and supplementary act,  
51 "homeless" shall mean an individual who temporarily lacks a  
52 fixed, regular and adequate residence.

53       d. If the district of residence cannot be determined according  
54 to the criteria contained herein, or if the criteria contained

1 herein identify a district of residence outside of the State, the  
 2 State shall assume fiscal responsibility for the tuition of the  
 3 child. The tuition shall equal the State [foundation] regular  
 4 education average budget amount plus the appropriate [special  
 5 education aid] categorical program support, if any. This amount  
 6 shall be appropriated in the same manner as other State aid under  
 7 this act. The Department of Education shall pay the amount to  
 8 the Department of Human Services or the Department of  
 9 Corrections or, in the case of a homeless child, to the school  
 10 district in which the child is enrolled.

11 (cf: P.L.1990, c.52, s.35)

12 28. N.J.S.18A:13-23 is amended to read as follows:

13 18A:13-23. The annual or special appropriations for regional  
 14 districts, including the amounts to be raised for interest upon,  
 15 and the redemption of, bonds payable by the district, shall be  
 16 apportioned among the municipalities included within the regional  
 17 district upon the basis of the portion of each municipality's  
 18 equalized valuation allocated to the regional district, calculated  
 19 as described in the definition of equalized valuation in section 3  
 20 of [P.L.1990, c.52 (C.18A:7D-3)] P.L. ,c. (C. )(now  
 21 pending before the Legislature as this bill).

22 (cf: P.L.1990, c.52, s.37)

23 29. N.J.S.18A:21-3 is amended to read as follows:

24 18A:21-3. Such account shall be established by resolution of  
 25 the board of school estimate or the board of education, as the  
 26 case may be, in such form as shall be prescribed by the  
 27 commissioner, a true copy of which shall be filed with the  
 28 department. For any school year an amount <sup>1</sup>of the district's  
 29 base aid entitlement<sup>1</sup> not to exceed <sup>1</sup>[the amount of [foundation]  
 30 base aid anticipated in the capital outlay budget] \$100 per pupil<sup>1</sup>  
 31 , as calculated pursuant to [section 10 of P.L.1990, c.52  
 32 (C.18A:7D-10)] P.L. ,c. (C. )(now pending before the  
 33 Legislature as this bill), plus any additional sum expressly  
 34 approved by the voters of the district or the board of school  
 35 estimate may be appropriated to the account. The account shall  
 36 also include the earnings attributable to the investment of the  
 37 assets of the account.

38 (cf: P.L.1990, c.52, s.39)

39 30. N.J.S.18A:22-8 is amended to read as follows:

40 18A:22-8. The budget shall be prepared in such detail and upon  
 41 such forms as shall be prescribed by the commissioner and to it  
 42 shall be annexed a statement so itemized as to make the same  
 43 readily understandable, in which shall be shown:

44 a. In tabular form there shall be set forth the following:

45 (1) The total expenditure for each item for the preceding  
 46 school year, the amount appropriated for the current school year  
 47 adjusted for transfers as of December 1 of the current school  
 48 year, and the amount estimated to be necessary to be  
 49 appropriated for the ensuing school year, indicated separately for  
 50 [at least the following items:

51 (a) Salaries--administration

52 (b) Salaries--teaching

53 (c) Salaries--for the operation of plant and maintenance

54 (d) Categorical programs

- 1 (i) Salaries
- 2 (ii) Other
- 3 (e) Supplies for the operation of plant--including fuel
- 4 (f) Textbooks
- 5 (g) Instructional supplies
- 6 (h) Other supplies
- 7 (i) School libraries and audio visual materials
- 8 (j) Transportation of pupils
- 9 (k) Insurance
- 10 (l) Legal fees
- 11 (m) Consulting fees, including negotiating fees
- 12 (n) Contracts for maintenance
- 13 (o) Property
- 14 (p) Maintenance
- 15 (q) Evening schools
- 16 (r) Classes for the foreign born
- 17 (s) Vocational evening schools and courses
- 18 (t) Tuition paid to other districts
- 19 (u) Interest and debt redemption charges, in type II districts
- 20 (v) Pension contributions
- 21 (w) Social Security payments
- 22 (x) Any other major purposes including any capital project
- 23 which the State Board of Education desires to include in the
- 24 annual budget] each item as determined by the commissioner;
- 25 (2) The amount of the surplus account available at the
- 26 beginning of the preceding school year, at the beginning of the
- 27 current school year and the amount anticipated to be available
- 28 for the ensuing school year;
- 29 (3) The amount of revenue available for budget purposes for
- 30 the preceding school year, the amount available for the current
- 31 school year as of December 1 of the current school year and the
- 32 amount anticipated to be available for the ensuing school year in
- 33 the following categories:
- 34 (a) Total to be raised by local property taxes
- 35 (b) Total State aid (detailed at the discretion of the
- 36 commissioner)
- 37 [(i) Foundation aid
- 38 (ii) Special education aid
- 39 (iii) Transportation aid
- 40 (iv) At-risk aid
- 41 (v) Bilingual aid
- 42 (vi) Other
- 43 (vii) Transition aid]
- 44 (c) Total Federal aid (detailed at the discretion of the
- 45 commissioner)
- 46 [(i) Elementary and Secondary Education Act of 1965 (20
- 47 U.S.C. §2701 et seq.)
- 48 (ii) Handicapped
- 49 (iii) Impact Aid
- 50 (iv) Vocational
- 51 (v) Other]
- 52 (d) Other sources (detailed at the discretion of the
- 53 commissioner).
- 54 (4) Transfers between current expense and capital outlay for

1 the preceding school year, the current school year as of  
2 December 1 of that year and transfers anticipated for the ensuing  
3 school year.

4 b. [In addition, the commissioner may provide for a program  
5 budget system.] (deleted by amendment, P.L. , c. (now  
6 pending before the Legislature as this bill).

7 c. In the event that the total expenditure for any item of  
8 appropriation is equal to \$0.00 for: (1) the preceding school year,  
9 (2) the current school year, and (3) the amount estimated to be  
10 necessary to be appropriated for the ensuing school year, that  
11 item shall not be required to be published pursuant to  
12 N.J.S.18A:22-11.

13 (cf: P.L.1990, c.52, s.43)

14 31. Section 4 of P.L.1979, c.294 (C.18A:22-8.3) is amended to  
15 read as follows:

16 4. On or after November 15 of each school year, all  
17 adjustments to State aid amounts payable for the succeeding  
18 school year, pursuant to [P.L.1990, c.52 (C.18A:7D-1 et al.)]  
19 P.L. , c. , (C. )(now pending before the Legislature as this  
20 bill), due to corrections in the count of pupils enrolled in various  
21 grades and programs, shall be made to the State aid amounts  
22 payable during the school year following the succeeding school  
23 year.

24 (cf: P.L.1990, c.52, s.45)

25 32. Section 2 of P.L.1976, c.39 (C.18A:24-87) is amended to  
26 read as follows:

27 2. For the purposes of this act, unless the context clearly  
28 requires a different meaning:

29 a. "Commissioner" means the Commissioner of Education of  
30 the State of New Jersey;

31 b. "Debt service" means and includes payments of principal  
32 and interest upon qualified bonds issued pursuant to the terms of  
33 this act or amounts required in order to satisfy sinking fund  
34 payment requirements with respect to such bonds;

35 c. "Local Finance Board" means the Local Finance Board in  
36 the Division of Local Government Services in the Department of  
37 Community Affairs, established pursuant to P.L.1974, c.35  
38 (C.52:27D-18.1);

39 d. "Paying agent" means any bank, trust company or national  
40 banking association having the power to accept and administer  
41 trusts, named or designated in any qualified bond of a school  
42 district or municipality as the agent for the payment of the  
43 principal of and interest thereon and shall include the holder of  
44 any sinking fund established for the payment of such bonds;

45 e. "Qualified bonds" means those bonds of a school district or  
46 municipality authorized and issued in conformity with the  
47 provisions of this act;

48 f. "State board" means the State Board of Education of the  
49 State of New Jersey;

50 g. "School district" means a Type I, Type II, regional, or  
51 consolidated school district as defined in Title 18A of the New  
52 Jersey Statutes;

53 h. "State school aid" means the funds made available to local  
54 school districts pursuant to section [4 of P.L.1990, c.52



1 (C.18A:7D-4)] 10 of P.L. , c. , (C. )(now pending before  
2 the Legislature as this bill).

3 (cf: P.L.1990, c.52, s.47)

4 33. Section 7 of P.L.1985, c.321 (C.18A:29-5.6) is amended to  
5 read as follows:

6 7. a. The actual salary paid to each teacher under each  
7 district's or educational services commission's 1984-85 approved  
8 salary guide shall be considered a base salary for purposes of this  
9 act.

10 b. In addition to all other funds to which the local district or  
11 educational services commission is entitled under the provisions  
12 of [P.L.1990, c.52 (C.18A:7D-1 et al.)] P.L. , c. , (C. )  
13 (now pending before the Legislature as this bill) and other  
14 pertinent statutes, each board of education or board of directors  
15 of an educational services commission shall receive from the  
16 State during the 1985-86 academic year and for two years  
17 thereafter an amount equal to the sum of the amounts by which  
18 the actual salary prescribed for each current full-time teaching  
19 staff member under the salary schedule adopted by the local  
20 board of education or board of directors for the 1984-85  
21 academic year in the manner prescribed by law is less than  
22 \$18,500.00, provided that the teaching staff member has been  
23 certified by the local board of education or board of directors as  
24 performing his duties in an acceptable manner for the 1984-85  
25 school year pursuant to N.J.A.C.6:3-1.19 and 6:3-1.21. Each  
26 local board of education or board of directors shall receive from  
27 the State on behalf of the newly employed full-time teaching  
28 staff members for the 1985-86 academic year and for two years  
29 thereafter an amount equal to the sum of the amounts by which  
30 the actual salary prescribed for each newly employed full-time  
31 teaching staff member under the salary schedule adopted by the  
32 local board of education or board of directors for the 1984-85  
33 academic year is less than \$18,500.00. All adjustments for  
34 teachers who are hired or who leave employment during the  
35 school year and who make less than \$18,500.00 shall be made in  
36 the school year following the year in which they were hired or  
37 left employment.

38 c. For the 1988-89 academic year and thereafter, this act  
39 shall be funded in accordance with the recommendations of the  
40 State and Local Expenditure and Revenue Policy Commission  
41 created pursuant to P.L.1984, c.213. If the commission's  
42 recommendations for funding this program are not enacted into  
43 law, this act shall be funded in accordance with subsection d. of  
44 this section and sections 9 and 10 of this act.

45 d. For the purpose of funding this act in the 1988-89 academic  
46 year as determined pursuant to this section, each teacher's  
47 salary based on the 1984-85 salary guide shall be increased by the  
48 product of the base salary multiplied by 21%.

49 e. In each subsequent year the product of the base salary times  
50 7% shall be cumulatively added to each teacher's salary as  
51 calculated in subsection d. of this section in determining the aid  
52 payable. In any year subsequent to the 1987-88 academic year in  
53 which the base salary plus the cumulative increases under this  
54 section exceed \$18,500.00, aid will no longer be payable.

55 (cf: P.L.1990, c.52, s.48)

34. Section 3 of P.L.1988, c.12 (C.18A:38-7.9) is amended to read as follows:

a. In the event the designated district is composed of more than one municipality, when allocating equalized valuations [or district incomes], pursuant to the provisions of section 3 of [P.L.1990, c.52 (C.18A:7D-3)] P.L. , c. , (C. )(now pending before the Legislature as this bill), for the purpose of calculating State aid, persons attending schools in the designated district pursuant to section 2 of this act shall be assigned to each municipality comprising the designated district in direct proportion to the number of persons ordinarily attending school from each municipality in the designated district without considering the persons attending pursuant to this act.

b. In the event the designated district is a constituent district of a limited purpose regional district, when allocating equalized valuations [or district incomes], pursuant to the provisions of section 3 of [P.L.1990, c.52 (C.18A:7D-3)] P.L. , c. , (C. )(now pending before the Legislature as this bill), for the purpose of apportioning the amounts to be raised by taxes for the limited purpose regional district of which the designated district is a constituent district, persons attending schools in the designated district pursuant to section 2 of this act shall not be counted.  
(cf: P.L.1990, c.52, s.49)

35. Section 4 of P.L.1988, c.105 (C.18A:38-7.13) is amended to read as follows:

4. The county superintendent of schools shall, within 120 days of the effective date of this act, certify to the Commissioner of Education which local school district shall be the designated district for persons of school age residing in a multi-district federal enclave. The district certified as the designated district shall count all pupils who reside in a multi-district federal enclave in the resident enrollment of the district for all State aid purposes and shall be designated by the commissioner to receive State aid and all federal funds provided under Pub.L.81-874, 20 U.S.C. §236 et seq.

For the purposes of calculating State aid pursuant to [P.L.1990, c.52 (C.18A:7D-1 et al.)] P.L. , c. , (C. )(now pending before the Legislature as this bill), whenever pupils residing in one district are attending the schools of the designated district, the district income of the resident district shall be allocated between the resident district and the designated district in proportion to the number of pupils residing in the resident district attending the schools of the resident district and designated district.

(cf: P.L.1990, c.52, s.82)

36. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to read as follows:

2. Beginning in the 1993-94 school year and in each subsequent year, the maximum amount of nonpublic school transportation costs per pupil provided for in N.J.S.18A:39-1 shall be increased or decreased in direct proportion to the increase or decrease in the State transportation aid per pupil in the year prior to the prebudget year compared to the amount for the prebudget year. As used in this section, State transportation aid per pupil

1 shall equal the total State transportation aid payments made  
2 pursuant to [section 16 of P.L.1990, c.52 (C.18A:7D-18)] P.L. , c. , (C. )(now pending before the Legislature as this bill),  
3 divided by the number of pupils eligible for transportation.  
4 (cf: P.L.1992, c.33, s.2)

5 37. N.J.S.18A:39-1.1 is amended to read as follows:

6 18A:39-1.1. In addition to the provision of transportation for  
7 pupils pursuant to N.J.S.18A:39-1 and N.J.S.18A:46-23, the board  
8 of education of any district may provide, by contract or  
9 otherwise, in accordance with law and the rules and regulations  
10 of the State board, for the transportation of other pupils to and  
11 from school.

12 Districts shall not receive State transportation aid pursuant to  
13 [section 16 of P.L.1990, c.52 (C.18A:7D-18)] P.L. , c. , (C. )(now pending before the Legislature as this bill) for the  
14 transportation of pupils pursuant to this section.  
15 (cf: P.L.1990, c.52, s.52)

16 38. N.J.S.18A:39-15 is amended to read as follows:

17 18A:39-15. If the county superintendent of the county in which  
18 the districts are situate shall approve the necessity, the cost, and  
19 the method of providing such joint transportation and the  
20 agreement whereby the same is to be provided, each such board  
21 of education providing joint transportation shall be entitled to  
22 State transportation aid pursuant to [section 16 of P.L.1990, c.52  
23 (C.18A:7D-18)] P.L. , c. , (C. )(now pending before the  
24 Legislature as this bill).  
25 (cf: P.L.1990, c.52, s.53)

26 39. Section 11 of P.L.1987, c.387 (C.18A:40A-18) is amended  
27 to read as follows:

28 11. The Commissioner of Education, in consultation with the  
29 Commissioner of Health, shall develop and administer a program  
30 which provides for the employment of substance awareness  
31 coordinators in certain school districts.

32 a. Within 90 days of the effective date of this act, the  
33 Commissioner of Education shall forward to each local school  
34 board a request for a proposal for the employment of a substance  
35 awareness coordinator. A board which wants to participate in the  
36 program shall submit a proposal to the commissioner which  
37 outlines the district's plan to provide substance abuse prevention,  
38 intervention and treatment referral services to students through  
39 the employment of a substance awareness coordinator. Nothing  
40 shall preclude a district which employs a substance awareness  
41 coordinator at the time of the effective date of this act from  
42 participating in this program. The commissioner shall select  
43 school districts to participate in the program through a  
44 competitive grant process. The participating districts shall  
45 include urban, suburban and rural districts from the north, central  
46 and southern geographic regions of the State with at least one  
47 school district per county. In addition to all other State aid to  
48 which the local district is entitled under the provisions of  
49 [P.L.1990, c.52 (C.18A:7D-1 et al.)] P.L. , c. , (C. )(now  
50 pending before the Legislature as this bill) and other pertinent  
51 statutes, each board of education participating in the program  
52 shall receive from the State, for a three year period, the amount  
53  
54

1 necessary to pay the salary of its substance awareness  
2 coordinator.

3 b. The position of substance awareness coordinator shall be  
4 separate and distinct from any other employment position in the  
5 district, including, but not limited to district guidance counselors,  
6 school social workers and school psychologists. The State Board  
7 of Education shall approve the education and experience criteria  
8 necessary for employment as a substance awareness coordinator.  
9 The criteria shall include a requirement for certification by the  
10 State Board of Examiners. In addition to the criteria established  
11 by the State board, the Department of Education and the  
12 Department of Health shall jointly conduct orientation and  
13 training programs for substance awareness coordinators, and shall  
14 also provide for continuing education programs for coordinators.

15 c. It shall be the responsibility of substance awareness  
16 coordinators to assist local school districts in the effective  
17 implementation of this act. Coordinators shall assist with the  
18 in-service training of school district staff concerning substance  
19 abuse issues and the district program to combat substance abuse;  
20 serve as an information resource for substance abuse curriculum  
21 development and instruction; assist the district in revising and  
22 implementing substance abuse policies and procedures; develop  
23 and administer intervention services in the district; provide  
24 counseling services to pupils regarding substance abuse problems;  
25 and, where necessary and appropriate, cooperate with juvenile  
26 justice officials in the rendering of substance abuse treatment  
27 services.

28 d. The Commissioner of Education, in consultation with the  
29 Commissioner of Health, shall implement a plan to collect data  
30 on the effectiveness of the program in treating problems  
31 associated with substance abuse and in reducing the incidence of  
32 substance abuse in local school districts. Six months prior to the  
33 expiration of the program authorized pursuant to this section, the  
34 Commissioner of Education shall submit to the Governor and the  
35 Legislature an evaluation of the program and a recommendation  
36 on the advisability of its continuation or expansion to all school  
37 districts in the State.

38 (cf: P.L.1990, c.52, s.54)

39 40. N.J.S.18A:46-14 is amended to read as follows:

40 18A:46-14. The facilities and programs of education required  
41 under this chapter shall be provided by one or more of the  
42 following:

43 a. A special class or classes in the district, including a class or  
44 classes in hospitals, convalescent homes, or other institutions;

45 b. A special class in the public schools of another district in  
46 this State or any other state in the United States;

47 c. Joint facilities including a class or classes in hospitals,  
48 convalescent homes or other institutions to be provided by  
49 agreement between one or more school districts;

50 d. A jointure commission program;

51 e. A State of New Jersey operated program;

52 f. Instruction at school supplementary to the other programs in  
53 the school, whenever, in the judgment of the board of education  
54 with the consent of the commissioner, the handicapped pupil will

1 be best served thereby;

2 g. Sending children capable of benefiting from a day school  
3 instructional program to privately operated day classes, in New  
4 Jersey or, with the approval of the commissioner to meet  
5 particular circumstances, in any other state in the United States,  
6 the services of which are nonsectarian whenever in the judgment  
7 of the board of education with the consent of the commissioner it  
8 is impractical to provide services pursuant to subsection a., b., c.,  
9 d., e. or f. otherwise;

10 h. Individual instruction at home or in school whenever in the  
11 judgment of the board of education with the consent of the  
12 commissioner it is impracticable to provide a suitable special  
13 education program for a child pursuant to subsection a., b., c., d.,  
14 e., f. or g. otherwise.

15 Whenever a child study team determines that a suitable special  
16 education program for a child cannot be provided pursuant to  
17 subsection a., b., c., d., e., f., g. or h. of this section, and that the  
18 most appropriate placement for that child is in an academic  
19 program in an accredited nonpublic school within the State or, to  
20 meet particular circumstances, in any other state in the United  
21 States, the services of which are nonsectarian, and which is not  
22 specifically approved for the education of handicapped pupils,  
23 that child may be placed in that academic program by the board  
24 of education, with the consent of the commissioner, or by order  
25 of a court of competent jurisdiction. An academic program  
26 which meets the requirements of the child's Individual Education  
27 Plan as determined by the child study team and which provides  
28 the child with a thorough and efficient education, shall be  
29 considered an approved placement for the purposes of Chapter 46  
30 of this Title, and the board of education shall be entitled to  
31 receive State aid for that child as provided pursuant to [P.L.1990,  
32 c.52 (C.18A:7D-1 et al.)] P.L. , c. , (C. )(now pending  
33 before the Legislature as this bill), and all other pertinent  
34 statutes.

35 Whenever any child shall be confined to a hospital,  
36 convalescent home, or other institution in New Jersey or in any  
37 other state in the United States and is enrolled in an education  
38 program approved under this article, or shall be placed in any  
39 other State facility as defined in section 3 of [P.L.1990, c.52  
40 (C.18A:7D-3)] P.L. , c. , (C. )(now pending before the  
41 Legislature as this bill), the board of education of the district in  
42 which the child resides shall pay the tuition of said child.

43 The board of education may also furnish (a) the facilities or  
44 programs provided in this article to any person over the age of 20  
45 who does not hold a diploma of a high school approved in this  
46 State or in any other state in the United States, (b) suitable  
47 approved facilities and programs for children under the age of 5.  
48 (cf: P.L.1990, c.52, s.58)

49 41. Section 14 of P.L.1977, c.193 (C.18A:46-19.8) is amended  
50 to read as follows:

51 14. On November 5 of each year, each board of education shall  
52 forward to the commissioner an estimate of the cost of providing,  
53 during the next school year, examination, classification and  
54 speech correction services to nonpublic school children who

1 attend a nonpublic school located within the district who were  
2 identified as eligible to receive each of these services pursuant to  
3 this act during the previous school year. Each board of education  
4 shall report the number of nonpublic school children who attended  
5 a nonpublic school located within the district, who were  
6 identified as eligible for supplementary instruction services  
7 during the preceding school year. The number of these pupils shall  
8 be multiplied by the appropriate [cost factor from section 14 of  
9 P.L.1990, c.52 (C.18A:7D-16) and by the State foundation amount  
10 as defined in section 6 of P.L.1990, c.52 (C.18A:7D-6)]  
11 categorical program support weight and by the Statewide regular  
12 education average budget per pupil established pursuant to  
13 P.L. , c. , (C. )](now pending before the Legislature as  
14 this bill)]. This product shall be added to the estimated cost for  
15 providing examination, classification and speech correction  
16 services.

17 In preparing its annual budget, each board of education shall  
18 include as an expenditure the estimated cost of providing services  
19 to nonpublic school children pursuant to P.L.1977, c.193  
20 (C.18A:46-19.1 et al.).

21 In preparing its annual budget, each board of education shall  
22 include as a revenue State aid in an amount equal to such  
23 estimated cost of providing services to nonpublic school children  
24 pursuant to P.L.1977, c.193 (C.18A:46-19.1 et al.).

25 During each school year, each district shall receive an amount  
26 of State aid equal to 10% of such estimated cost on the first day  
27 in September and on the first day of each month during the  
28 remainder of the school year. If a board of education requires  
29 funds prior to September, the board shall file a written request  
30 with the Commissioner of Education stating the need for the  
31 funds. The commissioner shall review each request and forward  
32 those for which need has been demonstrated to the appropriate  
33 officials for payment.

34 In the event the expenditures incurred by any district are less  
35 than the amount of State aid received, the district shall refund  
36 the unexpended State aid after completion of the school year.  
37 The refunds shall be paid no later than December 1. In any year,  
38 a district may submit a request for additional aid pursuant to  
39 P.L.1977, c.193 (C.18A:46-19.1 et al.). If the request is approved  
40 and funds are available from refunds of the prior year, payment  
41 shall be made in the current school year.  
42 (cf: P.L. 1991, c.128, s.5)

43 42. N.J.S.18A:46-23 is amended to read as follows:

44 18A:46-23. The board of education shall furnish transportation  
45 to all children found under this chapter to be handicapped who  
46 shall qualify therefor pursuant to law and it shall furnish such  
47 transportation for a lesser distance also to any handicapped child,  
48 if it finds upon the advice of the examiner, his handicap to be  
49 such as to make transportation necessary or advisable.

50 The board of education shall furnish transportation to all  
51 children being sent by local boards of education to an approved  
52 12-month program pursuant to N.J.S.18A:46-14, or any other  
53 program approved pursuant to N.J.S.18A:46-14 and who qualify  
54 therefor pursuant to law, during the entire time the child is

1 attending such a program. The board shall furnish such  
2 transportation for a lesser distance also to such handicapped  
3 child, if it finds upon the advice of the examiner, his handicap to  
4 be such as to make such transportation necessary or advisable.

5 The school district shall be entitled to State aid for such  
6 transportation pursuant to [section 16 of P.L.1990, c.52  
7 (C.18A:7D-18)] P.L. ...., c. (C. ) (now pending before the  
8 Legislature as this bill) when the necessity for such  
9 transportation and the cost and method thereof have been  
10 approved by the county superintendent of the county in which the  
11 district paying the cost of such transportation is situated.  
12 (cf: P.L.1990, c.52, s.59)

13 43. Section 9 of P.L.1977, c.192 (C.18A:46A-9) is amended to  
14 read as follows:

15 9. The apportionment of State aid among local school districts  
16 shall be calculated by the commissioner as follows:

17 a. The per pupil aid amount for providing the equivalent  
18 service to children enrolled in the public schools, shall be  
19 determined by multiplying the [bilingual program weight from  
20 section 81 of P.L.1990, c.52 (C.18A:7D-21) or the appropriate  
21 cost factor from section 14 of P.L.1990, c.52 (C.18A:7D-16) by  
22 the State foundation amount as defined in section 6 of P.L.1990,  
23 c.52 (C.18A:7D-6)] appropriate categorical program support  
24 weight by the Statewide regular education average budget per  
25 pupil established pursuant to P.L. , c. (C. ) (now pending  
26 before the Legislature as this bill). The appropriate per pupil aid  
27 amount for compensatory education shall be determined by  
28 multiplying the per pupil amount of compensatory education aid  
29 in the prebudget year by the [PCI as defined by section 3 of  
30 P.L.1990, c.52 (C.18A:7D-3)] SGI as defined in P.L. , c.  
31 (C. ) (now pending before the Legislature as this bill).

32 b. The appropriate per pupil aid amount shall then be  
33 multiplied by the number of auxiliary services received for each  
34 pupil enrolled in the nonpublic schools who were identified as  
35 eligible to receive each auxiliary service as of the last school day  
36 of June of the prebudget year, to obtain each district's State aid  
37 for the next school year.

38 c. The per pupil aid amount for home instruction shall be  
39 determined by multiplying the [State foundation amount as  
40 defined in section 6 of P.L.1990 c.52 (C.18A:7D-6)] Statewide  
41 regular education average budget per pupil as defined in P.L. ,  
42 c. (C. ) (now pending before the Legislature as this bill) by  
43 a cost factor of 0.0037 by the number of hours of home  
44 instruction actually provided in the prior school year.  
45 (cf: P.L.1991, c.128, s.3)

46 44. Section 6 of P.L.1974, c.79 (C.18A:58-37.6) is amended to  
47 read as follows:

48 6. State aid provided pursuant to [P.L.1990, c.52 (C.18A:7D-1  
49 et al.)] P.L. , c. , (C. ) (now pending before the  
50 Legislature as this bill) may be expended for the purchase and  
51 loan of textbooks for public school pupils in an amount which  
52 shall not exceed the State average budgeted textbook expense for  
53 the prebudget year per pupil in resident enrollment. Nothing  
54 contained herein shall prohibit a board of education in any

1 district from purchasing textbooks in excess of the amounts  
2 provided pursuant to this act.

3 (cf: P.L.1990, c.52, s.77)

4 45. (New section) a. For the 1993-94 school year, each school  
5 district's categorical aid for bilingual and county vocational  
6 programs shall equal the amount of aid received in the 1992-93  
7 school year for bilingual and county vocational programs.

8 b. For the 1993-94 school year, each school district's  
9 categorical aid for special education programs shall <sup>1</sup>[be  
10 calculated by determining the number of categorical aid units for  
11 special education pursuant to section 14 of P.L. , c. , (C.  
12 )(now pending before the Legislature as this bill), and multiplying  
13 the number of units by \$7,232] equal the amount of special  
14 education aid received in the 1992-93 school year<sup>1</sup> .

15 c. For the 1993-94 school year, each school district's  
16 transportation aid shall equal the amount of aid received in the  
17 1992-93 school year for pupil transportation. <sup>1</sup>For the 1993-94  
18 school year the maximum amount of nonpublic school  
19 transportation per pupil provided in N.J.S. 18A:39-1 shall be  
20 \$675.<sup>1</sup>

21 d. For the 1993-94 school year, the equalized valuations used  
22 in calculating base aid pursuant to section 10 of P.L. ,c.  
23 (C. )(now pending before the Legislature as this bill) and  
24 supplemental aid for special needs districts pursuant to section 13  
25 of P.L. ,c. , (C. )(now pending before the Legislature as  
26 this bill) shall be the same as was <sup>1</sup>[used in calculating State aid  
27 for the 1992-93 school year pursuant to P.L. 1990, c.52  
28 (C.18A:7D-1 et al.)] published in the Table of Equalized  
29 Valuations for the year 1991 promulgated by the Division of  
30 Taxation as of October 1, 1991<sup>1</sup> .

31 e. For the 1993-94 school year, each district's maximum  
32 permitted regular education budget shall equal the greater of:

33 (1) The maximum permitted regular education budget  
34 determined pursuant to section 12 of this act; or

35 (2) The district's regular education budget in the prebudget  
36 year multiplied by 1.06 plus an amount equal to 50% of the  
37 difference between the district's anticipated health insurance  
38 and special education costs in the budget year and the district's  
39 health insurance and special education costs in the prebudget  
40 year.

41 <sup>1</sup>f. For the 1993-94 school year, each district's district factor  
42 grouping shall be the same as that promulgated by the  
43 Department of Education based upon 1980 census data.<sup>1</sup>

44 46. (New section) Notwithstanding the provisions of this act,  
45 no school district shall receive less State school aid in the  
46 1993-94 through 1996-97 school years from base aid, special  
47 needs district supplemental aid, categorical aid, and  
48 transportation aid than the district received in the 1992-93  
49 school year from foundation, transition, at-risk, special  
50 education, bilingual, county vocational, and transportation aid.

51 47. (New section) Notwithstanding the provisions of this act,  
52 each special needs district shall receive supplemental aid for the  
53 1993-94 school year in an amount equal to the greater of the  
54 following:



1 a. The special needs district supplemental aid calculated  
 2 pursuant to section 13 of <sup>1</sup>[this act] of P.L. , c. , (C. )  
 3 (now pending before the Legislature as this bill)<sup>1</sup> ; or

4 b. The <sup>1</sup>sum of the special needs district supplemental aid  
 5 calculated pursuant to section 13 of P.L. , c. , (C. ) (now  
 6 pending before the Legislature as this bill) and the<sup>1</sup> following  
 7 result:

8 SA= REA93 x 1.04 - (BA + SA13)

9  
 10 where

11  
 12 SA is the district's special needs district supplemental aid;  
 13 REA93 is the district's regular education aid in the 1992-93  
 14 school year which shall equal the sum of the district's foundation  
 15 aid, at-risk aid, and transition aid in the 1992-93 school year.  
 16 BA is the district's base aid for 1993-94;  
 17 SA13 is the district's special needs district supplemental aid  
 18 calculated pursuant to section 13 of this act.

19 48. N.J.S.18A:66-33 is amended to read as follows:

20 18A:66-33. Regular interest charges payable, the creation and  
 21 maintenance of reserves in the contingent reserve fund and the  
 22 maintenance of retirement allowances and other benefits granted  
 23 by the board of trustees under the provisions of this article are  
 24 hereby made obligations of [each employer, except in the case of  
 25 employers that are institutions of higher education. Obligations  
 26 of employers that are institutions of higher education shall be  
 27 obligations of the State, and the employer shall be deemed to be  
 28 the State for the purposes of this section] the State. Except as  
 29 provided in N.J.S.18A:66-27, all income, interest, and dividends  
 30 derived from deposits and investments authorized by this article  
 31 shall be used for payment of these obligations of the State .

32 Upon the basis of each actuarial determination and appraisal  
 33 provided for in this article, the board of trustees shall [annually  
 34 certify, on or before December 1st of each year, to the  
 35 Commissioner of Education, the State Treasurer, and to each  
 36 employer, including the State, the contributions due on behalf of  
 37 its employees for the ensuing fiscal year and payable by the  
 38 employer to the] prepare and submit to the Governor in each  
 39 year an itemized estimate of the amounts necessary to be  
 40 appropriated by the State to provide for the payment in full on  
 41 June 30 of the ensuing fiscal year of the obligations of the State  
 42 accruing during the year preceding such payment. The  
 43 Legislature shall make an appropriation sufficient to provide for  
 44 the obligations of the State. The amounts so appropriated shall  
 45 be paid into the contingent reserve fund. The amounts payable  
 46 into the contingent reserve fund [for each employer, including the  
 47 State,] shall be paid by the State Treasurer, upon the  
 48 certification of the commissioner and the warrant of the Director  
 49 of the Division of Budget and Accounting, to the contingent  
 50 reserve fund not later than June 30 of the ensuing fiscal year.  
 51 [The commissioner shall deduct the amount so certified from any  
 52 State aid payable to the employer. In the event that no State aid  
 53 is payable to the employer or in the event that the amount  
 54 deducted is less than the amount certified as due, the

1 commissioner shall certify the net amount due on behalf of the  
2 members to the chief fiscal officer of the employer. Each  
3 employer shall pay the net amount due, if any, to the State  
4 pursuant to a payment schedule established by the commissioner.  
5 The payment schedule shall provide for interest penalties for late  
6 payments.

7 Nothing in this section shall cause the State aid of an  
8 institution of higher education to be offset, nor shall an  
9 institution of higher education incur a debt or be required to  
10 make payments pursuant to this section.]

11 (cf: P.L.1992, c.41, s.4.)

12 49. N.J.S.18A:66-66 is amended to read as follows:

13 18A:66-66. The State shall provide the amount of the  
14 employer's share of the social security contributions for  
15 members by appropriations upon certification by the State  
16 Treasurer as to the amounts required; provided, however, that the  
17 State's provision for the social security contributions shall be  
18 limited to contributions upon compensation upon which members'  
19 contributions to the retirement system are based. The employer  
20 shall pay the employer's share of social security contribution  
21 upon all other wages. [In the case of employers that are  
22 institutions of higher education, the employer shall be deemed to  
23 be the State for the purposes of this section.]

24 (cf: P.L.1991, c.246, s.2)

25 150. Section 2 of P.L.1987, c.385 (C.18A:66-18.1) is amended  
26 to read as follows:

27 2. Pension adjustment benefits for members and beneficiaries  
28 of the Teachers' Pension and Annuity Fund as provided by the  
29 "Pension Adjustment Act," P.L.1958, c.143 (C.43:3B-1 et seq.)  
30 and health care benefits for qualified retirees and their  
31 dependents as provided by P.L.1987, c.384 (C.52:14-17.32f) shall  
32 be paid by the retirement system [from the contingent reserve  
33 fund] and shall be funded as employer obligations as provided in  
34 this section. Health care benefits for qualified retirees and their  
35 dependents shall be funded and paid through a separate fund or  
36 trust of the retirement system in accordance with the  
37 requirements of subsection (h) of section 401 of the federal  
38 Internal Revenue Code (26 U.S.C. §401) or other fund or trust,  
39 established under the jurisdiction of the board of trustees, which  
40 shall receive contributions only to the extent that contributions  
41 cannot otherwise be made to a section 401 (h) [account] trust due  
42 to the requirements of [subsection (h) of section 401 of the  
43 federal Internal Revenue Code of 1986 (26 U.S.C. §401)] the  
44 federal law. Any premium payments for retired participants shall  
45 first be a charge upon such other fund or trust and only  
46 secondarily on the assets set aside under [subsection (h) of section  
47 401 of the federal Internal Revenue Code of 1986 (26  
48 U.S.C. §401)] the section 401(h) trust. The pension adjustment  
49 [benefits] and [premiums for] health care benefits for qualified  
50 retirees shall be funded as employer obligations [in a similar  
51 manner to that] by the same method provided by law for the  
52 funding of employer obligations for the basic retirement benefits  
53 provided by the retirement system. [The funding] Normal and  
54 accrued liability contribution rates for these benefits for active

1 employees shall be determined for the 1990 valuation years and  
 2 shall be phased in [as provided by the board of trustees after  
 3 consultation with the Director of the Division of Pensions and the  
 4 actuary, except that: a. any reduction in contributions from  
 5 recognition of the full market value of the assets as of March 31,  
 6 1990 over the adjusted book value of the assets written up by 60%  
 7 of the excess of market value over adjusted book value as of  
 8 March 31, 1990 in a fashion similar to that presented in the draft  
 9 revision of the annual actuarial reports for the valuation periods  
 10 ending March 31, 1990 and March 31, 1991 submitted by the  
 11 actuary on April 27, 1992 shall be used to accelerate the funding  
 12 of the liabilities for pension adjustment and health care benefits,  
 13 and b. (1)] so that the level of [funding] recognition of the full  
 14 normal and accrued liability [contributions] contribution rates [to  
 15 cover the pension adjustment and health care benefits for current  
 16 active employees upon their retirement] shall be [at least 48%]  
 17 31.25% for valuation year 1990, 34.50% for valuation year 1991,  
 18 and 34.50% for valuation year 1992 [and 56% for valuation year  
 19 1993], and [(2) thereafter.] the [funding of the pension adjustment  
 20 and health care benefits for active employees shall be phased in  
 21 in a uniform manner which fully recognizes those liabilities  
 22 within 11 years commencing with valuation year 1994] level of  
 23 recognition shall be increased by 6% for each valuation year  
 24 thereafter until the full normal and accrued liability contribution  
 25 rates are fully recognized. The board of trustees shall determine  
 26 the assumed percentage rate of increase applied to the cost of  
 27 providing paid health benefits for retirees.<sup>1</sup>  
 28 (cf: P.L.1992, c.41, s.3)

29 <sup>1</sup>51. Section 2 of P.L.1990, c.6 (C.43:15A-24.1) is amended to  
 30 read as follows:

31 2. Pension adjustment benefits for members and beneficiaries  
 32 of the Public Employees' Retirement System provided by the  
 33 "Pension Adjustment Act," P.L.1958, c.143 (C.43:3B-1 et seq.)  
 34 and premiums or periodic charges which the State is required to  
 35 pay for benefits provided to retired State employees and their  
 36 dependents under the "New Jersey State Health Benefits Program  
 37 Act," P.L.1961, c.49 (C.52:14-17.25 et seq.), shall be paid by the  
 38 retirement system [from the contingent reserve fund] and shall be  
 39 funded as employer obligations as provided in this section.  
 40 Health care benefits for State employees and their dependents  
 41 shall be funded and paid through a separate fund or trust of the  
 42 retirement system in accordance with the requirements of  
 43 subsection (h) of section 401 of the federal Internal Revenue  
 44 Code (26 U.S.C. §401) or other fund or trust, established under  
 45 the jurisdiction of the board of trustees, which shall receive  
 46 contributions only to the extent that contributions cannot  
 47 otherwise be made to a section 401 (h) [account] trust due to the  
 48 requirements of [subsection (h) of section 401 of the federal  
 49 Internal Revenue Code of 1986, 26 U.S.C. §401] the federal law.  
 50 Any premium payments for retired participants shall first be a  
 51 charge upon such other fund or trust and only secondarily on the  
 52 assets set aside under [subsection (h) of section 401 of the federal  
 53 Internal Revenue Code of 1986, 26 U.S.C. §401] the section 401(h)  
 54 trust. The pension adjustment [benefits] and [premiums for]

1 health care benefits for qualified retirees shall be funded as  
 2 employer obligations [in a similar manner to that] by the same  
 3 method provided by law for the funding of employer obligations  
 4 for the basic retirement benefits provided by the retirement  
 5 system. [The funding] Normal and accrued liability contribution  
 6 rates for these benefits for active employees shall be determined  
 7 for the 1990 valuation year and shall be phased in [as determined  
 8 by the board of trustees after consultation with the Director of  
 9 the Division of Pensions and the actuary, except that: a. any  
 10 reduction in contributions from recognition of the full market  
 11 value of the assets as of March 31, 1990 over the adjusted book  
 12 value of the assets written up by 60% of the excess of market  
 13 value over adjusted book value as of March 31, 1990 in a fashion  
 14 similar to that presented in the draft revision of the annual  
 15 actuarial reports for the valuation periods ending March 31, 1990  
 16 and March 31, 1991 submitted by the actuary on April 27, 1992  
 17 shall be used to accelerate the funding of the liabilities for  
 18 pension adjustment and health care benefits as follows: 70% of  
 19 the State's portion of that amount shall be used to fund pension  
 20 adjustment benefits and 30% to fund health care benefits and  
 21 100% of the other employers' portion of that amount shall be  
 22 used to fund pension adjustment benefits, and b. (1)] so that the  
 23 level of [funding] recognition of the full normal and accrued  
 24 liability [contributions] contribution rates for the State [to cover  
 25 the pension adjustment and health care benefits for current  
 26 active employees upon their retirement] shall be [at least 48%]  
 27 25.30% for valuation year 1990, 25.30% for valuation year 1991,  
 28 and 34.50% for valuation year 1992, and for the other employers  
 29 shall be 82.50% for valuation year 1990, 93% for valuation year  
 30 1991, and 93% for valuation year 1992 [and 56% for valuation  
 31 year 1993], and [(2) thereafter,] the [funding of the pension  
 32 adjustment and health care benefits for active employees shall be  
 33 phased in in a uniform manner which fully recognizes those  
 34 liabilities within 11 years commencing with valuation year 1994]  
 35 level of recognition shall be increased by 6% for each valuation  
 36 year thereafter until the full normal and accrued liability  
 37 contributions rates are fully recognized. The board of trustees  
 38 shall determine the assumed percentage rate of increase applied  
 39 to the cost of providing paid health benefits for retirees. The  
 40 liability for pension adjustment benefits and for premiums or  
 41 periodic charges for health care benefits for retired State  
 42 employees and their dependents shall be included as a liability of  
 43 the retirement system as of April 1, 1988.<sup>1</sup>

44 (cf: P.L.1992, c.41, s.16)

45 <sup>1</sup>52. Section 35 of P.L.1992, c.41 is amended to read as follows:

46 35. The [service] terms of the trustees appointed by the  
 47 Governor to the board of trustees of the Police and Firemen's  
 48 Retirement System, the Public Employees' Retirement System,  
 49 the State Police Retirement System, and the Teachers' Pension  
 50 and Annuity Fund, and of the members appointed by the Governor  
 51 to the Consolidated Police and Firemen's Pension Fund  
 52 Commission, who are currently serving on the board and the fund  
 53 shall terminate at the end of the sixth calendar month following  
 54 the effective date of P.L.1992, c.41, except that they shall

1 continue to serve until their successors have been appointed and  
 2 have qualified.<sup>1</sup>

3 (cf: P.L.1992, c.41, s.35)

4 <sup>153.</sup> (New section) Any school district located in a  
 5 municipality which has a population composed of more than 45%  
 6 senior citizens, age 65 or over according to the latest federal  
 7 decennial census, shall be entitled to additional State aid in an  
 8 amount equal to \$320 per base unit, as defined pursuant to  
 9 section 11 of P.L. , c. (C. ) (now pending before the  
 10 Legislature as this bill), for a district with grades kindergarten  
 11 through 12 and \$220 per base unit for any other district.<sup>1</sup>

12 <sup>154.</sup> (New section) The Department of Education shall  
 13 establish a tracking mechanism for occupational therapy and  
 14 physical therapy services which school districts are required to  
 15 provide preschool pupils pursuant to State regulations. The  
 16 Education Reform Commission established pursuant to P.L. ,  
 17 c. (C. ) (now pending before the Legislature as this bill)  
 18 shall examine the issue and recommend whether State aid should  
 19 be provided for these services and if the criteria for determining  
 20 if these services are medically required for instructional purposes  
 21 are appropriate.<sup>1</sup>

22 <sup>155.</sup> (New section) The following adjustments shall apply to a  
 23 newly formed county vocational school district:

24 a. Base aid for the 1993-94 school year shall be calculated  
 25 pursuant to subsection a. of section 10 of P.L. , c. (C. )  
 26 (now pending before the Legislature as this bill) without any  
 27 adjustment being made pursuant to subsection b. of section 10 of  
 28 P.L. , c. (C. ) (now pending before the Legislature as this  
 29 bill).

30 b. County vocational program aid for a newly formed county  
 31 vocational school district for the 1993-94 school year shall be  
 32 calculated pursuant to section 14 of P.L. , c. (C. ) (now  
 33 pending before the Legislature as this bill). For this purpose,  
 34 subsection a. of section 45 of P.L. , c. (C. ) (now pending  
 35 before the Legislature as this bill) shall not apply to a newly  
 36 formed county vocational school district.

37 c. Notwithstanding the provisions of P.L. , c. (C. )  
 38 (now pending before the Legislature as this bill), no newly formed  
 39 county vocational school district shall receive less State school  
 40 aid in the 1994-95 through 1996-97 school years from base aid,  
 41 special needs district supplemental aid, categorical aid, and  
 42 transportation aid under the provisions of P.L. , c. (C. )  
 43 (now pending before the Legislature as this bill) than the district  
 44 received in the 1993-94 school year in these aid categories.<sup>1</sup>

45 <sup>1</sup>[50.] <sup>56.</sup><sup>1</sup> The following sections of law are hereby repealed:

46 P.L.1990, c.52, sections 1 through 4 (C.18A:7D-1 through 7D-4);

47 P.L.1990, c.52, sections 6 through 10 (C.18A:7D-6 through 10);

48 P.L.1990, c.52, sections 11 through 17, <sup>1</sup>[88] <sup>80</sup><sup>1</sup>, 81, 18, 84, 19  
 49 through 22, 85, 23, 24, 87, 89, and 25 through 28 (C.18A:7D-13  
 50 through 36);

51 P.L.1990, c.52, section 73 (C.18A:54-20.2)

52 P.L.1991, c.62, section 26 (C.<sup>1</sup>[7D:21.1] 18A:7D-21.1<sup>1</sup>)

53 P.L.1991, c.62, sections 33, 38, 34 and 36 (C.18A:7D-28.1,28.2,  
 54 28.3 and 28.4).

1     <sup>1</sup>57. There is appropriated to the Legislature from the General  
2     Fund the sum of \$100,000 for the purpose of defraying the  
3     expenses of the commission established pursuant to section 5 of  
4     this act and the task force established pursuant to section 6 of  
5     this act.<sup>1</sup>

6     <sup>1</sup>[51.] 58.<sup>1</sup> This act shall take effect immediately and be  
7     applicable to State school aid and educational programs for the  
8     1993-94 school year and thereafter. School aid for the 1992-93  
9     school year shall be paid in accordance with the appropriate laws  
10    in effect on June 30, 1992.

11  
12  
13  
14  
15    The "Public School Reform Act of 1992;" appropriates \$100,000.

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 16, 1992

By Assemblyman ROCCO, Assemblywoman WEBER,  
Assemblymen Collins, Wolfe, Nickles, Gaffney,  
Solomon, Geist, Lustbader, Assemblywoman Ogden,  
Assemblymen Colburn, Kavanaugh, Cottrell, Singer,  
Azzolina, Bagger, Arnone, Assemblywoman Farragher,  
Assemblymen Franks, Stuhltrager, Rooney, Penn, Felice,  
Assemblywomen Crecco, Heck, Assemblymen Zecker,  
Haytaian, Kelly, Shinn, Sosa and Assemblywoman Anderson

1 AN ACT providing for the maintenance and support of a system  
2 of free public schools <sup>1</sup>[and] <sup>1</sup> revising parts of the statutory  
3 law <sup>1</sup>and making an appropriation<sup>1</sup> .  
4

5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. (New section) This act shall be known and may be cited as  
8 the "Public School Reform Act of 1992."

9 2. (New section) a. The Legislature finds and declares that:

10 (1) It is the public policy of this State to provide all children in  
11 New Jersey, regardless of socioeconomic status or geographic  
12 location, with the educational opportunity which will prepare  
13 them to function politically, economically and socially in a  
14 democratic society.

15 (2) In a world of international commerce and high technology,  
16 this preparation must ensure that each child develops those  
17 higher order thinking skills and competencies that are essential if  
18 the child is to lead a satisfactory and productive life.

19 (3) The achievement of these objectives will require a new  
20 vision of educational excellence, and new approaches to teaching  
21 and learning. State policy must foster an environment which  
22 encourages school districts to adopt programs and strategies  
23 which research and experience have proven to be effective in  
24 improving pupil performance and to experiment with new  
25 programs within the local community. State policy must also  
26 include incentives to ensure that the new vision becomes as  
27 reality.

28 (4) Education excellence cannot occur in a vacuum. Schools  
29 cannot be viewed as separate from the families and the  
30 communities which they serve. The modern school must involve  
31 every member of that community in the educational process.  
32 State policy must facilitate that involvement, and must also  
33 encourage schools to reach beyond the local community, to other  
34 school districts, institutions of higher education, business,  
35 industry and other communities.

36 (5) As an integral part of the community, the school system  
37 must develop effective strategies to meet the needs and improve

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:  
Assembly AED committee amendments adopted December 14, 1992.

1 the entire environment of the child, especially those who are  
2 economically or educationally disadvantaged. State policy must  
3 provide for integrated health, nutrition, social and family  
4 services programs and full day kindergarten and prekindergarten  
5 programs for disadvantaged children in order to help overcome  
6 the special problems faced in these communities.

7 (6) An education finance law which does not address the  
8 qualitative issues which confront contemporary education cannot  
9 meet the State's obligation of providing equal educational  
10 opportunity to each child in the State.

11 b. Therefore, the Legislature declares that it is the obligation  
12 of the State:

13 (1) To provide for the maintenance of a school system that will  
14 enable all children to develop those higher order thinking skills  
15 and competencies that are necessary in modern society.

16 (2) To provide fiscal equity to those school districts which are  
17 unable to meet those needs within local resources because of  
18 socioeconomic or geographic disadvantage.

19 (3) To develop a plan for the achievement of program equity to  
20 ensure that each child has access to those courses and programs  
21 which are determined to be necessary to provide the child with  
22 the educational opportunity which will allow each child to attain  
23 those skills and competencies.

24 (4) To encourage and provide support to school districts in  
25 establishing innovative and non-traditional programs which have  
26 been proven to be successful in improving educational  
27 achievement of pupils.

28 3. (New section) For the purposes of this act, unless the  
29 context clearly requires a different meaning:

30 "Bilingual education pupil" means a pupil enrolled in a program  
31 of bilingual education approved by the State board.

32 "Commissioner" means the Commissioner of Education.

33 "County regular education average budget" shall be annually  
34 determined by the commissioner for each county by dividing the  
35 sum total of regular education budgets of the school districts of  
36 each county in the prebudget year, by the sum total resident  
37 enrollment of the school districts of that county.

38 "County vocational school, special education services pupil"  
39 means a pupil who is attending a county vocational school and  
40 who is receiving specific services pursuant to chapter 46 of Title  
41 18A of the New Jersey Statutes in special class programs when  
42 the pupil is enrolled in a special class register.

43 "CPI" means the average annual increase, expressed as a  
44 decimal, in the consumer price index for all urban consumers in  
45 the New York City and Philadelphia areas during the three fiscal  
46 years preceding the prebudget year as reported by the United  
47 States Department of Labor.

48 "Current expense" means all expenses of the school district, as  
49 enumerated in N.J.S.18A:22-8, other than those required for  
50 interest and debt redemption charges and any budgeted capital  
51 outlay.

52 "Debt service" means and includes payments of principal and  
53 interest upon school bonds and other obligations issued to finance  
54 the acquisition of school sites and the acquisition, construction or



1 reconstruction of school buildings, including furnishings,  
2 equipment and the costs of issuance of such obligations and shall  
3 include payments of principal and interest upon bonds heretofore  
4 issued to fund or refund such obligations, and upon municipal  
5 bonds and other obligations which the commissioner approves as  
6 having been issued for such purposes. Debt service pursuant to  
7 the provisions of P.L.1978, c.74 (C.18A:58-33.22 et seq.),  
8 P.L.1971, c.10 (C.18A:58-33.6 et seq.) and P.L.1968, c.177  
9 (C.18A:58-33.2 et seq.) is excluded.

10 "Special needs district" means those school districts which are  
11 unable to meet the needs of the pupils of the district within local  
12 resources because of socioeconomic or geographic disadvantage.

13 "District factor group" means the division of school districts  
14 by socioeconomic status into ten groups with substantially equal  
15 pupil populations, designated DFG A through J with DFG A being  
16 the group with the lowest socioeconomic status and DFG J being  
17 the group with the highest socioeconomic status.

18 "Equalized valuation" means the equalized valuation of the  
19 taxing district or taxing districts as certified by the Director of  
20 the Division of Taxation on October 1 of the prebudget year. <sup>1</sup>In  
21 the event that the equalized table certified by the Director of  
22 the Division of Taxation shall be revised by the tax court after  
23 the State aid notification date pursuant to section 21 of P.L. ,  
24 c. (C. ) (now pending before the Legislature as this bill), the  
25 revised valuations shall be used in the recomputation of aid for an  
26 individual school district filing an appeal.<sup>1</sup>

27 With respect to regional districts and their constituent  
28 districts, however, the equalized valuations as described above  
29 shall be allocated among the regional and constituent districts in  
30 proportion to the number of pupils in each of them.

31 "Evening school pupils" means the equated full-time resident  
32 enrollment of pupils enrolled in a public evening school  
33 established pursuant to N.J.S.18A:48-1.

34 "Net debt service" means the balance after deducting all  
35 revenues from the school debt service budget of the school  
36 district and the school debt service amount included in the  
37 municipal budget, except the amounts to be raised by local  
38 taxation and State aid.

39 "Prebudget year" means the school year preceding the year in  
40 which the school budget will be implemented.

41 "Postgraduate pupils" means pupils who have graduated from  
42 high school and are enrolled in a secondary school for additional  
43 high school level courses.

44 "Regular education budget" means the sum of base aid  
45 received by the school district and the district's local levies for  
46 current expense and capital outlay.

47 For the 1992-93 school year, the regular education budget  
48 means the sum of foundation aid, transition aid, and at-risk aid  
49 received by the school district and the district's local levies for  
50 current expense and capital outlay.

51 "Resident enrollment" means the number of pupils who, on the  
52 last school day prior to October 16 of the prebudget year, are  
53 residents of the district and are enrolled in: (1) the public schools  
54 of the district, including evening schools; (2) another school

1 district, other than a county vocational school district in the  
2 same county or county special services school district on a  
3 full-time basis, State college demonstration school or private  
4 school to which the district of residence pays tuition; (3) a State  
5 facility; (4) are receiving home instruction; or (5) are in a  
6 shared-time vocational program and are regularly attending a  
7 school in the district and a county vocational school district.  
8 Pupils in a shared-time vocational program shall be counted on an  
9 equated full-time basis in accordance with procedures to be  
10 established by the commissioner. For purposes of this section,  
11 resident enrollment shall include, regardless of nonresidence, the  
12 enrolled children of teaching staff members of the school district  
13 who are permitted, by contract or local district policy, to enroll  
14 their children in the educational program of the school district  
15 without payment of tuition.

16 Handicapped children between three and five years of age and  
17 receiving programs and services pursuant to N.J.S.18A:46-6 shall  
18 be included in the resident enrollment of the district.

19 "School district" means any local or regional school district  
20 established pursuant to chapter 8 or chapter 13 of Title 18A of  
21 the New Jersey Statutes and any county special services or  
22 county vocational school district established pursuant to chapter  
23 46 or chapter 54 of Title 18A of the New Jersey Statutes.

24 "SGI" means the average of the annual percentage changes in  
25 State gross income per return over the four calendar years ending  
26 December 31 of the school year prior to the prebudget year. The  
27 State gross income per return shall be annually calculated by the  
28 Division of Taxation using gross income for all full year residents  
29 as reported on New Jersey gross income tax returns and the  
30 corresponding number of returns.

31 "Special education services pupil" means a pupil receiving  
32 specific services pursuant to chapter 46 of Title 18A of the New  
33 Jersey Statutes in special class programs when the pupil is  
34 enrolled in a special class register.

35 "State facility" means a State residential facility for the  
36 retarded; a day training center which is operated by or under  
37 contract with the State and in which all the children have been  
38 placed by the State, including a private school approved by the  
39 Department of Education which is operated under contract with  
40 the Bureau of Special Residential Services in the Division of  
41 Developmental Disabilities in the Department of Human Services;  
42 a State residential youth center; a State training school or  
43 correctional facility; a State child treatment center or  
44 psychiatric hospital.

45 "Statewide average equalized school tax rate" means the  
46 amount calculated by dividing the sum of the current expense and  
47 capital outlay tax levies for all school districts, other than county  
48 vocational school and county special services school districts, in  
49 the State for the pre-budget year by the equalized valuations of  
50 all taxing districts in the State except taxing districts for which  
51 there are no school tax levies.

52 <sup>1</sup>"Statewide equalized valuation" means the equalized  
53 valuation of all taxing districts in the State as certified by the  
54 Director of the Division of Taxation on October 1 of the

1 prebudget year. In the event that the equalized table certified by  
2 the Director of the Division of Taxation shall be revised by the  
3 tax court after December 15 of the prebudget year, the revised  
4 valuations shall be used in the recomputation of aid for an  
5 individual school district filing an appeal.]<sup>1</sup>

6 "Statewide regular education average budget" shall be annually  
7 determined by the commissioner by dividing the sum total of  
8 regular education budgets of the school districts of the State in  
9 the prebudget year, by the sum total resident enrollment of the  
10 school districts of the State.

11 4. (New section) a. Beginning with the 1993-94 school year,  
12 and until such time as the designation is altered by statute,  
13 "special needs district" shall mean any school district, other than  
14 a school district in which the equalized valuation per pupil is  
15 more than twice the average Statewide equalized valuation per  
16 pupil, which, as of June 5, 1990: a. was classified by the  
17 Department of Education as an urban school district and was  
18 included in the department's district factor group A or B; or b. in  
19 which the quotient produced by dividing the number of pupils  
20 eligible for AFDC by the resident enrollment, less the number of  
21 preschool, evening school and post-graduate pupils, is greater  
22 than or equal to 0.15 and the number of pupils eligible for AFDC  
23 is greater than 1,000. For this calculation, pupils eligible for  
24 AFDC means those children aged 5-17 and resident in the district  
25 who are members of families which are eligible for "Aid to  
26 Families with Dependent Children" pursuant to P.L.1959, c.86  
27 (C.44:10-1 et seq.), as of September 30 of the prebudget year.

28 b. On or before July 1, 1995, and every seven years thereafter,  
29 the Commissioner of Education, in consultation with the  
30 Commissioners of Community Affairs, Labor and Human  
31 Services, shall review the criteria for the designation of special  
32 needs districts and, if appropriate, shall recommend to the  
33 Governor and the Legislature changes or modifications of those  
34 criteria and in the districts so designated. The Commissioner of  
35 Education also shall recommend criteria for the designation of  
36 those school districts which represent the wealthier districts in  
37 the State for the purposes of providing special needs district  
38 supplementary aid as required pursuant to section 13 of P.L. ,

39 c. (C. ) (now pending before the Legislature as this bill).

40 5. (New section) There is established the Education Reform  
41 Commission which shall be composed of two members of the  
42 Senate to be appointed by the President thereof, not more than  
43 one of whom shall be of the same political party, two members of  
44 the General Assembly to be appointed by the Speaker thereof, not  
45 more than one of whom shall be of the same political party, the  
46 Commissioner of Education and the Chancellor of Higher  
47 Education, or their respective designees, and ten public members,  
48 five to be appointed by the President of the Senate, not more  
49 than three of whom shall be of the same political party, and five  
50 to be appointed by the Speaker of the General Assembly, not  
51 more than three of whom shall be of the same political party .  
52 The public members shall include experts on education reform  
53 initiatives, education practitioners, and representatives of  
54 business and the public at large.

1 Members of the commission shall serve without compensation,  
2 but public members shall be reimbursed for expenses actually  
3 incurred in the performance of their duties.

4 The commission shall organize as soon as may be practicable  
5 after the appointment of its members and shall select a chairman  
6 from among its members and a secretary who need not be a  
7 member of the commission. It shall be entitled to the assistance  
8 and services of the employees of any State, county or municipal  
9 department, board, bureau, commission or agency which it may  
10 require and which may be available to it for these purposes, and  
11 to employ stenographic and clerical assistants and incur traveling  
12 and other miscellaneous expenses necessary to perform its duties,  
13 within the limits of funds appropriated or otherwise made  
14 available to it for these purposes. The commission may meet and  
15 hold hearings at the place or places it designates.

16 a. By July 1, 1993, the commission shall:

17 (1) Review the educational goals and objectives established  
18 pursuant to P.L.1975, c.212 (C.18A:7A-1 et seq.) and report to  
19 the Joint Committee on the Public Schools as to the  
20 appropriateness of those goals and objectives, including in the  
21 report any changes which the commission wishes to recommend.

22 (2) Determine those programs and courses of study which are  
23 necessary to ensure that each child has the opportunity to  
24 develop the skills necessary to achieve the goals and objectives.  
25 This program review shall include an analysis and assessment of  
26 State compensatory education programs.

27 (3) Review the research to determine which programs and  
28 services have been shown to be demonstratively effective for  
29 students in special needs districts, and establish a schedule for  
30 the implementation of those programs in those districts.

31 (4) In consultation with the Department of Education, survey  
32 the State to determine the availability and the geographic  
33 distribution of the programs identified pursuant to <sup>1</sup>[subsections]  
34 paragraphs<sup>1</sup> (2) and (3) of this subsection <sup>1</sup>and determine the  
35 manner in which these programs may be funded utilizing existing  
36 State revenues<sup>1</sup>.

37 <sup>1</sup>(5) In consultation with the Department of Education, survey  
38 the State to identify variations in educational costs among  
39 counties and regions and determine whether the use of county  
40 regular education average budgets in the distribution of base aid  
41 accurately reflects these cost differences and does not unduly  
42 limit aid to districts in low spending counties.<sup>1</sup>

43 b. By January 1, 1994, the commission, in consultation with  
44 the Commissioner of Education and the Task Force on Technology  
45 established pursuant to this act, shall develop and submit <sup>1</sup>[for  
46 approval to the State Board of Education,] to the Governor and  
47 the Legislature<sup>1</sup> a Program Equity Plan which shall ensure that  
48 all programs identified by the commission, pursuant to paragraph  
49 (2) of subsection a. of this section, shall be available to students  
50 throughout the State. The plan shall include recommendations as  
51 to how this can be accomplished with the greatest cost  
52 efficiencies, including, but not limited to, the potential for the  
53 provision of programs and services on a county or regional basis,  
54 jointures, shared facilities and the utilization of advanced

1 educational technology. The plan shall include recommendations  
2 as to the appropriate time frame for its implementation. <sup>1</sup>The  
3 plan shall also address any other issue within the commission's  
4 charge.<sup>1</sup> The commission shall terminate 30 days following  
5 submission of the plan <sup>1</sup>[to the State board]<sup>1</sup>.

6 c. <sup>1</sup>[By July 1, 1994, based upon the recommendations of the  
7 commission, the State board shall adopt and submit to the  
8 Governor and the Legislature a Program Equity Plan.]<sup>1</sup> The plan  
9 shall take effect upon approval by the Legislature.

10 d. Each board of education shall review its programs and  
11 curricula and shall adopt such revisions as are necessary to ensure  
12 that the Program Equity Plan is fully implemented throughout the  
13 State within the time frame specified in the plan. The  
14 Commissioner of Education shall provide such technical  
15 assistance to boards of education as may be necessary to enable  
16 the boards to implement the plan in a manner that is both cost  
17 effective and suitable to conditions within the local school  
18 district.

19 e. Within five years of the effective date of this act, the  
20 Commissioner of Education shall report to the Governor and the  
21 Legislature on the status of the implementation of the Program  
22 Equity Plan, the mechanisms which local districts have utilized,  
23 and the impact of the plan on the improvement of pupil  
24 competencies and proficiencies. The commissioner may include  
25 in the report recommendations for changes in the Program Equity  
26 Plan and its implementation schedule.

27 6. (New section) a. There is established the Task Force on  
28 Technology, hereinafter "Task Force," which shall be an advisory  
29 group which shall report to the State Board of Education. The  
30 Task Force shall consist of nine members who shall be appointed  
31 no later than 120 days after the effective date of this act by the  
32 State Board of Education. Every effort shall be made to obtain  
33 the services of those whose background and knowledge of  
34 education and technology will be of greatest benefit to the State,  
35 including persons with expertise in the areas of research,  
36 technology, economic development, education, and business.  
37 Members shall receive no compensation but may be reimbursed  
38 for actual and necessary expenses in accordance with State laws  
39 and regulations.

40 As soon as possible after their appointment, the members shall  
41 hold an organizational meeting, and shall elect a chairman from  
42 among the members, and any other officers deemed necessary.

43 For the purposes of this section, "technology" includes, but is  
44 not limited to, computers, telecommunications, cable television,  
45 interactive video, film, low-power television, satellite  
46 communications, and microwave communications.

47 b. The Task Force shall develop a detailed five year plan for  
48 education technology, which shall provide for the efficient use of  
49 technology at all levels from primary school through higher  
50 education, including vocational and adult education <sup>1</sup>and  
51 determine the manner in which the implementation of this  
52 technology may be funded utilizing existing State revenues<sup>1</sup>.  
53 The plan shall focus on the technology requirements of classroom  
54 instruction, literacy laboratories, instructional management,

1 distance learning, and communications as they relate to the goals  
2 and objectives established pursuant to P.L.1975, c.212  
3 (C.18A:7A-1 et seq.) The plan shall also outline activities related  
4 to purchasing, developing and using technology to improve the  
5 efficiency and productivity of school administrators.

6 (1) The five year plan shall cover all aspects of education  
7 technology, including but not limited to, its use in educational  
8 instruction and administration, video and computer systems,  
9 software and hardware, multiple delivery systems for satellite,  
10 microwave, cable, instructional television fixed service, fiber  
11 optic, and computer connections products, the preparation of  
12 school buildings for technological readiness, and the development  
13 of staff necessary to implement the plan.

14 (2) The five year plan shall include specific recommendations  
15 to the State Board of Education for the establishment of an  
16 integrated technology based communications system to provide  
17 comprehensive, current, accurate, and accessible information  
18 relating to management, finance, operations, instruction, and  
19 programs which are under the jurisdiction of the Department of  
20 Education. The system shall be operational by the beginning of  
21 the 1995-96 school year. This uniform and integrated system  
22 shall be used by all school districts.

23 c. The Task Force shall develop the five year plan for  
24 education technology by January 1, 1994, and shall include  
25 recommendations as to the appropriate time frame for its  
26 implementation. The Task Force shall submit the plan to the  
27 <sup>1</sup>[State Board of Education for approval. The State Board of  
28 Education shall either recommend changes in the plan to the Task  
29 Force, or approve the plan and submit it to the]<sup>1</sup> Governor and  
30 the Legislature. The plan shall take effect upon approval by the  
31 Legislature. <sup>1</sup>The Task Force shall terminate 30 days following  
32 submission of the plan.<sup>1</sup>

33 d. The Task Force shall assist the Education Reform  
34 Commission in development of the Program Equity Plan required  
35 pursuant to subsection b. of section 5 of P.L. ..., c. ... (C. ...)(now  
36 pending before the Legislature as this bill).

37 7. (New section) a. Each local board of education shall utilize  
38 its base program aid entitlement provided pursuant to paragraph  
39 (1) of subsection a. of section 10 of P.L. , c. (C.....)(Now  
40 pending before the Legislature as this bill) for the establishment  
41 of programs which will foster change in the educational system,  
42 encourage educational creativity and initiative and enhance  
43 student learning. In developing its program, a board of education  
44 may enter into cooperative relationships with other school  
45 boards, institutions of higher education and nonprofit private  
46 institutions or organizations, and may seek corporate sponsorship  
47 to enhance its proposal.

48 b. By July 1, 1993, the Commissioner of Education shall  
49 prepare and disseminate to local boards of education a list of  
50 those programs which have been identified by research and  
51 experience as having a significant impact on pupil achievement  
52 and performance.

53 c. During the 1993-94 school year, each board of education  
54 shall designate the educational program or programs which shall

1 be implemented or have already been implemented in the district  
2 as soon as may be practicable, but not later than in January,  
3 1994. This determination shall be made through a planning  
4 process in which teaching staff members, parents and the entire  
5 educational community play a major role. The planning process  
6 may include expanded in-service training for teaching staff  
7 members if that will be required to implement the program. If a  
8 district wishes to implement or has already implemented a  
9 program which has not been specified by the commissioner  
10 pursuant to subsection b. of this section, the district may submit  
11 a request to do so to the commissioner, together with information  
12 and research data supporting its request. Upon request of a board  
13 of education, the department shall provide technical assistance to  
14 facilitate the planning process.

15 d. A board of education may submit to the State Board of  
16 Education a request for a modification or a waiver of State rules  
17 or regulations if the board determines that such a waiver is  
18 necessary for the implementation of its program. A board may  
19 not request a waiver of regulations that would effect the health  
20 and safety of the pupil. The request for a waiver shall include:

21 (1) A detailed description of the proposed program;  
22 (2) The reason or reasons why the board believes that the  
23 waiver is necessary; and

24 (3) Written certification indicating that the teaching staff of  
25 the district was directly involved in the development of the  
26 program and that they support the request for the waiver.

27 The State Board of Education shall grant the waiver if it  
28 determines that it is necessary to enable the district to  
29 implement the program.

30 e. Within five years of the effective date of this act, the  
31 Commissioner of Education shall report to the Governor and the  
32 Legislature on the extent to which the base program aid has  
33 fostered change in the educational system, encouraged  
34 educational creativity and initiative and enhanced student  
35 learning. The report shall also indicate the extent to which  
36 cooperative relationships have been established between school  
37 districts, institutions of higher education and nonprofit private  
38 institutions or organizations, and the extent that corporate  
39 sponsorship has been available. The commissioner may include in  
40 the report recommendations for changes or expansion of the base  
41 program aid initiative.

42 8. (New section) a. Each special needs district shall establish  
43 full day kindergarten programs and make them available to all  
44 children in the district beginning in the 1993-94 school year and  
45 shall establish pre-kindergarten programs and make them  
46 available to all children in the district beginning in the 1995-96  
47 school year or upon the availability of facilities, whichever is  
48 earlier. The pre-kindergarten programs shall be available to all  
49 four year old children and to three year old children when  
50 developmentally appropriate. The programs shall be based on a  
51 developmentally appropriate and integrated curriculum which  
52 promotes the physical, emotional, social, and cognitive areas of a  
53 child's development.

54 b. By February 1, 1993 and every February 1 thereafter, each

1 special needs district shall prepare a plan to provide full day  
2 kindergarten and pre-kindergarten programs pursuant to this  
3 section for the coming school year and submit the plan to the  
4 Commissioner of Education for approval. The plan shall be  
5 prepared in consultation with parents, teachers and community  
6 leaders and shall:

7 (1) Address the full day child care needs of the child's working  
8 parents through before and after school programs;

9 (2) Be tailored to each child's needs and developmental  
10 readiness;

11 (3) Provide for the identification and remediation of  
12 developmental delays which could adversely effect future school  
13 performance;

14 (4) Encourage parents and members of the community to  
15 volunteer their time and services in operating the programs;

16 (5) Provide full day nutritional programs;

17 (6) Provide an information and referral service for health and  
18 social services for the child or the child's family;

19 (7) Provide a parent education component in order to  
20 encourage parents to read to their children, to take a more active  
21 role in the education of their children at home and at school, and  
22 to enhance the intellectual, physical, social and emotional  
23 development of their children;

24 (8) Utilize existing governmental and community resources and  
25 facilities and seek private foundation and business involvement;  
26 and

27 (9) Provide for a continuity of services to at-risk and  
28 developmentally delayed children as they move into the primary  
29 grades.

30 The Department of Education, in consultation with the  
31 Department of Human Services, shall provide guidance and  
32 technical assistance to local school districts in developing the  
33 plans required under this section.

34 If the district is unable to provide pre-kindergarten programs  
35 in the 1995-96 school year because of the unavailability of  
36 suitable facilities, the plan shall indicate what steps are being  
37 taken by the district to address this issue and an approximate  
38 date when suitable facilities will be available.

39 c. The school district shall provide transportation when  
40 necessary to children participating in a preschool program  
41 pursuant to this section who do not otherwise qualify for  
42 transportation and shall receive transportation aid pursuant to  
43 P.L. ,c. (C. )(now pending before the Legislature as  
44 this bill) for transportation provided under this paragraph.

45 d. In addition to the pre-kindergarten and full day  
46 kindergarten programs required pursuant to this section, each  
47 special needs district shall provide for the programs identified by  
48 the Education Reform Commission and approved by the State  
49 Board of Education as necessary for the special needs district to  
50 meet State educational goals and objectives according to the  
51 timetable established therein. The special needs district may  
52 utilize base program aid to implement the pre-kindergarten, full  
53 day kindergarten or other programs which may be required by the  
54 Education Reform Commission.



1 e. Notwithstanding any statute, rule or regulation promulgated  
2 by the State Board of Education, special needs districts may  
3 contract with New Jersey colleges and universities to provide in  
4 school, after school and special academic programs and services  
5 to assist the districts in providing the educational opportunities  
6 required by this bill. The Chancellor of Higher Education shall  
7 prepare on or before July 1 of each year a report of programs and  
8 services available from New Jersey colleges and universities to  
9 assist these districts. The report shall be distributed to the  
10 commissioner and to the special needs districts.

11 9. (New section) In order to develop effective strategies to  
12 meet the needs and improve the entire environment of the  
13 educationally disadvantaged pupil, there shall be established in  
14 every special needs district a Community Alliance for Reform of  
15 Education (hereafter CARE). The CARE program shall provide  
16 health, nutritional, social and family programs to school age  
17 children and their families. For the purposes of this section  
18 "health, nutritional, social and family services" shall include, but  
19 not be limited to, primary and preventative health care services,  
20 nutritional services, drug and alcohol abuse counseling, pregnancy  
21 counseling, parenting education programs, child development  
22 programs, family crisis counseling, mental health counseling,  
23 suicide prevention, academic and vocational counseling and  
24 tutoring, employment placement and counseling, and child care  
25 programs.

26 a. The Commissioner of Human Services shall undertake and  
27 complete within one year of the effective date of this act a  
28 resource identification and needs assessment study concerning  
29 the health, nutritional, social and family services needs of pupils  
30 and their families within the special needs district. The  
31 department shall consult with federal, State, and local agencies  
32 and private organizations providing health, nutritional, social and  
33 family services funds or programs in developing the study. The  
34 Department of Human Services shall also conduct a facilities  
35 needs assessment for these programs.

36 b. Beginning with the 1994-95 school year, each special needs  
37 district shall employ a CARE Coordinator and shall receive full  
38 reimbursement from the State for the cost of the coordinator.  
39 The Commissioner of Education, in consultation with the  
40 Commissioner of Human Services, shall issue guidelines  
41 concerning the training and experience qualifications for the  
42 CARE Coordinator. The CARE Coordinator shall be responsible  
43 for:

44 (1) Facilitating assessment and referral of eligible pupils and  
45 their families to those services identified as available within the  
46 community by the Commissioner of Human Services;

47 (2) Identifying any additional resources available to eligible  
48 pupils and families within the district for health, nutritional,  
49 social and family services programs and referring the individual  
50 to the appropriate agency or organization offering the program;

51 (3) Developing a plan for the provision of those health,  
52 nutritional, social and family services programs not available  
53 within the community and identifying possible sources of public  
54 and private funding for these programs.

c. In order to implement the CARE program, each special needs district shall establish a social services resource center at or near every elementary school which the CARE Coordinator shall use as a focal point for health, nutritional, family and social services for school age pupils and their families. Each special needs district shall also provide for at least one youth services center in the district which the CARE coordinator shall use as a focal point for services available to adolescents and their families and for community service programs.

10. (New section) a. Each school district's base aid for current expense and capital outlay shall equal the sum of (1) and (2) as follows:

(1) the district's base program aid, which shall equal \$300 for districts in district factor groups A, B or C; \$200 for districts in district factor groups D, E, F, or G and nonoperating school districts,<sup>1</sup> county special services and county vocational school districts; and \$100 for pupils in district factor groups H, I, or J multiplied by the district's resident enrollment;

(2) the district's base equalized aid, which shall equal the district's base budget, calculated pursuant to section 11 of P.L. ,c. (C. )(now pending before the Legislature as this bill), minus the district's base local share, which is the product of the district's equalized valuation multiplied by 0.0100. No district's base equalized aid shall be less than zero.

The equalized valuations for county vocational and county special services school districts shall be calculated by taking the total county equalized valuations, divided by the resident enrollment of the county, and multiplying this quotient by the resident enrollment of the county school.

b. Beginning with the 1994-95 school year, each district's maximum base aid shall equal its prebudget year base aid increased by the SGI and the average annual percentage increase, if greater than zero, in the district's resident enrollment over the four school years prior to the budget year. Any reduction in base aid as a result of this subsection shall be first made from the district's base equalized aid entitlement.

For the 1993-94 school year the district's maximum base aid shall equal its 1992-93 base aid increased by the following percentage:

(1)<sup>1</sup> two percent for districts with an equalized school tax rate less than 110% of the Statewide average equalized school tax rate;

(2) three percent for districts with an equalized school tax rate between 110% and 120% of the Statewide average equalized school tax rate;

(3) four percent for districts with an equalized school tax rate of 120% or more of the Statewide average equalized school tax rate<sup>1</sup>.

For the purposes of this subsection, base aid for the 1992-93 school year shall equal the sum of foundation aid, transition aid, and at-risk aid received by the school district.

11. (New section) a. Each school district's base budget shall equal its county regular education average budget multiplied by the number of base units. The number of base units shall be

1 determined by multiplying the number of pupils in resident  
2 enrollment by the appropriate weights:

3	Category	Weight
4		
5		
6	Full Day Kindergarten or Preschool.....	0.90
7	Half Day Kindergarten or Preschool.....	0.45
8	Grades 1-5.....	0.90
9	Grades 6-8.....	1.00
10	Grades 9-12.....	1.20
11	Special Education Services Pupil.....	0.90
12	Evening School.....	0.45
13	Post Graduate.....	0.45
14	County Vocational School.....	1.20
15	Post Secondary Vocational Education.....	1.20
16		

17 For the purposes of calculating base units pursuant to this  
18 section, pupils in ungraded classes shall be assigned to the most  
19 appropriate grade category in accordance with procedures to be  
20 established by the commissioner.

21 <sup>1</sup>For the purpose of calculating base equalized aid, the total  
22 base units for grades preschool through 12th for a special needs  
23 district, as derived pursuant to the above table, shall be  
24 multiplied by 1.05.<sup>1</sup>

25 b. On or before April 1, 1994, and on or before April 1 of each  
26 subsequent even numbered year, the Governor, after consultation  
27 with the Department of Education, shall recommend to the  
28 Legislature any revision in the schedule of base aid weights which  
29 is deemed proper, together with appropriate supporting  
30 information. The revised weights shall be deemed approved for  
31 the fiscal year beginning one year from the subsequent July 1 at  
32 the end of 60 calendar days after the date on which they are  
33 transmitted to the Senate and General Assembly, or if the  
34 Legislature is not in session on the sixtieth day, then on the next  
35 succeeding day on which it shall be meeting in the course of a  
36 regular or special session, unless between the date of transmittal  
37 and the end of the above period, the Legislature passes a  
38 concurrent resolution stating that the Legislature does not favor  
39 the revised schedule of weights, in which case the weights then in  
40 effect shall continue in effect.

41 12. a. Each school district's maximum permitted regular  
42 education budget shall equal the district's regular education  
43 budget in the prebudget year increased by the sum of:

- 44 (1) the SGI;
- 45 (2) the average annual percentage increase, if greater than  
46 zero, in the district's resident enrollment over the four years  
47 prior to the budget year; and
- 48 (3) the product of 0.10 multiplied by the percentage by which  
49 the district's per pupil regular education budget in the prebudget  
50 year is below the Statewide regular education average budget  
51 multiplied by the district's base aid units.

52 <sup>1</sup>The district's maximum permitted regular education budget  
53 for the budget year shall be increased by the amount of any items  
54 in the capital outlay budget which are associated with the

opening of a new or improved facility as well as any instructional supplies and materials and purchased professional and technical services in the current expense budget which are associated with the opening of a new or improved facility.<sup>1</sup>

b. Any school district may submit a proposal to raise the amount of tax levy necessary to exceed its maximum permitted regular education budget, pursuant to this section, to the legal voters of the district for type II school districts without a Board of School Estimate and to the Board of School Estimate for those school districts with a Board of School Estimate as required during the school budget approval process pursuant to chapters 22 and 54 of Title 18A of the New Jersey Statutes and section 13 of P.L.1971, c.271 (C.18A:46-41). The proposal to raise additional tax levy to exceed the maximum permitted regular education budget shall be in addition to the amounts required to be approved for each school district in accordance with chapters 22 and 54 of Title 18A of the New Jersey Statutes and section 13 of P.L.1971, c.271 (C.18A:46-41). In the event that a school district's proposal to raise the tax levy to exceed the maximum permitted regular education budget is not approved in accordance with the budget approval process set forth in chapter 22 of Title 18A of the New Jersey Statutes for type II districts and for type I districts, chapter 54 of Title 18A of the New Jersey Statutes for county vocational school districts and section 13 of P.L.1971, c.271 (C.18A:46-41) for county special services school districts, that disapproval shall be deemed final unless the district can demonstrate to the satisfaction of the Commissioner of Education that the cap waiver is necessary for the district to provide the constitutionally required educational opportunity.

13. (New section) a. Each special needs district shall be eligible to receive supplemental aid in addition to base aid to be calculated as follows:

$$SA = ((TB \times BU) - (BA + LS)) \times F$$

where

SA is the district's supplemental aid;

TB is the target budget which shall equal the average regular education budget per pupil, excluding base program aid, of the school districts in district factor groups H, I and J;

BU is the base units for the special needs district;

BA is the special needs district's base equalized aid; and

LS is the district's local share, which is calculated by multiplying the district's equalized valuation by the Statewide average equalized school tax rate for the prebudget year.

F is the supplemental aid factor, which shall equal .20 in 1993-94, .40 in 1994-95, .60 in 1995-96, .80 in 1996-97, and 1.00 in 1997-98 and thereafter;

The special needs district supplement provided pursuant to this section shall not be included in the calculation of the district's regular education budget.

b. The minimum tax levy for current expense and capital outlay in a special needs district shall equal its local share

1 pursuant to subsection a. of this section. For those districts  
 2 below their local share, the commissioner shall develop a plan for  
 3 the district's tax levy for current expense and capital outlay to  
 4 equal its local share by the 1998-99 school year.

5 A special needs district shall not decrease its tax levy for  
 6 current expense and capital outlay by an amount greater than the  
 7 SGI multiplied by its prebudget year local levies for current  
 8 expense and capital outlay.

9 14. (New section) Categorical program support in the 1994-95  
 10 school year and thereafter shall be paid in accordance with the  
 11 following calculations:

12 a. The number of categorical aid units for each school district  
 13 shall be determined by adding the products obtained by  
 14 multiplying the pupils in each category by the appropriate  
 15 weight. Unless the schedule of weights is or has been revised  
 16 pursuant to subsection e. of this section, the weights shall be the  
 17 following:

18 Category	19 Weight
20	
21 Bilingual.....	22 0.18
23 County vocational secondary.....	24 0.26
25 County vocational post-secondary.....	26 0.13
27	
28 Special Education	
29	
30 Educable.....	31 0.60
32 Trainable.....	33 0.99
34 Orthopedically handicapped.....	35 1.70
36 Neurologically impaired.....	37 0.42
38 Perceptually impaired.....	39 0.12
40 Visually handicapped.....	41 2.79
42 Auditorily handicapped.....	43 1.63
44 Communication handicapped.....	45 0.84
46 Emotionally disturbed.....	47 1.09
48 Socially maladjusted.....	49 0.67
50 Chronically ill.....	51 2.23
52 Multiply handicapped.....	53 1.05
Resource room.....	0.45
Autistic.....	1.84
Preschool Handicapped, half day.....	0.30
Preschool Handicapped, full day.....	0.60
County special services school district	1.38
Regional Day schools.....	1.38
County Vocational School, Special	
Education Services.....	0.59
Residential facility for the retarded.....	1.72
Day training center.....	2.37
Residential youth center.....	1.39
Training school or correctional facility...	0.56
Child treatment center or psychiatric	
hospital.....	1.03
Supplementary and speech instruction.....	0.18

1 based on the number  
 2 of pupils actually  
 3 receiving such  
 4 instruction in  
 5 the prior  
 6 school year

7 b. The number of categorical aid units for home instruction  
 8 shall be determined by multiplying the number of hours of  
 9 instruction actually provided in the prior school year by 0.0025.

10 c. For the purposes of this section, categorical aid shall be  
 11 paid to the districts in which the pupils reside except in the case  
 12 of home, supplementary or speech instruction where aid shall be  
 13 paid to the district providing the service. No tuition may be  
 14 charged for such home, supplementary or speech instruction.

15 d. Categorical aid for each school district shall equal the  
 16 number of categorical aid units multiplied by the State regular  
 17 education average budget.

18 e. On or before April 1, 1994, and on or before April 1 of each  
 19 subsequent even numbered year, the Governor, after consultation  
 20 with the Department of Education, shall recommend to the  
 21 Legislature any revision in the schedule of weights in this section  
 22 which is deemed proper, together with appropriate supporting  
 23 information concerning the average excess cost of providing the  
 24 categorical program. The revised additional weights shall be  
 25 deemed approved for the fiscal year beginning one year from the  
 26 subsequent July 1 at the end of 60 calendar days after the date on  
 27 which they are transmitted to the Senate and General Assembly,  
 28 or if the Legislature is not in session on the sixtieth day, then on  
 29 the next succeeding day on which it shall be meeting in the  
 30 course of a regular or special session, unless between the date of  
 31 transmittal and the end of the above period, the Legislature  
 32 passes a concurrent resolution stating that the Legislature does  
 33 not favor the revised schedule of weights, in which case the  
 34 additional cost factors then in effect shall continue in effect.

35 15. (New section) a. Transportation aid in the 1994-95 school  
 36 year and thereafter shall equal the sum of A1, A2 and A3  
 37 determined as follows:

38  $A1 = R \times C + (R \times D \times W)$

39  $A2 = RS \times CS + (RS \times DS \times WS)$

40  $A3 = (R + RS) \times ((P \times PM) + (E \times EM))$

41 where

42 R is the number of pupils eligible for transportation pursuant to  
 43 N.J.S.18A:39-1 as of the last school day prior to October 16 of  
 44 the prebudget year;

45 C is the per pupil constant, which shall equal 502.27 for school  
 46 districts located in very high cost counties, shall equal 365.10 for  
 47 school districts located in high cost counties and shall equal  
 48 254.41 for school districts located in any other county;

49 D is the average distance between the home and school of the  
 50 pupils eligible for transportation pursuant to N.J.S.18A:39-1;

51 W is the regular transportation mileage weight, which shall  
 52 equal 21.57 for school districts located in the very high cost  
 53 counties and high cost counties and shall equal 14.19 for school  
 54 districts located in any other county;

55 RS is the number of pupils eligible for transportation pursuant

1 to N.J.S.18A:46-23 as of the last school day prior to October 16  
2 of the prebudget year;

3 CS is the per pupil constant for transportation pursuant to  
4 N.J.S.18A:46-23, which shall equal 1051.72 for school districts  
5 located in very high cost counties, shall equal 914.55 for school  
6 districts located in high cost counties and shall equal 803.86 for  
7 school districts located in any other county;

8 PM means the population density multiplier, which equals  
9 .00541;

10 P means population density, calculated as the district's  
11 population according to the most recent data available from the  
12 Bureau of the Census divided by the number of square miles in  
13 the school district;

14 DS is the average distance between the home and school of the  
15 pupils eligible for transportation pursuant to N.J.S.18A:46-23;

16 WS is the mileage weight for transportation pursuant to  
17 N.J.S.18A:46-23, which shall equal 64.05 for school districts  
18 located in very high cost counties and high cost counties and shall  
19 equal 56.68 for school districts located in any other county;

20 EM means the district size multiplier, which equals .00762; and

21 E means the resident enrollment of the district.

22 As used in this section a high cost county is a county in which  
23 for the 1988-89 school year the average cost per pupil mile for  
24 approved transportation, other than for handicapped pupils or  
25 pupils whose parent or guardian receives a payment in lieu of  
26 transportation pursuant to N.J.S.18A:39-1, exceeded the  
27 Statewide average by more than 15%.

28 As used in this section a very high cost county is a county in  
29 which for the 1988-89 school year the average cost per pupil mile  
30 for approved transportation, other than for handicapped pupils or  
31 pupils whose parent or guardian receives a payment in lieu of  
32 transportation pursuant to N.J.S.18A:39-1, exceeded the  
33 Statewide average by more than 85%.

34 Whenever a pupil receives transportation to and from a remote  
35 nonpublic school pursuant to N.J.S.18A:39-1 or whenever the  
36 parent or guardian of a pupil receives a payment in lieu of  
37 transportation pursuant to N.J.S.18A:39-1, the State aid for  
38 transportation received by the district for that pupil shall not  
39 exceed \$675 or the amount determined pursuant to section 2 of  
40 P.L.1981, c.57 (C.18A:39-1a), whichever is the greater amount.

41 County special services school districts shall be ineligible to  
42 receive state aid for purposes of this section.

43 For any school year in which the numerical values in this  
44 subsection have not been altered pursuant to subsection b. of this  
45 section, the State aid amount calculated for a district pursuant to  
46 this subsection shall be increased by the product of the amount  
47 calculated and the CPI. The CPI shall not be compounded over  
48 several years if the numerical values in this section have not been  
49 altered pursuant to subsection b. of this section.

50 b. On or before April 1, 1994, and on or before April 1 of each  
51 subsequent even numbered year, the Governor, after consultation  
52 with the Department of Education, shall recommend to the  
53 Legislature any revision in any numerical value in subsection a. of  
54 this section, including the numerical criteria for a high cost

1 county and a very high cost county, which is deemed proper,  
 2 together with appropriate supporting information. The revised  
 3 values shall be deemed approved for the fiscal year beginning one  
 4 year from the subsequent July 1 at the end of 60 calendar days  
 5 after the date on which they are transmitted to the Senate and  
 6 General Assembly, or if the Legislature is not in session on the  
 7 sixtieth day, then on the next succeeding day on which it shall be  
 8 meeting in the course of a regular or special session, unless  
 9 between the date of transmittal and the end of the above period,  
 10 the Legislature passes a concurrent resolution stating that the  
 11 Legislature does not favor the revised schedule of values, in  
 12 which case the values then in effect shall continue in effect.

13 16. (New section) a. Each district's State aid for debt service  
 14 shall be calculated as follows:

$$15 \quad A = DB \times (BB - LS) / BB$$

16 where

17 A is the district's State aid for debt service;

18 DB is the district's net debt service budget;

19 BB is the district's base budget, as determined pursuant to  
 20 section 11 of this amendatory and supplementary act; and

21 LS is the district's base local share, as determined pursuant to  
 22 section 10 of this amendatory and supplementary act.

23 b. A county vocational school district and a county special  
 24 services school district shall be eligible to receive State aid for  
 25 debt service.

26 17. (New section) Each school district's maximum general  
 27 fund free balance shall not exceed 7.5 percent of its current  
 28 expense budget. If a district's general fund free balance exceeds  
 29 that amount, the district shall file a plan with the commissioner  
 30 to ensure that the district's general fund free balance shall be no  
 31 greater than 7.5 percent of its current expense budget in the  
 32 1994-95 school year.

33 <sup>1</sup>[18. (New section) a. Any board of education which, after  
 34 the effective date of P.L. c. (C. ) (now pending before  
 35 the Legislature as this bill), submits to the voters at a special  
 36 school election held pursuant to N.J.S.18A:13-34 a proposal to  
 37 join or create an all purpose regional school district may include  
 38 a question as to whether the amounts to be raised for annual or  
 39 special appropriations for the proposed regional school district  
 40 shall be apportioned among the municipalities included within the  
 41 regional school district on the basis of equalized valuations  
 42 pursuant to N.J.S.18A:13-23 or on a per pupil basis.

43 b. Subject to voter approval pursuant to subsection a. of this  
 44 section, a board of education of a regional school district may  
 45 apportion the amounts to be raised for annual or special  
 46 appropriations among the municipalities included within the  
 47 regional school district on a per pupil basis.]<sup>1</sup>

48 <sup>1</sup>18. (New section) A district, which was in district factor  
 49 group A, B, or C in the 1990-91 school year as determined by the  
 50 Department of Education based upon 1980 census data, shall  
 51 receive State lease purchase aid in an amount equal to the



1 payments made by the district on any lease purchase agreement  
2 entered into during or prior to the 1990-91 school year, including  
3 the refinance thereof, multiplied by .40.<sup>1</sup>

4 19. (New section) The amounts payable to each school district  
5 pursuant to P.L. ,c. (C. )(now pending before the  
6 Legislature as this bill) shall be paid by the State Treasurer upon  
7 the certification of the commissioner and warrant of the Director  
8 of the Division of Budget and Accounting. Five percent of the  
9 State aid appropriation shall be paid on the first and fifteenth of  
10 each month from September through June. If a local board of  
11 education requires funds prior to the first payment, the board  
12 shall file a written request with the Commissioner of Education  
13 stating the need for the funds. The commissioner shall review  
14 each request and forward those for which need has been  
15 demonstrated to the appropriate officials for payment.

16 Debt service funds shall be paid as required to meet due dates  
17 for payment of principal and interest.

18 Each school district shall file an annual written request for  
19 debt service payments to the commissioner 30 days prior to the  
20 beginning of the fiscal year for which the appropriation is made.  
21 Such request shall include the amount of interest bearing school  
22 debt, if any, of the municipality or district then remaining  
23 unpaid, together with the rate of interest payable thereon, the  
24 date or dates on which the bonds or other evidences of  
25 indebtedness were issued, and the date or dates upon which they  
26 fall due. In the case of Type I school districts, the board  
27 secretary shall secure the schedule of outstanding obligations  
28 from the clerk of the municipality.

29 20. (New section) Annually, on or before October 20, the  
30 secretary of the board of education, with the approval of the  
31 superintendent of schools, or if there is no superintendent of  
32 schools, with the approval of the county superintendent of  
33 schools, shall file with the commissioner a report stating the  
34 number of pupils enrolled by grade, the number of these pupils in  
35 approved programs of special education, bilingual education and  
36 vocational education, and the number of pupils in State facilities,  
37 county vocational schools, county special services schools, State  
38 college demonstration schools, evening schools, approved private  
39 schools for the handicapped, other public or private schools to  
40 which the district is paying tuition, or who are receiving home  
41 instruction on the last school day prior to October 16. In  
42 addition, districts shall file annual reports providing such  
43 information as the commissioner may require for pupils receiving  
44 special education services.

45 21. (New section) Annually, <sup>1</sup>[on or after the last Tuesday in  
46 January] within seven days following the transmittal of the  
47 budget message to the Legislature by the Governor pursuant to  
48 section 11 of P.L. 1944, c. 112 (C.52:27B-20).<sup>1</sup> the commissioner  
49 shall notify each district of the maximum amount of aid payable  
50 to the district under the provisions of P.L. ,c. (C. )(now  
51 pending before the Legislature as this bill) in the succeeding year  
52 and shall notify each district of the district's maximum  
53 permitted regular education budget for the succeeding year. The  
54 actual aid payment to each district shall be determined after the

1 district's budget is adopted.

2 22. (New section) Annually, on or before <sup>1</sup>[February 20] March  
3 8<sup>1</sup>, local boards of education shall submit to the commissioner a  
4 copy of their proposed budgets for the next school year.  
5 Beginning with the 1994-95 school year, the budget shall include,  
6 by separate line item, the district's proposed expenditures under  
7 the base program aid initiative established pursuant to section 7  
8 of P.L. c. (C. ) (now pending before the Legislature  
9 as this bill). The commissioner shall review each item of  
10 appropriation within the current expense and capital outlay  
11 budgets and shall determine the adequacy of the budgets with  
12 regard to the annual reports submitted pursuant to section 11 of  
13 P.L.1975, c.212 (C.18A:7A-11) and such other criteria as may be  
14 established by the State board.

15 23. (New section) In order to receive any State aid pursuant to  
16 this amendatory and supplementary act, a school district shall  
17 comply with the rules and standards for the equalization of  
18 opportunity which have been or which may hereafter be  
19 prescribed by law, or formulated by the commissioner or the  
20 State board pursuant to law. The commissioner is hereby  
21 authorized to withhold all or part of that State aid for failure to  
22 comply with any rule or standard. No State aid shall be paid to  
23 any district which has not provided public school facilities for at  
24 least 180 days during the preceding school year, but the  
25 commissioner, for good cause shown, may remit the penalty.

26 24. (New section) When State aid is calculated for any year  
27 and a part of any district becomes a new school district or a part  
28 of another school district, including a county vocational school  
29 district or county special services school district established  
30 after January 1, 1991, or comes partly under the authority of a  
31 regional board of education, the commissioner shall adjust the  
32 State aid calculations among the districts affected, or between  
33 the district and the county vocational school district, county  
34 special services school district or the regional board, as the case  
35 may be, on an equitable basis in accordance with the intent of  
36 P.L. ,c. (C. ) (now pending before the Legislature as this  
37 bill).

38 Whenever an all-purpose regional district is approved by the  
39 voters during any calendar year, the regional district shall  
40 become effective on the succeeding July 1 for the purpose of  
41 calculating State aid, and the commissioner shall request  
42 supplemental appropriations for such additional State aid as may  
43 be required.

44 After a regional school district becomes entitled to State aid,  
45 it shall continue to be entitled to such aid as calculated for a  
46 regional district notwithstanding the subsequent consolidation of  
47 the constituent municipalities of the regional school district.

48 25. Section 17 of P.L.1987, c.399 (C.18A:7A-50) is amended to  
49 read as follows:

50 17. The State district superintendent of a State-operated  
51 school district shall develop a budget on or before the <sup>1</sup>[first]  
52 fourth<sup>1</sup> Tuesday in <sup>1</sup>[April] March<sup>1</sup> and shall present this budget  
53 to the board of education to elicit the board's comments and  
54 recommendations. This budget shall conform in all respects with

1 the requirements of chapter 22 of Title 18A of the New Jersey  
2 Statutes and shall be subject to the limitations on spending by  
3 local school districts otherwise required by [P.L.1990, c.52  
4 (C.18A:7D-1 et al.)] P.L. ,c. (C. ) (now pending before  
5 the Legislature as this bill).

6 (cf: P.L.1992, c.159, s.6)

7 26. Section 6 of P.L.1979, c.207 (C.18A:7B-2) is amended to  
8 read as follows:

9 6. a. For each child who is resident in a district and in a State  
10 facility on the last school day prior to October 16 of the  
11 prebudget year, the Commissioner of Education shall deduct from  
12 the State aid payable to such district an amount equal to the  
13 State [foundation] regular education average budget amount plus  
14 the appropriate [special education aid] categorical program  
15 support.

16 b. If, for any district, the amount to be deducted pursuant to  
17 subsection a. of this section is greater than State aid payable to  
18 the district, the district shall pay to the Department of Education  
19 the difference between the amount to be deducted and the State  
20 aid payable to the district.

21 c. The amount deducted pursuant to subsection a. of this  
22 section and the amount paid to the Department of Education  
23 pursuant to subsection b. of this section shall be forwarded to the  
24 Department of Human Services if the facility is operated by or  
25 under contract with that department, or to the Department of  
26 Corrections if the facility is operated by that department, and  
27 shall serve as payment by the district of tuition for the child.  
28 This amount shall be used solely for the support of educational  
29 programs and shall be maintained in a separate account for that  
30 purpose. No district shall be responsible for the tuition of any  
31 child admitted to a State facility after the last school day prior  
32 to October 16 of the prebudget year.

33 (cf: P.L.1990, c.52, s.34)

34 27. Section 19 of P.L.1979, c.207 (C.18A:7B-12) is amended to  
35 read as follows:

36 19. For school funding purposes, the Commissioner of  
37 Education shall determine district of residence as follows:

38 a. The district of residence for children in foster homes shall  
39 be the district in which the foster parents reside. If a child in a  
40 foster home is subsequently placed in a State facility or by a  
41 State agency, the district of residence of the child shall then be  
42 determined as if no such foster placement had occurred.

43 b. The district of residence for children who are in residential  
44 State facilities, or who have been placed by State agencies in  
45 group homes, private schools or out-of-State facilities, shall be  
46 the present district of residence of the parent or guardian with  
47 whom the child lived prior to his most recent admission to a State  
48 facility or most recent placement by a State agency.

49 If this cannot be determined, the district of residence shall be  
50 the district in which the child resided prior to such admission or  
51 placement.

52 c. The district of residence for children whose parent or  
53 guardian temporarily moves from one school district to another  
54 as the result of being homeless shall be the district in which the

1 parent or guardian last resided prior to becoming homeless. For  
2 the purpose of this amendatory and supplementary act,  
3 "homeless" shall mean an individual who temporarily lacks a  
4 fixed, regular and adequate residence.

5 d. If the district of residence cannot be determined according  
6 to the criteria contained herein, or if the criteria contained  
7 herein identify a district of residence outside of the State, the  
8 State shall assume fiscal responsibility for the tuition of the  
9 child. The tuition shall equal the State [foundation] regular  
10 education average budget amount plus the appropriate [special  
11 education aid] categorical program support, if any. This amount  
12 shall be appropriated in the same manner as other State aid under  
13 this act. The Department of Education shall pay the amount to  
14 the Department of Human Services or the Department of  
15 Corrections or, in the case of a homeless child, to the school  
16 district in which the child is enrolled.

17 (cf: P.L.1990, c.52, s.35)

18 28. N.J.S.18A:13-23 is amended to read as follows:

19 18A:13-23. The annual or special appropriations for regional  
20 districts, including the amounts to be raised for interest upon,  
21 and the redemption of, bonds payable by the district, shall be  
22 apportioned among the municipalities included within the regional  
23 district upon the basis of the portion of each municipality's  
24 equalized valuation allocated to the regional district, calculated  
25 as described in the definition of equalized valuation in section 3  
26 of [P.L.1990, c.52 (C.18A:7D-3)] P.L. ,c. (C. )(now  
27 pending before the Legislature as this bill).

28 (cf: P.L.1990, c.52, s.37)

29 29. N.J.S.18A:21-3 is amended to read as follows:

30 18A:21-3. Such account shall be established by resolution of  
31 the board of school estimate or the board of education, as the  
32 case may be, in such form as shall be prescribed by the  
33 commissioner, a true copy of which shall be filed with the  
34 department. For any school year an amount <sup>1</sup>of the district's  
35 base aid entitlement<sup>1</sup> not to exceed <sup>1</sup>[the amount of [foundation]  
36 base aid anticipated in the capital outlay budget] \$100 per pupil<sup>1</sup>  
37 , as calculated pursuant to [section 10 of P.L.1990, c.52  
38 (C.18A:7D-10)] P.L. ,c. (C. )(now pending before the  
39 Legislature as this bill), plus any additional sum expressly  
40 approved by the voters of the district or the board of school  
41 estimate may be appropriated to the account. The account shall  
42 also include the earnings attributable to the investment of the  
43 assets of the account.

44 (cf: P.L.1990, c.52, s.39)

45 30. N.J.S.18A:22-8 is amended to read as follows:

46 18A:22-8. The budget shall be prepared in such detail and upon  
47 such forms as shall be prescribed by the commissioner and to it  
48 shall be annexed a statement so itemized as to make the same  
49 readily understandable, in which shall be shown:

50 a. In tabular form there shall be set forth the following:

51 (1) The total expenditure for each item for the preceding  
52 school year, the amount appropriated for the current school year  
53 adjusted for transfers as of December 1 of the current school  
54 year, and the amount estimated to be necessary to be

1 appropriated for the ensuing school year, indicated separately for  
2 [at least the following items:

- 3 (a) Salaries--administration
- 4 (b) Salaries--teaching
- 5 (c) Salaries--for the operation of plant and maintenance
- 6 (d) Categorical programs
  - 7 (i) Salaries
  - 8 (ii) Other
- 9 (e) Supplies for the operation of plant--including fuel
- 10 (f) Textbooks
- 11 (g) Instructional supplies
- 12 (h) Other supplies
- 13 (i) School libraries and audio visual materials
- 14 (j) Transportation of pupils
- 15 (k) Insurance
- 16 (l) Legal fees
- 17 (m) Consulting fees, including negotiating fees
- 18 (n) Contracts for maintenance
- 19 (o) Property
- 20 (p) Maintenance
- 21 (q) Evening schools
- 22 (r) Classes for the foreign born
- 23 (s) Vocational evening schools and courses
- 24 (t) Tuition paid to other districts
- 25 (u) Interest and debt redemption charges, in type II districts
- 26 (v) Pension contributions
- 27 (w) Social Security payments
- 28 (x) Any other major purposes including any capital project
- 29 which the State Board of Education desires to include in the
- 30 annual budget] each item as determined by the commissioner;

31 (2) The amount of the surplus account available at the  
32 beginning of the preceding school year, at the beginning of the  
33 current school year and the amount anticipated to be available  
34 for the ensuing school year;

35 (3) The amount of revenue available for budget purposes for  
36 the preceding school year, the amount available for the current  
37 school year as of December 1 of the current school year and the  
38 amount anticipated to be available for the ensuing school year in  
39 the following categories:

- 40 (a) Total to be raised by local property taxes
- 41 (b) Total State aid (detailed at the discretion of the  
42 commissioner)
  - 43 [(i) Foundation aid
  - 44 (ii) Special education aid
  - 45 (iii) Transportation aid
  - 46 (iv) At-risk aid
  - 47 (v) Bilingual aid
  - 48 (vi) Other
  - 49 (vii) Transition aid]

50 (c) Total Federal aid (detailed at the discretion of the  
51 commissioner)

- 52 [(i) Elementary and Secondary Education Act of 1965 (20
- 53 U.S.C. §2701 et seq.)
- 54 (ii) Handicapped
- 55 (iii) Impact Aid

1 (iv) Vocational

2 (v) Other]

3 (d) Other sources (detailed at the discretion of the  
4 commissioner).

5 (4) Transfers between current expense and capital outlay for  
6 the preceding school year, the current school year as of  
7 December 1 of that year and transfers anticipated for the ensuing  
8 school year.

9 b. [In addition, the commissioner may provide for a program  
10 budget system.] (deleted by amendment, P.L. ....c. (now pending  
11 before the Legislature as this bill).

12 c. In the event that the total expenditure for any item of  
13 appropriation is equal to \$0.00 for: (1) the preceding school year,  
14 (2) the current school year, and (3) the amount estimated to be  
15 necessary to be appropriated for the ensuing school year, that  
16 item shall not be required to be published pursuant to  
17 N.J.S.18A:22-11.

18 (cf: P.L.1990, c.52, s.43)

19 31. Section 4 of P.L.1979, c.294 (C.18A:22-8.3) is amended to  
20 read as follows:

21 4. On or after November 15 of each school year, all  
22 adjustments to State aid amounts payable for the succeeding  
23 school year, pursuant to [P.L.1990, c.52 (C.18A:7D-1 et al.)]  
24 P.L. ....c. (C. ....)(now pending before the Legislature as  
25 this bill)], due to corrections in the count of pupils enrolled in  
26 various grades and programs, shall be made to the State aid  
27 amounts payable during the school year following the succeeding  
28 school year.

29 (cf: P.L.1990, c.52, s.45)

30 32. Section 2 of P.L.1976, c.39 (C.18A:24-87) is amended to  
31 read as follows:

32 2. For the purposes of this act, unless the context clearly  
33 requires a different meaning:

34 a. "Commissioner" means the Commissioner of Education of  
35 the State of New Jersey;

36 b. "Debt service" means and includes payments of principal  
37 and interest upon qualified bonds issued pursuant to the terms of  
38 this act or amounts required in order to satisfy sinking fund  
39 payment requirements with respect to such bonds;

40 c. "Local Finance Board" means the Local Finance Board in  
41 the Division of Local Government Services in the Department of  
42 Community Affairs, established pursuant to P.L.1974, c.35  
43 (C.52:27D-18.1);

44 d. "Paying agent" means any bank, trust company or national  
45 banking association having the power to accept and administer  
46 trusts, named or designated in any qualified bond of a school  
47 district or municipality as the agent for the payment of the  
48 principal of and interest thereon and shall include the holder of  
49 any sinking fund established for the payment of such bonds;

50 e. "Qualified bonds" means those bonds of a school district or  
51 municipality authorized and issued in conformity with the  
52 provisions of this act;

53 f. "State board" means the State Board of Education of the  
54 State of New Jersey;

1 g. "School district" means a Type I, Type II, regional, or  
2 consolidated school district as defined in Title 18A of the New  
3 Jersey Statutes;

4 h. "State school aid" means the funds made available to local  
5 school districts pursuant to section [4 of P.L.1990, c.52  
6 (C.18A:7D-4)] 10 of P.L. ...., c. (C. ) (now pending before  
7 the Legislature as this bill).  
8 (cf: P.L.1990, c.52, s.47)

9 33. Section 7 of P.L.1985, c.321 (C.18A:29-5.6) is amended to  
10 read as follows:

11 7. a. The actual salary paid to each teacher under each  
12 district's or educational services commission's 1984-85 approved  
13 salary guide shall be considered a base salary for purposes of this  
14 act.

15 b. In addition to all other funds to which the local district or  
16 educational services commission is entitled under the provisions  
17 of [P.L.1990, c.52 (C.18A:7D-1 et al.)] P.L. ...., c. (C. ) (now  
18 pending before the Legislature as this bill) and other pertinent  
19 statutes, each board of education or board of directors of an  
20 educational services commission shall receive from the State  
21 during the 1985-86 academic year and for two years thereafter  
22 an amount equal to the sum of the amounts by which the actual  
23 salary prescribed for each current full-time teaching staff  
24 member under the salary schedule adopted by the local board of  
25 education or board of directors for the 1984-85 academic year in  
26 the manner prescribed by law is less than \$18,500.00, provided  
27 that the teaching staff member has been certified by the local  
28 board of education or board of directors as performing his duties  
29 in an acceptable manner for the 1984-85 school year pursuant to  
30 N.J.A.C.6:3-1.19 and 6:3-1.21. Each local board of education or  
31 board of directors shall receive from the State on behalf of the  
32 newly employed full-time teaching staff members for the  
33 1985-86 academic year and for two years thereafter an amount  
34 equal to the sum of the amounts by which the actual salary  
35 prescribed for each newly employed full-time teaching staff  
36 member under the salary schedule adopted by the local board of  
37 education or board of directors for the 1984-85 academic year is  
38 less than \$18,500.00. All adjustments for teachers who are hired  
39 or who leave employment during the school year and who make  
40 less than \$18,500.00 shall be made in the school year following  
41 the year in which they were hired or left employment.

42 c. For the 1988-89 academic year and thereafter, this act  
43 shall be funded in accordance with the recommendations of the  
44 State and Local Expenditure and Revenue Policy Commission  
45 created pursuant to P.L.1984, c.213. If the commission's  
46 recommendations for funding this program are not enacted into  
47 law, this act shall be funded in accordance with subsection d. of  
48 this section and sections 9 and 10 of this act.

49 d. For the purpose of funding this act in the 1988-89 academic  
50 year as determined pursuant to this section, each teacher's  
51 salary based on the 1984-85 salary guide shall be increased by the  
52 product of the base salary multiplied by 21%.

53 e. In each subsequent year the product of the base salary times  
54 7% shall be cumulatively added to each teacher's salary as

1 calculated in subsection d. of this section in determining the aid  
2 payable. In any year subsequent to the 1987-88 academic year in  
3 which the base salary plus the cumulative increases under this  
4 section exceed \$18,500.00, aid will no longer be payable.

5 (cf: P.L.1990, c.52, s.48)

6 34. Section 3 of P.L.1988, c.12 (C.18A:38-7.9) is amended to  
7 read as follows:

8 3. a. In the event the designated district is composed of more  
9 than one municipality, when allocating equalized valuations [or  
10 district incomes], pursuant to the provisions of section 3 of  
11 [P.L.1990, c.52 (C.18A:7D-3)] P.L. ...., c. (C. )(now  
12 pending before the Legislature as this bill), for the purpose of  
13 calculating State aid, persons attending schools in the designated  
14 district pursuant to section 2 of this act shall be assigned to each  
15 municipality comprising the designated district in direct  
16 proportion to the number of persons ordinarily attending school  
17 from each municipality in the designated district without  
18 considering the persons attending pursuant to this act.

19 b. In the event the designated district is a constituent district  
20 of a limited purpose regional district, when allocating equalized  
21 valuations [or district incomes], pursuant to the provisions of  
22 section 3 of [P.L.1990, c.52 (C.18A:7D-3)] P.L. ...., c. (C. )(now  
23 pending before the Legislature as this bill), for the  
24 purpose of apportioning the amounts to be raised by taxes for the  
25 limited purpose regional district of which the designated district  
26 is a constituent district, persons attending schools in the  
27 designated district pursuant to section 2 of this act shall not be  
28 counted.

29 (cf: P.L.1990, c.52, s.49)

30 35. Section 4 of P.L.1988, c.105 (C.18A:38-7.13) is amended to  
31 read as follows:

32 4. The county superintendent of schools shall, within 120 days  
33 of the effective date of this act, certify to the Commissioner of  
34 Education which local school district shall be the designated  
35 district for persons of school age residing in a multi-district  
36 federal enclave. The district certified as the designated district  
37 shall count all pupils who reside in a multi-district federal  
38 enclave in the resident enrollment of the district for all State aid  
39 purposes and shall be designated by the commissioner to receive  
40 State aid and all federal funds provided under Pub.L.81-874, 20  
41 U.S.C. §236 et seq.

42 For the purposes of calculating State aid pursuant to [P.L.1990,  
43 c.52 (C.18A:7D-1 et al.)] P.L. ...., c. (C. )(now pending  
44 before the Legislature as this bill), whenever pupils residing in  
45 one district are attending the schools of the designated district,  
46 the district income of the resident district shall be allocated  
47 between the resident district and the designated district in  
48 proportion to the number of pupils residing in the resident district  
49 attending the schools of the resident district and designated  
50 district.

51 (cf: P.L.1990, c.52, s.82)

52 36. Section 2 of P.L.1981, c.57 (C.18A:39-1a) is amended to  
53 read as follows:

54 2. Beginning in the 1993-94 school year and in each subsequent



1 year, the maximum amount of nonpublic school transportation  
2 costs per pupil provided for in N.J.S.18A:39-1 shall be increased  
3 or decreased in direct proportion to the increase or decrease in  
4 the State transportation aid per pupil in the year prior to the  
5 prebudget year compared to the amount for the prebudget year.  
6 As used in this section, State transportation aid per pupil shall  
7 equal the total State transportation aid payments made pursuant  
8 to [section 16 of P.L.1990, c.52 (C.18A:7D-18)] P.L. ...., c.  
9 (C. ....)(now pending before the Legislature as this bill), divided  
10 by the number of pupils eligible for transportation.  
11 (cf: P.L.1992, c.33, s.2)

12 37. N.J.S.18A:39-1.1 is amended to read as follows:

13 18A:39-1.1. In addition to the provision of transportation for  
14 pupils pursuant to N.J.S.18A:39-1 and N.J.S.18A:46-23, the board  
15 of education of any district may provide, by contract or  
16 otherwise, in accordance with law and the rules and regulations  
17 of the State board, for the transportation of other pupils to and  
18 from school.

19 Districts shall not receive State transportation aid pursuant to  
20 [section 16 of P.L.1990, c.52 (C.18A:7D-18)] P.L. ...., c.  
21 (C. ....)(now pending before the Legislature as this bill) for the  
22 transportation of pupils pursuant to this section.  
23 (cf: P.L. 1990, c.52, s.52)

24 38. N.J.S.18A:39-15 is amended to read as follows:

25 18A:39-15. If the county superintendent of the county in which  
26 the districts are situate shall approve the necessity, the cost, and  
27 the method of providing such joint transportation and the  
28 agreement whereby the same is to be provided, each such board  
29 of education providing joint transportation shall be entitled to  
30 State transportation aid pursuant to [section 16 of P.L.1990, c.52  
31 (C.18A:7D-18)] P.L. ...., c. .... (C. ....)(now pending before the  
32 Legislature as this bill).  
33 (cf: P.L.1990, c.52, s.53)

34 39. Section 11 of P.L.1987, c.387 (C.18A:40A-18) is amended  
35 to read as follows:

36 11. The Commissioner of Education, in consultation with the  
37 Commissioner of Health, shall develop and administer a program  
38 which provides for the employment of substance awareness  
39 coordinators in certain school districts.

40 a. Within 90 days of the effective date of this act, the  
41 Commissioner of Education shall forward to each local school  
42 board a request for a proposal for the employment of a substance  
43 awareness coordinator. A board which wants to participate in the  
44 program shall submit a proposal to the commissioner which  
45 outlines the district's plan to provide substance abuse prevention,  
46 intervention and treatment referral services to students through  
47 the employment of a substance awareness coordinator. Nothing  
48 shall preclude a district which employs a substance awareness  
49 coordinator at the time of the effective date of this act from  
50 participating in this program. The commissioner shall select  
51 school districts to participate in the program through a  
52 competitive grant process. The participating districts shall  
53 include urban, suburban and rural districts from the north, central  
54 and southern geographic regions of the State with at least one

1 school district per county. In addition to all other State aid to  
2 which the local district is entitled under the provisions of  
3 [P.L.1990, c.52 (C.18A:7D-1 et al.)] P.L. ...., c. (C. )(now  
4 pending before the Legislature as this bill) and other pertinent  
5 statutes, each board of education participating in the program  
6 shall receive from the State, for a three year period, the amount  
7 necessary to pay the salary of its substance awareness  
8 coordinator.

9 b. The position of substance awareness coordinator shall be  
10 separate and distinct from any other employment position in the  
11 district, including, but not limited to district guidance counselors,  
12 school social workers and school psychologists. The State Board  
13 of Education shall approve the education and experience criteria  
14 necessary for employment as a substance awareness coordinator.  
15 The criteria shall include a requirement for certification by the  
16 State Board of Examiners. In addition to the criteria established  
17 by the State board, the Department of Education and the  
18 Department of Health shall jointly conduct orientation and  
19 training programs for substance awareness coordinators, and shall  
20 also provide for continuing education programs for coordinators.

21 c. It shall be the responsibility of substance awareness  
22 coordinators to assist local school districts in the effective  
23 implementation of this act. Coordinators shall assist with the  
24 in-service training of school district staff concerning substance  
25 abuse issues and the district program to combat substance abuse;  
26 serve as an information resource for substance abuse curriculum  
27 development and instruction; assist the district in revising and  
28 implementing substance abuse policies and procedures; develop  
29 and administer intervention services in the district; provide  
30 counseling services to pupils regarding substance abuse problems;  
31 and, where necessary and appropriate, cooperate with juvenile  
32 justice officials in the rendering of substance abuse treatment  
33 services.

34 d. The Commissioner of Education, in consultation with the  
35 Commissioner of Health, shall implement a plan to collect data  
36 on the effectiveness of the program in treating problems  
37 associated with substance abuse and in reducing the incidence of  
38 substance abuse in local school districts. Six months prior to the  
39 expiration of the program authorized pursuant to this section, the  
40 Commissioner of Education shall submit to the Governor and the  
41 Legislature an evaluation of the program and a recommendation  
42 on the advisability of its continuation or expansion to all school  
43 districts in the State.

44 (cf: P.L.1990, c.52, s.54)

45 40. N.J.S.18A:46-14 is amended to read as follows:

46 18A:46-14. The facilities and programs of education required  
47 under this chapter shall be provided by one or more of the  
48 following:

49 a. A special class or classes in the district, including a class or  
50 classes in hospitals, convalescent homes, or other institutions;

51 b. A special class in the public schools of another district in  
52 this State or any other state in the United States;

53 c. Joint facilities including a class or classes in hospitals,  
54 convalescent homes or other institutions to be provided by

1 agreement between one or more school districts;

2 d. A jointure commission program;

3 e. A State of New Jersey operated program;

4 f. Instruction at school supplementary to the other programs in  
5 the school, whenever, in the judgment of the board of education  
6 with the consent of the commissioner, the handicapped pupil will  
7 be best served thereby;

8 g. Sending children capable of benefiting from a day school  
9 instructional program to privately operated day classes, in New  
10 Jersey or, with the approval of the commissioner to meet  
11 particular circumstances, in any other state in the United States,  
12 the services of which are nonsectarian whenever in the judgment  
13 of the board of education with the consent of the commissioner it  
14 is impractical to provide services pursuant to subsection a., b., c.,  
15 d., e. or f. otherwise;

16 h. Individual instruction at home or in school whenever in the  
17 judgment of the board of education with the consent of the  
18 commissioner it is impracticable to provide a suitable special  
19 education program for a child pursuant to subsection a., b., c., d.,  
20 e., f. or g. otherwise.

21 Whenever a child study team determines that a suitable special  
22 education program for a child cannot be provided pursuant to  
23 subsection a., b., c., d., e., f., g. or h. of this section, and that the  
24 most appropriate placement for that child is in an academic  
25 program in an accredited nonpublic school within the State or, to  
26 meet particular circumstances, in any other state in the United  
27 States, the services of which are nonsectarian, and which is not  
28 specifically approved for the education of handicapped pupils,  
29 that child may be placed in that academic program by the board  
30 of education, with the consent of the commissioner, or by order  
31 of a court of competent jurisdiction. An academic program  
32 which meets the requirements of the child's Individual Education  
33 Plan as determined by the child study team and which provides  
34 the child with a thorough and efficient education, shall be  
35 considered an approved placement for the purposes of Chapter 46  
36 of this Title, and the board of education shall be entitled to  
37 receive State aid for that child as provided pursuant to [P.L.1990,  
38 c.52 (C.18A:7D-1 et al.)] P.L. ...., c. (C.) (now pending  
39 before the Legislature as this bill), and all other pertinent  
40 statutes.

41 Whenever any child shall be confined to a hospital,  
42 convalescent home, or other institution in New Jersey or in any  
43 other state in the United States and is enrolled in an education  
44 program approved under this article, or shall be placed in any  
45 other State facility as defined in section 3 of [P.L.1990, c.52  
46 (C.18A:7D-3)] P.L. ...., c. (C.) (now pending before the  
47 Legislature as this bill), the board of education of the district in  
48 which the child resides shall pay the tuition of said child.

49 The board of education may also furnish (a) the facilities or  
50 programs provided in this article to any person over the age of 20  
51 who does not hold a diploma of a high school approved in this  
52 State or in any other state in the United States, (b) suitable  
53 approved facilities and programs for children under the age of 5.  
54 (cf: P.L.1990, c.52, s.58)

1 41. Section 14 of P.L.1977, c.193 (C.18A:46-19.8) is amended  
2 to read as follows:

3 14. On November 5 of each year, each board of education shall  
4 forward to the commissioner an estimate of the cost of providing,  
5 during the next school year, examination, classification and  
6 speech correction services to nonpublic school children who  
7 attend a nonpublic school located within the district who were  
8 identified as eligible to receive each of these services pursuant to  
9 this act during the previous school year. Each board of education  
10 shall report the number of nonpublic school children who attended  
11 a nonpublic school located within the district, who were  
12 identified as eligible for supplementary instruction services  
13 during the preceding school year. The number of these pupils shall  
14 be multiplied by the appropriate [cost factor from section 14 of  
15 P.L.1990, c.52 (C.18A:7D-16) and by the State foundation amount  
16 as defined in section 6 of P.L.1990, c.52 (C.18A:7D-6)]  
17 categorical program support weight and by the Statewide regular  
18 education average budget per pupil established pursuant to  
19 P.L. , c. (C. )(now pending before the Legislature as this bill).

20 This product shall be added to the estimated cost for providing  
21 examination, classification and speech correction services.

22 In preparing its annual budget, each board of education shall  
23 include as an expenditure the estimated cost of providing services  
24 to nonpublic school children pursuant to P.L.1977, c.193  
25 (C.18A:46-19.1 et al.).

26 In preparing its annual budget, each board of education shall  
27 include as a revenue State aid in an amount equal to such  
28 estimated cost of providing services to nonpublic school children  
29 pursuant to P.L.1977, c.193 (C.18A:46-19.1 et al.).

30 During each school year, each district shall receive an amount  
31 of State aid equal to 10% of such estimated cost on the first day  
32 in September and on the first day of each month during the  
33 remainder of the school year. If a board of education requires  
34 funds prior to September, the board shall file a written request  
35 with the Commissioner of Education stating the need for the  
36 funds. The commissioner shall review each request and forward  
37 those for which need has been demonstrated to the appropriate  
38 officials for payment.

39 In the event the expenditures incurred by any district are less  
40 than the amount of State aid received, the district shall refund  
41 the unexpended State aid after completion of the school year.  
42 The refunds shall be paid no later than December 1. In any year,  
43 a district may submit a request for additional aid pursuant to  
44 P.L.1977, c.193 (C.18A:46-19.1 et al.). If the request is approved  
45 and funds are available from refunds of the prior year, payment  
46 shall be made in the current school year.

47 (cf: P.L.1991, c.128, s.5)

48 42. N.J.S.18A:46-23 is amended to read as follows:

49 18A:46-23. The board of education shall furnish transportation  
50 to all children found under this chapter to be handicapped who  
51 shall qualify therefor pursuant to law and it shall furnish such  
52 transportation for a lesser distance also to any handicapped child,  
53 if it finds upon the advice of the examiner, his handicap to be  
54 such as to make transportation necessary or advisable.

1 The board of education shall furnish transportation to all  
 2 children being sent by local boards of education to an approved  
 3 12-month program pursuant to N.J.S.18A:46-14, or any other  
 4 program approved pursuant to N.J.S.18A:46-14 and who qualify  
 5 therefor pursuant to law, during the entire time the child is  
 6 attending such a program. The board shall furnish such  
 7 transportation for a lesser distance also to such handicapped  
 8 child, if it finds upon the advice of the examiner, his handicap to  
 9 be such as to make such transportation necessary or advisable.

10 The school district shall be entitled to State aid for such  
 11 transportation pursuant to [section 16 of P.L.1990, c.52  
 12 (C.18A:7D-18)] P.L. ...., c. (C. )(now pending before the  
 13 Legislature as this bill) when the necessity for such  
 14 transportation and the cost and method thereof have been  
 15 approved by the county superintendent of the county in which the  
 16 district paying the cost of such transportation is situated.  
 17 (cf: P.L.1990, c.52, s.59)

18 43. Section 9 of P.L.1977, c.192 (C.18A:46A-9) is amended to  
 19 read as follows:

20 9. The apportionment of State aid among local school districts  
 21 shall be calculated by the commissioner as follows:

22 a. The per pupil aid amount for providing the equivalent  
 23 service to children enrolled in the public schools, shall be  
 24 determined by multiplying the [bilingual program weight from  
 25 section 81 of P.L.1990, c.52 (C.18A:7D-21) or the appropriate  
 26 cost factor from section 14 of P.L.1990, c.52 (C.18A:7D-16) by  
 27 the State foundation amount as defined in section 6 of P.L.1990,  
 28 c.52 (C.18A:7D-6)] appropriate categorical program support  
 29 weight by the Statewide regular education average budget per  
 30 pupil established pursuant to P.L. , c. (C. )(now pending  
 31 before the Legislature as this bill). The appropriate per pupil aid  
 32 amount for compensatory education shall be determined by  
 33 multiplying the per pupil amount of compensatory education aid  
 34 in the prebudget year by the [PCI as defined by section 3 of  
 35 P.L.1990, c.52 (C.18A:7D-3)] SGI as defined in P.L. , c. (C. )  
 36 (now pending before the Legislature as this bill).

37 b. The appropriate per pupil aid amount shall then be  
 38 multiplied by the number of auxiliary services received for each  
 39 pupil enrolled in the nonpublic schools who were identified as  
 40 eligible to receive each auxiliary service as of the last school day  
 41 of June of the prebudget year, to obtain each district's State aid  
 42 for the next school year.

43 c. The per pupil aid amount for home instruction shall be  
 44 determined by multiplying the [State foundation amount as  
 45 defined in section 6 of P.L.1990 c.52 (C.18A:7D-6)] Statewide  
 46 regular education average budget per pupil as defined in P.L. ,  
 47 c. (C. )(now pending before the Legislature as this bill) by a  
 48 cost factor of 0.0037 by the number of hours of home instruction  
 49 actually provided in the prior school year.  
 50 (cf: P.L.1991, c.128, s.3)

51 44. Section 6 of P.L.1974, c.79 (C.18A:58-37.6) is amended to  
 52 read as follows:

53 6. State aid provided pursuant to [P.L.1990, c.52 (C.18A:7D-1  
 54 et al.)] P.L. ....,c. (C.....)(now pending before the

1 Legislature as this bill) may be expended for the purchase and  
 2 loan of textbooks for public school pupils in an amount which  
 3 shall not exceed the State average budgeted textbook expense for  
 4 the prebudget year per pupil in resident enrollment. Nothing  
 5 contained herein shall prohibit a board of education in any  
 6 district from purchasing textbooks in excess of the amounts  
 7 provided pursuant to this act.

8 (cf: P.L.1990, c.52, s.77)

9 45. (New section) a. For the 1993-94 school year, each school  
 10 district's categorical aid for bilingual and county vocational  
 11 programs shall equal the amount of aid received in the 1992-93  
 12 school year for bilingual and county vocational programs.

13 b. For the 1993-94 school year, each school district's  
 14 categorical aid for special education programs shall <sup>1</sup>[be  
 15 calculated by determining the number of categorical aid units for  
 16 special education pursuant to section 14 of P.L. ,c. (C.  
 17 )(now pending before the Legislature as this bill), and multiplying  
 18 the number of units by \$7,232] equal the amount of special  
 19 education aid received in the 1992-93 school year<sup>1</sup>.

20 c. For the 1993-94 school year, each school district's  
 21 transportation aid shall equal the amount of aid received in the  
 22 1992-93 school year for pupil transportation. <sup>1</sup>For the 1993-94  
 23 school year the maximum amount of nonpublic school  
 24 transportation per pupil provided in N.J.S.18A:39-1 shall be \$675.<sup>1</sup>

25 d. For the 1993-94 school year, the equalized valuations used  
 26 in calculating base aid pursuant to section 10 of P.L. ,c.  
 27 (C. )(now pending before the Legislature as this bill) and  
 28 supplemental aid for special needs districts pursuant to section 13  
 29 of P.L. ,c. (C. )(now pending before the Legislature  
 30 as this bill) shall be the same as was <sup>1</sup>[used in calculating State  
 31 aid for the 1992-93 school year pursuant to P.L.1990, c.52  
 32 (C.18A:7D-1 et al.)] published in the Table of Equalized  
 33 Valuations for the year 1991 promulgated by the Division of  
 34 Taxation as of October 1, 1991<sup>1</sup>.

35 e. For the 1993-94 school year, each district's maximum  
 36 permitted regular education budget shall equal the greater of:

37 (1) The maximum permitted regular education budget  
 38 determined pursuant to section 12 of this act; or

39 (2) The district's regular education budget in the prebudget  
 40 year multiplied by 1.06 plus an amount equal to 50% of the  
 41 difference between the district's anticipated health insurance  
 42 and special education costs in the budget year and the district's  
 43 health insurance and special education costs in the prebudget  
 44 year.

45 <sup>1</sup>f. For the 1993-94 school year, each district's district factor  
 46 grouping shall be the same as that promulgated by the  
 47 Department of Education based upon 1980 census data.<sup>1</sup>

48 46. (New section) Notwithstanding the provisions of this act,  
 49 no school district shall receive less State school aid in the  
 50 1993-94 through 1996-97 school years from base aid, special  
 51 needs district supplemental aid, categorical aid, and  
 52 transportation aid than the district received in the 1992-93  
 53 school year from foundation, transition, at-risk, special  
 54 education, bilingual, county vocational, and transportation aid.

1 47. (New section) Notwithstanding the provisions of this act,  
 2 each special needs district shall receive supplemental aid for the  
 3 1993-94 school year in an amount equal to the greater of the  
 4 following:

5 a. The special needs district supplemental aid calculated  
 6 pursuant to section 13 of <sup>1</sup>[this act] of P.L. , c. (C. ) (now  
 7 pending before the Legislature as this bill)<sup>1</sup> ; or

8 b. The <sup>1</sup>sum of the special needs district supplemental aid  
 9 calculated pursuant to section 13 of P.L. , c. (C. ) (now  
 10 pending before the Legislature as this bill) and the<sup>1</sup> following  
 11 result:

$$12 \quad SA = REA93 \times 1.04 - (BA + SA13)$$

13  
 14 where

15  
 16 SA is the district's special needs district supplemental aid;  
 17 REA93 is the district's regular education aid in the 1992-93  
 18 school year which shall equal the sum of the district's foundation  
 19 aid, at-risk aid, and transition aid in the 1992-93 school year.

20 BA is the district's base aid for 1993-94;

21 SA13 is the district's special needs district supplemental aid  
 22 calculated pursuant to section 13 of this act.

23 48. N.J.S.18A:66-33 is amended to read as follows:

24 18A:66-33. Regular interest charges payable, the creation and  
 25 maintenance of reserves in the contingent reserve fund and the  
 26 maintenance of retirement allowances and other benefits granted  
 27 by the board of trustees under the provisions of this article are  
 28 hereby made obligations of [each employer, except in the case of  
 29 employers that are institutions of higher education. Obligations  
 30 of employers that are institutions of higher education shall be  
 31 obligations of the State, and the employer shall be deemed to be  
 32 the State for the purposes of this section] the State. Except as  
 33 provided in N.J.S.18A:66-27, all income, interest, and dividends  
 34 derived from deposits and investments authorized by this article  
 35 shall be used for payment of these obligations of the State .

36 Upon the basis of each actuarial determination and appraisal  
 37 provided for in this article, the board of trustees shall [annually  
 38 certify, on or before December 1st of each year, to the  
 39 Commissioner of Education, the State Treasurer, and to each  
 40 employer, including the State, the contributions due on behalf of  
 41 its employees for the ensuing fiscal year and payable by the  
 42 employer to the] prepare and submit to the Governor in each  
 43 year an itemized estimate of the amounts necessary to be  
 44 appropriated by the State to provide for the payment in full on  
 45 June 30 of the ensuing fiscal year of the obligations of the State  
 46 accruing during the year preceding such payment. The  
 47 Legislature shall make an appropriation sufficient to provide for  
 48 the obligations of the State. The amounts so appropriated shall  
 49 be paid into the contingent reserve fund. The amounts payable  
 50 into the contingent reserve fund [for each employer, including the  
 51 State,] shall be paid by the State Treasurer, upon the  
 52 certification of the commissioner and the warrant of the Director  
 53 of the Division of Budget and Accounting, to the contingent  
 54 reserve fund not later than June 30 of the ensuing fiscal year.

1 [The commissioner shall deduct the amount so certified from any  
2 State aid payable to the employer. In the event that no State aid  
3 is payable to the employer or in the event that the amount  
4 deducted is less than the amount certified as due, the  
5 commissioner shall certify the net amount due on behalf of the  
6 members to the chief fiscal officer of the employer. Each  
7 employer shall pay the net amount due, if any, to the State  
8 pursuant to a payment schedule established by the commissioner.  
9 The payment schedule shall provide for interest penalties for late  
10 payments.

11 Nothing in this section shall cause the State aid of an  
12 institution of higher education to be offset, nor shall an  
13 institution of higher education incur a debt or be required to  
14 make payments pursuant to this section.]

15 (cf: P.L.1992, c.41, s.4)

16 49. N.J.S.18A:66-66 is amended to read as follows:

17 18A:66-66. The State shall provide the amount of the  
18 employer's share of the social security contributions for  
19 members by appropriations upon certification by the State  
20 Treasurer as to the amounts required; provided, however, that the  
21 State's provision for the social security contributions shall be  
22 limited to contributions upon compensation upon which members'  
23 contributions to the retirement system are based. The employer  
24 shall pay the employer's share of social security contribution  
25 upon all other wages. [In the case of employers that are  
26 institutions of higher education, the employer shall be deemed to  
27 be the State for the purposes of this section.]

28 (cf: P.L.1991, c.246, s.2)

29 150. Section 2 of P.L.1987, c.385 (C.18A:66-18.1) is amended  
30 to read as follows:

31 2. Pension adjustment benefits for members and beneficiaries  
32 of the Teachers' Pension and Annuity Fund as provided by the  
33 "Pension Adjustment Act," P.L.1958, c.143 (C.43:3B-1 et seq.)  
34 and health care benefits for qualified retirees and their  
35 dependents as provided by P.L.1987, c.384 (C.52:14-17.32f) shall  
36 be paid by the retirement system [from the contingent reserve  
37 fund] and shall be funded as employer obligations as provided in  
38 this section. Health care benefits for qualified retirees and their  
39 dependents shall be funded and paid through a separate fund or  
40 trust of the retirement system in accordance with the  
41 requirements of subsection (h) of section 401 of the federal  
42 Internal Revenue Code (26 U.S.C. §401) or other fund or trust,  
43 established under the jurisdiction of the board of trustees, which  
44 shall receive contributions only to the extent that contributions  
45 cannot otherwise be made to a section 401 (h) [account] trust due  
46 to the requirements of [subsection (h) of section 401 of the  
47 federal Internal Revenue Code of 1986 (26 U.S.C. §401)] the  
48 federal law. Any premium payments for retired participants shall  
49 first be a charge upon such other fund or trust and only  
50 secondarily on the assets set aside under [subsection (h) of section  
51 401 of the federal Internal Revenue Code of 1986 (26  
52 U.S.C. §401)] the section 401(h) trust. The pension adjustment  
53 [benefits] and [premiums for] health care benefits for qualified  
54 retirees shall be funded as employer obligations [in a similar



1 manner to that] by the same method provided by law for the  
 2 funding of employer obligations for the basic retirement benefits  
 3 provided by the retirement system. [The funding] Normal and  
 4 accrued liability contribution rates for these benefits for active  
 5 employees shall be determined for the 1990 valuation years and  
 6 shall be phased in [as provided by the board of trustees after  
 7 consultation with the Director of the Division of Pensions and the  
 8 actuary, except that: a. any reduction in contributions from  
 9 recognition of the full market value of the assets as of March 31,  
 10 1990 over the adjusted book value of the assets written up by 60%  
 11 of the excess of market value over adjusted book value as of  
 12 March 31, 1990 in a fashion similar to that presented in the draft  
 13 revision of the annual actuarial reports for the valuation periods  
 14 ending March 31, 1990 and March 31, 1991 submitted by the  
 15 actuary on April 27, 1992 shall be used to accelerate the funding  
 16 of the liabilities for pension adjustment and health care benefits,  
 17 and b. (1)] so that the level of [funding] recognition of the full  
 18 normal and accrued liability [contributions] contribution rates [to  
 19 cover the pension adjustment and health care benefits for current  
 20 active employees upon their retirement] shall be [at least 48%]  
 21 31.25% for valuation year 1990, 34.50% for valuation year 1991,  
 22 and 34.50% for valuation year 1992 [and 56% for valuation year  
 23 1993], and [(2) thereafter,] the [funding of the pension adjustment  
 24 and health care benefits for active employees shall be phased in  
 25 in a uniform manner which fully recognizes those liabilities  
 26 within 11 years commencing with valuation year 1994] level of  
 27 recognition shall be increased by 6% for each valuation year  
 28 thereafter until the full normal and accrued liability contribution  
 29 rates are fully recognized. The board of trustees shall determine  
 30 the assumed percentage rate of increase applied to the cost of  
 31 providing paid health benefits for retirees.<sup>1</sup>  
 32 (cf: P.L.1992, c.41, s.3)

33 <sup>1</sup>51. Section 2 of P.L.1990, c.6 (C.43:15A-24.1) is amended to  
 34 read as follows:

35 2. Pension adjustment benefits for members and beneficiaries  
 36 of the Public Employees' Retirement System provided by the  
 37 "Pension Adjustment Act," P.L.1958, c.143 (C.43:3B-1 et seq.)  
 38 and premiums or periodic charges which the State is required to  
 39 pay for benefits provided to retired State employees and their  
 40 dependents under the "New Jersey State Health Benefits Program  
 41 Act," P.L.1961, c.49 (C.52:14-17.25 et seq.), shall be paid by the  
 42 retirement system [from the contingent reserve fund] and shall be  
 43 funded as employer obligations as provided in this section.  
 44 Health care benefits for State employees and their dependents  
 45 shall be funded and paid through a separate fund or trust of the  
 46 retirement system in accordance with the requirements of  
 47 subsection (h) of section 401 of the federal Internal Revenue  
 48 Code (26 U.S.C. §401) or other fund or trust, established under  
 49 the jurisdiction of the board of trustees, which shall receive  
 50 contributions only to the extent that contributions cannot  
 51 otherwise be made to a section 401 (h) [account] trust due to the  
 52 requirements of [subsection (h) of section 401 of the federal  
 53 Internal Revenue Code of 1986, 26 U.S.C. §401] the federal law.  
 54 Any premium payments for retired participants shall first be a

charge upon such other fund or trust and only secondarily on the assets set aside under [subsection (h) of section 401 of the federal Internal Revenue Code of 1986, 26 U.S.C. § 401] the section 401(h) trust. The pension adjustment [benefits] and [premiums for] health care benefits for qualified retirees shall be funded as employer obligations [in a similar manner to that] by the same method provided by law for the funding of employer obligations for the basic retirement benefits provided by the retirement system. [The funding] Normal and accrued liability contribution rates for these benefits for active employees shall be determined for the 1990 valuation year and shall be phased in [as determined by the board of trustees after consultation with the Director of the Division of Pensions and the actuary, except that: a. any reduction in contributions from recognition of the full market value of the assets as of March 31, 1990 over the adjusted book value of the assets written up by 60% of the excess of market value over adjusted book value as of March 31, 1990 in a fashion similar to that presented in the draft revision of the annual actuarial reports for the valuation periods ending March 31, 1990 and March 31, 1991 submitted by the actuary on April 27, 1992 shall be used to accelerate the funding of the liabilities for pension adjustment and health care benefits as follows: 70% of the State's portion of that amount shall be used to fund pension adjustment benefits and 30% to fund health care benefits and 100% of the other employers' portion of that amount shall be used to fund pension adjustment benefits, and b. (1)] so that the level of [funding] recognition of the full normal and accrued liability [contributions] contribution rates for the State [to cover the pension adjustment and health care benefits for current active employees upon their retirement] shall be [at least 48%] 25.30% for valuation year 1990, 25.30% for valuation year 1991, and 34.50% for valuation year 1992, and for the other employers shall be 82.50% for valuation year 1990, 93% for valuation year 1991, and 93% for valuation year 1992 [and 56% for valuation year 1993], and [(2) thereafter,] the [funding of the pension adjustment and health care benefits for active employees shall be phased in in a uniform manner which fully recognizes those liabilities within 11 years commencing with valuation year 1994] level of recognition shall be increased by 6% for each valuation year thereafter until the full normal and accrued liability contributions rates are fully recognized. The board of trustees shall determine the assumed percentage rate of increase applied to the cost of providing paid health benefits for retirees. The liability for pension adjustment benefits and for premiums or periodic charges for health care benefits for retired State employees and their dependents shall be included as a liability of the retirement system as of April 1, 1988.<sup>1</sup>

(cf: P.L.1992, c.41, s.16)

<sup>1</sup>52. Section 35 of P.L.1992, c.41 is amended to read as follows:

35. The [service] terms of the trustees appointed by the Governor to the board of trustees of the Police and Firemen's Retirement System, the Public Employees' Retirement System, the State Police Retirement System, and the Teachers' Pension and Annuity Fund, and of the members appointed by the Governor

1 to the Consolidated Police and Firemen's Pension Fund  
 2 Commission, who are currently serving on the board and the fund  
 3 shall terminate at the end of the sixth calendar month following  
 4 the effective date of P.L.1992, c.41, except that they shall  
 5 continue to serve until their successors have been appointed and  
 6 have qualified.<sup>1</sup>

7 (cf: P.L.1992, c.41, s.35)

8 <sup>153.</sup> (New section) Any school district located in a  
 9 municipality which has a population composed of more than 45%  
 10 senior citizens, age 65 or over according to the latest federal  
 11 decennial census, shall be entitled to additional State aid in an  
 12 amount equal to \$320 per base unit, as defined pursuant to  
 13 section 11 of P.L. , c. (C. ) (now pending before the  
 14 Legislature as this bill), for a district with grades kindergarten  
 15 through 12 and \$220 per base unit for any other district.<sup>1</sup>

16 <sup>154.</sup> (New section) The Department of Education shall  
 17 establish a tracking mechanism for occupational therapy and  
 18 physical therapy services which school districts are required to  
 19 provide preschool pupils pursuant to State regulations. The  
 20 Education Reform Commission established pursuant to P.L. , c.  
 21 (C. ) (now pending before the Legislature as this bill) shall  
 22 examine the issue and recommend whether State aid should be  
 23 provided for these services and if the criteria for determining if  
 24 these services are medically required for instructional purposes  
 25 are appropriate.<sup>1</sup>

26 <sup>155.</sup> (New section) The following adjustments shall apply to a  
 27 newly formed county vocational school district:

28 a. Base aid for the 1993-94 school year shall be calculated  
 29 pursuant to subsection a. of section 10 of P.L. , c. (C. ) (now  
 30 pending before the Legislature as this bill) without any  
 31 adjustment being made pursuant to subsection b. of section 10 of  
 32 P.L. , c. (C. ) (now pending before the Legislature as this  
 33 bill).

34 b. County vocational program aid for a newly formed county  
 35 vocational school district for the 1993-94 school year shall be  
 36 calculated pursuant to section 14 of P.L. , c. (C. ) (now  
 37 pending before the Legislature as this bill). For this purpose,  
 38 subsection a. of section 45 of P.L. , c. (C. ) (now pending  
 39 before the Legislature as this bill) shall not apply to a newly  
 40 formed county vocational school district.

41 c. Notwithstanding the provisions of P.L. , c. (C. ) (now  
 42 pending before the Legislature as this bill), no newly formed  
 43 county vocational school district shall receive less State school  
 44 aid in the 1994-95 through 1996-97 school years from base aid,  
 45 special needs district supplemental aid, categorical aid, and  
 46 transportation aid under the provisions of P.L. , c. (C. ) (now  
 47 pending before the Legislature as this bill) than the district  
 48 received in the 1993-94 school year in these aid categories.<sup>1</sup>

49 <sup>1</sup>[50.] 56.<sup>1</sup> The following sections of law are hereby repealed:

50 P.L.1990, c.52, sections 1 through 4 (C.18A:7D-1 through 7D-4);

51 P.L.1990, c.52, sections 6 through 10 (C.18A:7D-6 through 10);

52 P.L.1990, c.52, sections 11 through 17, <sup>1</sup>[88] 80<sup>1</sup>, 81, 18, 84, 19  
 53 through 22, 85, 23, 24, 87, 89, and 25 through 28 (C.18A:7D-13  
 54 through 36);

1 P.L.1990, c.52, section 73 (C.18A:54-20.2)

2 P.L.1991, c.62, section 26 (C.<sup>1</sup>[7D:21.1] 18A:7D-21.1<sup>1</sup>)

3 P.L.1991, c.62, sections 33, 38, 34 and 36 (C.18A:7D-28.1,28.2,  
4 28.3 and 28.4).

5 <sup>1</sup>57. There is appropriated to the Legislature from the General  
6 Fund the sum of \$100,000 for the purpose of defraying the  
7 expenses of the commission established pursuant to section 5 of  
8 this act and the task force established pursuant to section 6 of  
9 this act.<sup>1</sup>

10 <sup>1</sup>[51.] 58.<sup>1</sup> This act shall take effect immediately and  
11 <sup>1</sup>sections 1 through 49 and 53 through 55 shall<sup>1</sup> be applicable to  
12 State school aid and educational programs for the 1993-94 school  
13 year and thereafter. School aid for the 1992-93 school year shall  
14 be paid in accordance with the appropriate laws in effect on June  
15 30, 1992.

16  
17  
18  
19  
20 The "Public School Reform Act of 1992;" appropriates \$100,000.

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\* \* \* \* \*

**SENATOR JOHN H. EWING (Chairman):** Good afternoon. I'd like to call to order the public meeting of the Assembly and Senate Education Committees to discuss The Public School Reform Act.

It's been a long and winding road we've traveled over the past year to get to the point where we are today, opening the door to the threshold of a new era of excellence in education for all children in the State of New Jersey.

The Public School Reform Act of 1992 is a first step in what we promise will be a continuing process of educational growth and development that puts the best interests of the children of this State above everything else. The legislation we are about to discuss is the initial component of a comprehensive program of reform that will ultimately address things such as the impact of a child's home life on his performance in a classroom, and the deterioration of our aging school buildings.

Perhaps the legislation before us is not perfect, and we don't expect it to have everyone's ardent support, but we are here in Trenton today -- and we will be in Toms River, Bridgewater, and Saddle River over the next two weeks -- to continue getting the input we need to make this the best effort yet in starting a new standard of excellence in education.

If we don't revamp the current method of funding education in New Jersey, the flawed Quality Education Act's effect on middle-class school districts will be devastating. Currently, the QEA would take millions of dollars from middle-class school districts, leaving these systems with a lose/lose choice of sky-high local property taxes to pay for education, or dramatic cuts in school programs.

In the current economic atmosphere, I think we all know what options these districts will be compelled to choose. What sense is there in making great strides in improving education in some schools, while other schools will be forced to shortchange their students?



While the Public School Reform Act may not have all the answers, it does provide us with a solution that is midway between doing nothing and allowing the QEA to wreak further havoc in the education community, or going ahead with what some lawmakers are urging -- a freeze on school aid.

During the course of our travels -- and I do mean travels -- we've been to Egg Harbor Township, Whippany, Cherry Hill, and Toms River to name a few of the districts; we've had discussions with school superintendents from Cape May to Sussex County. We've talked to teachers, to parents, and to education officials. We learned a lot, and from the discussions we had we've crafted the plan that we have before us today, which is just the beginning.

It is important for you to know that regardless of the final form of our educational proposal, it will be based on three primary objectives: the establishment of goals, the maintenance of State aid at no less than current levels, and greater accountability.

Our plan for educational excellence calls for the establishment of an Education Reform Commission that would develop goals and objectives for schools. Additionally, the Commission would be charged with developing programs that address the unique problems of children in the special-needs districts. The concept also calls for the establishment of a task force in technology that would be responsible for developing a plan for the use of technology in the classroom, and in the operation of schools.

Importantly, under our proposal no school district would receive less aid than this year. Our concept contains another important component: It ties accountability to State aid, an ingredient missing from the current law. Special-needs districts will be required to establish kindergarten and prekindergarten programs, and would have to establish CARE -- C-A-R-E, Community Alliance for Reform of Education -- centers

of CARE which would facilitate the provision of health, nutrition, social, and family programs to youths and their families. Our proposal aims for substantially equivalent programs between the poorest and wealthiest school districts. It calls for spending accountability and provides a series of bench marks to ensure every pupil a thorough and efficient education.

One of the most important things we've learned in the past year is, educational excellence cannot be based solely on the amount of dollars spent in a district. Our primary concern should be the education of the child. To achieve that goal, we must determine which programs can be implemented to ensure academic excellence in all classrooms, then we should maintain -- to fund them.

Our proposal emphasizes the importance of programmatic changes -- community and family involvement in preparing children for the demands of the 21st century. We've made some great strides, but we still have a long way to go to prepare our students for the current and future needs of business, professions, and industry.

Thank you.

Assemblyman Rocco?

ASSEMBLYMAN ROCCO: Thank you, Chairman Ewing. Let me reiterate what has already been indicated by Jack -- Senator Ewing: that we have been listening carefully. As a 30-year educator I have only one concern, and that is, in fact, what ultimately happens to the child sitting at the desk at any given school, any part of the State, urban or suburban. That's the only thing that counts.

With the infusion of millions of dollars into some school districts, we ultimately have to look at that final accounting. There is a need for updated textbooks and instructional aid materials for students to work with. We must not use the money strictly for central administration or for other purposes that do not, in fact, impact on the child.

The State faces a budget shortfall between \$1.5 billion and \$2 billion. I can assure you that the Republican caucuses in both Houses are not about to raise taxes. I can assure you that we will attempt, under the guidelines of knowing where we stand with our shortfall in the budget, to utilize as much money as possible for the education of the students.

So the job, basically-- The Committee and the formula that we have before you is to get that appropriate, logical, rational approach to funding. How can we, in fact, help all of the children in the State, and make sure that we do not have -- as we did in the past several years -- millions of dollars being cut from districts throughout the State; programs being lost left and right; numbers of professional personnel who aid students, art, music, physical education being lost to the children of the State?

For those who want to make it an urban versus suburban issue, I can assure you that one-third of all minority students do not belong to the "30." There is a real consideration there for all students in the State. We will, in fact, make certain that we concur and that we meet the mandate of Abbott v. Burke. The funding gap will be closed by the year '97-'98. We know that this will occur by our formula in that we will give additional funds to the "30," above and beyond any other district.

The Public School Reform Act of 1992, as this has indicated, will not have a leveling down of education. We'll have prekindergarten and kindergarten programs. We'll have social welfare care centers. Maybe that all comes from my having been a principal -- seeing the need at the preschool and kindergarten level -- and the fact that we need these social services within the structure as well.

There is no doubt in my mind, in my consideration for the young people of this State, that the Quality Education Act has not worked. We think that this is a system that will be

presented to you today that will, in fact, work. We hope that as you go through your deliberations before the Committee, you consider all of the factors involved. On one side, you have a shortfall in the budget; on the other side, you have a conservative caucus to deal with and the fact that income tax right now is supposed to be the funding source for education. We'll try to stay as close to that amount as possible. It looks as though it's going to raise anywhere from 1.8 to 2.2 -- \$170 million to \$200 million. (confers with Aide) Is that about it? (affirmative response) So we're going to attempt to stay as close to that as possible.

At this point we are waiting to hear from you, and I think we're going to request that you keep your remarks to five minutes.

Is that correct, Jack?

SENATOR EWING: Correct.

ASSEMBLYMAN ROCCO: Thank you.

SENATOR EWING: Do you want to introduce the members of your Committee, and then I'll introduce mine?

ASSEMBLYMAN ROCCO: The members of our Committee are: Assemblywoman Weber, cosponsor of the bill; and Fred Nickles, who is a Superintendent of Schools, as well as being a member of this fine Committee.

SENATOR EWING: On the Senate side we have Senator Joe Palaia, our Vice-Chairman, who also cosponsored the bill; Senator Andy Ciesla, and Senator Dick LaRossa.

I would ask each of you as you come up to testify, to state your name and your association so that the transcriber can get it written down.

Marianne Rhodes, Department of Education, please.

M A R I A N N E E. R H O D E S: Good afternoon, Senator Ewing, Assemblyman Rocco, and members of the Committee. I am Marianne Rhodes.

SENATOR EWING: Is your microphone--

ASSEMBLYMAN ROCCO: Marianne, if you pull the--

MR. HESPE (Committee Aide): There are two microphones. The small microphone is the loudspeaker; the large microphone is for the transcriber. Hold them so that you are heard over both.

MS. RHODES: I am Marianne Rhodes, representing the Department of Education.

Senator Ewing, I will oblige you by making my remarks very brief.

The Department of Education is in the process of analyzing both proposals; the GOP proposal, as well as the proposal put forth by the education group, NJAPS. The A-3 proposal maintains similar provisions as put forth in the GOP concept paper. However, there are substantial revisions as in the concept paper, and I would like to point out some of the concerns that we would like to raise.

The first is the use of the county spending average which reflects past spending levels, rather than the cost of living or need. The second is the aid cap of 2 percent which creates an arbitrary distribution of aid. The third is the four-year hold harmless which may be constitutionally questionable since the Court has required minimum aid to be phased out.

We look forward to hearing from the education groups and from the public. We will pledge to work with you on your funding proposal.

Thank you very much.

SENATOR EWING: Well, Marianne, I think it's unfortunate the Department hasn't come forward sooner with suggestions and ideas. The concept has been out there for a long time.

MS. RHODES: Well, I raised the two or three points that differ from the concept paper which we have concerns about.

SENATOR EWING: Right, I know that. I mean previously. I think it's unfortunate that the Department

didn't come through earlier, because the concept has been out for a long time. But that's all right; that's the way it's running right now.

MS. RHODES: We look forward to working with you in the future, Senator.

ASSEMBLYMAN ROCCO: Marianne, let me address the issue of the constitutionality for the Department. Since every district will receive some base aid money, it is not considered, in the estimation of our attorneys, to be what would be categorized as minimum aid. It's for all districts.

MS. RHODES: Thank you.

SENATOR EWING: Robert Woodford? Is he here? New Jersey Business & Industry--

ROBERT WOODFORD: Members of the Committee-- I don't know whether I can be heard. I'll adjust these a bit.

I'm Bob Woodford, First Vice President and Secretary of the New Jersey Business & Industry Association. I'm appearing on behalf of the Association, which has studied the concept document for the Committee on Education.

I would like to say at the outset that -- in light of the fact that we were not a party to the discussions among the various education groups who have been discussing the aid formulas -- because we are not in a particularly good position to evaluate the impact on particular districts, my comments will be limited to the programmatic side of the legislation.

With that, I would like to begin, if I may, by conveying the Committee's compliments on some of the things which are in that document that you have picked up from the Quality Education Commission: the five-year plan to implement advanced technology in education and administration; to link schools with each other and with the Department. You have adopted basically in this the recommendation of the Commission to extend -- particularly those districts with many disadvantaged students -- to a full-day kindergarten, to

preschool, and to the ancillary social services and day-care that may be needed to make those programs a success.

We were also pleased with some of the legislative findings and declarations: there's recognition that a child's accomplishments ought to be in the higher order; thinking skills that will prepare them for the kind of competitive marketplace that this country finds itself in, with the demands of high technology industry around the world. You have recognition of the need for new approaches to teaching and learning; to the need to develop effective strategies to improve the environment for children, particularly those who are economically or educationally disadvantaged. You have stated that it is the State's obligation to ensure fiscal and program equity, and that it's the State's obligation to encourage and provide support to school districts in establishing innovating and nontraditional programs.

We have some serious reservations on certain things that are in the bills, but are really weak charges to action -- or certain elements -- that have not found their way into this legislation. Briefly, those would be that we need and do not see in this bill, a really strong charge to orient the entire education program to the national goals and to international standards of education.

Secondly, there is nothing in this package which really would implement the school-based management recommendation, which is both a recommendation from business and a recommendation from the Quality Education Commission. A very extensive part of the Commission's report dealt with the advantages and the need for school-based management. They have charted for you an implementation schedule and program in their volume which is well worth attention.

Thirdly, there is nothing in here that really indicates the recognition of the need to reorganize and refocus the activity of the Department of Education to make it an

effective source of assistance for schools and school districts. Finally, there is no recognition here of what we see as a need to refocus the monitoring process, which is a major part of the State's law.

Touching on those individually: Although there is language, certainly, in the creation of the Education Reform Commission that would indicate that its charge is to begin by reviewing the State goals and objectives and making any recommendations that it might have on those, this is, as I say, a weak charge. When we look at the national goals that have said this nation must take the lead in technology, math, and science-- That outcome to raise this country to the highest of international standards which are not reflected in our current performance, ought to be the charge to the Commission and the Board of Education to anchor: the entire program; the goals of the State; the standards set for curriculum frameworks; the standards set within those curriculum frameworks; the assessment system. All should be geared to these international outcomes. It should be an outcome-based system.

The Education Reform Commission that you would establish with this legislation would also determine those programs and courses of study which are necessary to ensure that all students meet the State goals. Unfortunately, the choice of the term "programs and courses of study" suggests pretty much what we have been doing in terms of course titles and labels, which tend, in too many instances, to obscure the content or lack of content.

Let me give some specifics on this: American students, tested on international tests in mathematics, show that the top 5 percent of American students have performed on mathematics tests at the level of the average Japanese student graduating from high school. Yet, we have built into our programs, both elementary and secondary mathematics courses-- Maybe not all, but most of the elementary and secondary schools



in this State have tracks, and those tracks for the slower learners do not necessarily focus more time -- instructional time, resources, and staff time -- on the slower learners. Instead, they tend to dumb down the content for the lower tracks. What we're finding in business is that the individuals who are leaving our school system -- who are not in the top tracks are simply not prepared for entry-level positions that we have available. In 1989 and 1990 in this country, American businesses hired one million foreign-born, foreign-educated students with a high school level education because they could not find American students with the same level of technical skills.

SENATOR EWING: Bob, you'll have to speed up because we want to try to limit--

MR. WOODFORD: I'm sorry.

But I'm saying, unless this is an outcome-based--

SENATOR EWING: And many of us agree with what you're saying. There's no question of it. We have the New Jersey Mathematics Coalition that's working on that same area.

MR. WOODFORD: Unless this is an outcome-based system which works back from outcomes to content, we will continue to hide behind the labels which do not indicate the level of progress.

On the school-based management concept: School-based management is not just a system for letting staff at local schools deal with hiring or firing, or with local budget. School-based management is a system which identifies a problem-solving means. It says everyone at the school level should be in the position of looking at, repeatedly, the test and assessment measures that show progress and deficiencies. Everyone in that process should be reviewing, with the assistance of the State and outside sources, the alternative program approaches that are working well elsewhere. And everyone at the school site level should be involved in

developing a local response with the benefit of that information to address deficiencies. Nothing in the T&E code revisions just adopted by the State Board, and sadly, nothing yet in this legislation requires or focuses on the implementing of school-based management. We think that's a tremendous oversight, and hope that you will address it.

Thirdly, the Department of Education--

SENATOR EWING: Skip the Department, because we know there are going to be changes there.

MR. WOODFORD: Okay. Let's move on to the fourth point, which is that the monitoring system is not really addressed here. Again, we need a system which is outcome-based; which works away from the kind of checklist monitoring that's been too much a part of this State's certification process; which eliminates from the monitoring process some of those unnecessary elements that don't indicate quality of management, or quality of educational programs.

We'll provide you with a written statement that will go into greater detail. I appreciate your time. If there are any questions, I'd be happy to respond.

SENATOR EWING: Any questions?

SENATOR PALAIA: Yes.

Bob, I'd like to address the one point you make about the foreign schools, whether it be Japanese, or German, or something. You know, you look at their school systems, and you look at the students in those classes. They don't allow disruptive students in those classes; they don't allow that. We in this country, many times have those disruptive students in there, who are taking a great deal of the teacher's time. Yet, you say we'll get rid of them. But you know darned well their parents are going to be in there saying, "Hey, I pay my taxes. I want that kid in the classroom." But if you ever look at those classrooms in Japan and Germany and watch those kids all sitting in straight rows; all with their hands folded;

all with their eyes focused on that teacher; you'd better believe those are the students who want to learn. They're the only ones that are going to be in that classroom. You'll never hear about the other students. That's why they can succeed. But I think we have an obligation to teach all of our students, not just the brightest -- the best and the brightest.

If you just check into that -- about what they do in those countries with those disruptive students-- You don't see them in the classroom because they take too much of the teacher's time, and that's taking away from those students who want to learn.

MR. WOODFORD: Though, Senator, I'd like to make the point that in an outcome-based system, changes would be instituted even in the very best schools in this State. Again, if you are determined that students, whatever their learning capabilities -- other than those who may have really severe disabilities -- will come out the other end of this process with salable skills so that they can get good entry level positions in modern business; then we've got to think differently about the way in which we structure time and programs for a large percentage of students in even the very best districts with the least disciplinary problems. We are not doing well even in those districts based upon an outcome measurement.

SENATOR PALAIA: Thank you, Bob.

ASSEMBLYMAN ROCCO: Bob, I have just one question. There are only two proposals, by the way, on the table. The NJAPS group ought to be aware that we're talking about the proposal before us. If this body does nothing, then we are left, so to speak, with the QEA. That being the case, do you think that your objectives can be achieved by a system which takes money out of the very basic core of the programs of many, many school districts, as occurs in QEA; or do you, in fact, when you look at the reform program, realize that we're talking

about holding all districts harmless -- at least getting the money they had in the previous year, with a minimum of a 4 percent increase for the special districts? How we can best achieve the goals that you're talking about becomes the question. We can talk philosophically all day. The real question is: How do we achieve the goal that you're after; under which program?

MR. WOODFORD: Well, Assemblyman, our view is that the establishment of objectives, management systems, and management approaches is consistent with almost any of these funding mechanisms. We recognize the necessity for funding. We recognize the problems of both suburban and urban districts in a situation in which the State is short of revenue. But reform of the process can't wait until we have the right funding formula. It should be married to whatever funding formula we have, because the extent to which you achieve with those funds depends upon your management approach. This must be part of any system. We note in this legislation inadequate attention to that, in our opinion, although there are many positives. But I think I would not say that one system or another is incapable--

ASSEMBLYMAN ROCCO: I guess the point is, not to pursue it-- Do you achieve your goal by cutting districts that are functioning well? You know, they're the two options. How do you achieve your goal better, I guess, is the question. I don't think I'll get the answer, so why don't we just go on?

MR. WOODFORD: Thank you.

SENATOR EWING: Evelyn Field? Is she here? Oh, there she is.

Evelyn, we are going to have more public hearings. I see you made a request for more public hearings.

EVELYN S. FIELD: Yes, Senator. I did.

SENATOR EWING: You know about the other three?

MS. FIELD: Yes, I know about the other three. Our major concern is that the other three are being held in suburban areas, and yet this proposal-- The funding affects many students and many parents in the special-needs districts, and with the exception of this hearing today, none have been scheduled in those areas. We are interested in seeing meetings scheduled both in North and South Jersey that would meet the needs of the parents, the public, and the taxpayers in those areas.

SENATOR EWING: Well, Evelyn, in one of the go-arounds of meetings we had people from Newark come all the way down to Cherry Hill. In one of our hearings in Saddle River the people from Newark came up there. So I think where we've located them -- people who are interested are going to come. I'm sorry that we didn't spot them exactly where you would like to have them. We're having one in Bridgewater. I know that's not very urban.

MS. FIELD: Well, that's very convenient for me. However, I represent--

SENATOR EWING: I know it is. That's why we did it -- just for you.

MS. FIELD: Yes. I represent the National Council of Negro Women, Inc.. We're a coalition of 15 statewide African-American womens' groups. One of the complaints that was voiced on Saturday was that many of the people in these special-needs districts felt that they had not had much input.

SENATOR EWING: Well, I'm sorry you didn't get a hold of me long before, when you knew we were having hearings. We live right in the same county. You've known me for a number of years. You know I'm Chairman of the Education Committee; you knew I was having meetings. If your group wanted to meet with us-- We met with anybody. So I'm sorry you didn't come forward previous to this.

MS. FIELD: Well, as I said, the need was expressed just this past Saturday.

SENATOR EWING: Well, I know, but we've been working on this for a long time.

MS. FIELD: We feel that this is a very important issue and that--

SENATOR EWING: Oh, definitely. We wanted the input from everybody. I'm sorry your group didn't feel they should come forward.

MS. FIELD: Well, we will do what we can to get people to those hearings that are scheduled, but we felt that there was a need for additional ones.

SENATOR EWING: Thank you.

Oh, Evelyn, that's all you wanted to say? You don't want to discuss the bill now?

MS. FIELD: No.

SENATOR EWING: Okay. Thank you for coming down.

John Garrity, Superintendent of Pleasantville Public Schools? (no response) All right, we'll hold him. Ernie Reock?

**E R N E S T C. R E O C K, JR., Ph.D:** Members of the Committee, my name is Ernest Reock. Before my retirement this past summer, I was Director of the Rutgers University Bureau of Government Research, and Chairman of the Department of Government Services. In the past I've served as Secretary of the Joint Education Committee, and of the Joint Committee on the Public Schools of the New Jersey Legislature. Today, I'm speaking only for myself.

I've hesitated to speak on this piece of legislation since I've not completed an analysis of the bill to my own satisfaction. However, there's one aspect of the bill -- on the financial section of the bill -- that has become increasingly clear to me as I've reviewed it, and I'd like to address that feature.

This bill -- I think it's S-1370; I haven't seen a final copy -- is not a single piece of legislation. It is two

bills combined into one. On its surface, S-1370 purports to establish a permanent system of State aid to local school districts. However, the bill is loaded with special provisions for the school year 1993-'94. There are a variety of freezes; there are a variety of save harmless provisions. These are for the year '93-'94, and in some cases, for a few years thereafter. This is really both a long-term and a short-term piece of legislation. I could give you citations on some of the sections of the bill, if you're interested, which do this.

All of the analyses of this bill that I've seen provide a comparison of the State aid actually received by school districts in 1992-'93, with the aid which they will receive under S-1370 in 1993-'94. This can be extremely misleading since the special 1993-'94 provisions may very well camouflage the real impact of the bill after that year.

I urge every legislator to demand an analysis of S-1370 without the special provisions for 1993-'94. Only in this way can you gain some understanding of what this bill will really do to your constituencies and your State as a whole. If you do not examine such an analysis, you'll be voting blindly on standing legislation, with little knowledge of its long-term impact.

I suspect that the results of such an analysis may surprise you. If you do not like what you see, an alternative, of course, is to enact only an interim bill for 1993-'94, and to proceed with a more considerate approach for future years.

Thank you very much.

SENATOR EWING: Any questions? (no response)

Thank you, Ernie, very much.

Judith Cambria, League of Women Voters?

J U D I T H C A M B R I A: Thank you for the opportunity to speak today on the Public School Reform Act of 1992. I would like to say that because I know of the time limitations today on speaking, we have not addressed the program aspects of this

bill. We have positions, but I cannot speak in five minutes on them. We have instead focused on two aspects which we believe are essential concerns: the effects of the new provisions governing State aid, and compliance with New Jersey constitutional requirements.

It is our belief that the proposed school funding system will fail to distribute State aid in a manner that each district will have the capability of providing equality of educational opportunity and high quality education. S-1370 would initiate a funding system in which the basic aid to school districts is determined by the average per pupil spending in each of the 21 counties. That average budget figure is based solely on the past level of spending of school districts within a single county. This amount is related neither to educational need, the special needs of particular children, the costs of living, or the costs of education.

We believe this kind of system would make it impossible to achieve the kind of program equity which you propose to achieve in section 5 of this legislation. We believe that because State aid under this system will be increased to the districts in the higher spending counties, and reduced to those in the lower spending counties. In effect, more to the "haves" and less to the "have nots."

Presumably, the rationale for the use of the--

ASSEMBLYMAN ROCCO: Can I interrupt you just for a moment?

MS. CAMBRIA: Yes, you may.

ASSEMBLYMAN ROCCO: Really, I'm just trying to determine where you get the numbers.

MS. CAMBRIA: All right, I will be happy to--

ASSEMBLYMAN ROCCO: The number we have for special-needs districts is about 78 million, and for all other districts, about 23 million. Could you explain to me how you can arrive at that conclusion?



MS. CAMBRIA: I can arrive at that conclusion because over the long term, we are not talking only-- First of all, I'm not talking only about the special-needs districts, and I am not talking about-- I will speak exactly to the point that Dr. Reock spoke to -- which is later in my testimony -- to the fact that looking at the State aid figures for 1993-'94 gives absolutely no clue to the long-term pernicious effects of this legislation on school districts in southern New Jersey, in northwestern New Jersey, as well as the special-needs urban districts. It is, therefore, for that reason that we talk about the basic system you are putting in place which relies on the county averages long term. It will shift money from lower spending areas to higher spending, and therefore, in the long run increase disparities.

ASSEMBLYMAN ROCCO: But to be very clear on specifics, for the coming year 30 districts will receive \$78 million and all other districts -- 550-some districts -- will receive \$23 million. Just so that's absolutely clear, and that's a specific.

MS. CAMBRIA: Yes, I understand those figures. And I also understand that those figures do not reflect the fact that they would be moving to parity, as required by the State Supreme Court, at a level that the League considers sufficient.

We feel that the bill fails also because it does not establish a nexus between the sweeping educational goals, program reforms it mandates, and the funding system that it sets up. The achievement of these goals -- and there are pages and pages of programs that must be put in according to your plans -- is dependent on the new school funding system. But the system is not designed to provide additional fiscal resources to assist the districts in achieving the mandates. This is particularly evident in the special-needs districts, which are required to initiate sweeping new academic and social programs with reduced State aid in comparison to the Quality Education Act.

We believe that the imposition of these extensive new requirements on the special-needs districts to be funded through local taxation -- since there simply isn't enough money from the State -- flies in the face of the Abbott II decision, which indicated it's the State's responsibility to assure adequate funding for poorer urban districts.

Municipal overburden is a fact of life in these municipalities. The Supreme Court recognized in Abbott II that additional tax increases are neither politically nor economically feasible. We question the initiation of the base program aid and its constitutionality. We would also particularly call your attention to our concern about the proposed change in the districts, which would be used for determining parity in per pupil spending between the special-needs districts and the wealthier suburban districts.

This new definition, "new increase", does not conform with the Court's decision. It raises a question of constitutionality. It is clear that addition of these districts in determining the average per pupil expenditure is likely to significantly reduce the average per pupil expenditure, thus reducing the amount of aid that eventually would go as parity money to the special-needs districts.

We call to your attention what appears to be a significant error in S-1370, and that is in section 3 in the definitions. In the definitions which were added this time is "district factor group." That was not there in the concept document; it has been added in this. In that definition, a "district factor group" is defined as 10 groups "with substantially equal pupil populations." That definition is incorrect. It should be 10 groups with similar numbers of school districts. If such a change were to be made, a very large number of school districts would be shifted into different DFG categories. This would greatly alter the composition of the I and J groups and the A and B groups, thus

raising further questions about conforming to the Abbott decision. I urge you to assure us whether that is an error or whether that is a change -- a major change in the bill.

SENATOR EWING: It was a change.

MS. CAMBRIA: It is a major change. Then our concerns grow by leaps and bounds. I can say by leaps and bounds, and we believe it clearly becomes a question of constitutionality.

I have skipped around. Let me take one little second to see if there's anything-- There are other issues of concern to us, but I suppose my time is probably up at this point. I would like to urge at this time that you not vote to release this bill even at public hearings. The basic system of school funding that you present to us simply will lead us further away from equal educational opportunity because of the use of county districts -- counties as the basis for it. We believe it will move us farther away from the goals we seek of better quality education for every child in every district.

We believe that there are not just two options: the Quality Education Act or this particular proposed bill. We believe there are other options that will not have the outcomes that we see here. We believe very much, and agree with Dr. Reock that unless we look at the long-term outcome of this, we cannot understand what can happen. And, any Senator or legislator from southern New Jersey or northwestern New Jersey will have to, some time down the line, explain to his constituents why he failed to understand what was going to happen to them.

SENATOR PALAIA: Ms. Cambria, just one question, and it's only for my own edification: Under the old QEA, did the League of Women Voters endorse that? And I'm just asking. I don't know.

MS. CAMBRIA: The League of Women Voters endorsed the original bill as it was passed in June 1990. The League of Women Voters testified frequently and strongly against the

changes that were made to that in the beginning of 1991, and which actually were passed in March of that year. Particularly, the removal of the \$360 million, which had a significant effect on the bill, and also on the cap provisions which then made money go into tax relief rather than to be used for the education of students. We testified before the Senate, the Assembly, both Education and Appropriations Committees.

SENATOR PALAIA: How come you didn't see at the time -- the old QEA -- that that had no long-term endurance to it at all? We all said at that time it was only going to last two years.

MS. CAMBRIA: Well, it particularly didn't have any long-term endurance once we removed some half a billion dollars from education and gave it to tax relief. Excuse me, a half billion dollars is an enormous amount of money and would-- The districts that you're concerned about are the districts who lose, the middle income-- And we are concerned about, too-- The League is concerned about districts in every single county of this State, and every child. Those are the ones that got hurt because there wasn't enough money in the till to pay for them; they went first. We agree that that is not an acceptable system. We agree with that, but we also find that this is not acceptable as well.

Okay?

SENATOR EWING: Thank you very much.

Kathy Howard, Cherry Hill Board of Education?

KATHLEEN HOWARD: I'm sorry I did not bring enough copies. I keep forgetting there are so many of you here, which is wonderful.

I'm Kathleen Howard. I'm with the Cherry Hill Board of Education. I want to thank you for having this meeting today. I also want to thank -- Senator Palaia, is it? I realize we have problems in New Jersey and our system may need fixing, but I don't think it's broke yet. And I'm really getting tired of children bashing.

I'm not an educational or political expert on the Public School Act. However, I'm a taxpayer, a member of the Cherry Hill Board of Education, and most importantly, a concerned parent of children attending public schools in New Jersey.

Since one of my concerns as a Board member is trying to find ways to run my district responsibly -- while I have watched my State funding dwindle and my citizens' taxes rising -- in a way, I will be testifying for the Public School Reform Act, but I must point out some of my concerns.

Our funding system has been a disgrace for many years, and I support changing the mechanism of funding education in New Jersey. I applaud the fact that this legislative body seems to be really trying to focus in on the issues of educational funding. However, one concern I have is that funding must be based on fair share, and not just on property wealth or taxes.

We also have the monumental problem of looking at proposed funding in two ways, which has been brought up several times today. First, the short term -- to keep education going in New Jersey next year. All districts need to be funded at something higher than the current funding level in order to even maintain basic skills programs, English as a second language, remedial help, etc. -- let alone our course study program, supplemental programs, and even our State-mandated programs, because the children in New Jersey should not be expected to pay in full for the economic mistakes of others over the years by having their educational system cut from under them. The pensions are still at district level under this QEA, and that must be changed.

We must look at the long term to keep education going in New Jersey in the year 2000 and beyond. All the experts tell us that schools must become more involved in the total student and his and her lifestyles; that the schools must take

on more and more basic concepts of family programs and problems; that the schools must become the center that students and families revolve around, and not the other way around.

I do know that unless all of us in New Jersey start cooperating and working at a viable solution together to solve our educational problems, we may not have an educational system worth worrying about and arguing over. Whether we are transition, foundation, or special-needs districts, it's time for all of the groups to get together and stop trying to outdo each other. And since the reality of it is that there isn't any unlimited money available, we cannot continue to rob Peter to pay Paul.

We must come to grips over whether the transition districts and the foundation districts should be cut back more, or whether the special-needs districts should receive less; and whether penalties and caps should be lifted in order to benefit education. The solution lies somewhere in the middle. All of the above should be done and done now, with everyone giving a little more up and hopefully receiving a little more in the long run. The continued use of unreasonable and inflexible caps will accomplish nothing but leveling down education throughout the entire State for all the children.

We know that the current funding system is atrocious, antiquated, unjust, and will create new special-needs districts in the near future. Instead of 30 special-needs districts, we could wind up with 300 special-needs districts, as the ones in the middle continue to level down and level down. Our present system creates competition instead of cooperation, and has divided New Jersey as nothing else ever has. I'm glad to see that you're trying to change that.

It is time that we stopped playing with education and our children. Yes, education is expensive, but what is the alternative?

Again, I commend your legislation and all the other participants who have worked to put together proposals to find the solution to our educational problems. The answer may not yet be clear, but this method of working through the problem is certainly preferable to the "vote in haste and repent in leisure" method used in the original QEA.

Again, the answer may lie in compromise. It is time that the child become number one again. It is time that we find ways to fund all the children of New Jersey and give them the future they deserve. It's time that we stopped using the children in the game of "Let's Make a Deal" by pitting district against district in the matter of funding, because we cannot afford to turn our backs on the future of this State or of our nation.

I thank you very much for your time.

SENATOR EWING: Any questions from the Committee? (no response) Thank you very much, Ms. Howard.

Thomas Jannarone?

R. T H O M A S J A N N A R O N E, JR.: Senator Ewing, Assemblyman Rocco, and other members of the panel, I'm here today as Superintendent of Schools in Asbury Park, an urban special-needs district, and also to represent the Urban Superintendents of New Jersey. Gene Campbell and I talked this morning. He was unable to be here this afternoon. So as Vice President of the Urban Superintendents' group, I'm here to make comments both on behalf of Asbury Park, but also representing the Urban Superintendents of New Jersey.

The Urban Superintendents' group -- for those of you who do not have familiarity with the group -- is made up of -- well, now it's expanded to 62 districts, but it's primarily made up of 56 urban districts and also includes the 30 special-needs districts.

I'd like to start off by saying thank you to Senator Ewing and those other members who have met with us over the

past year, I guess, and attempted to discuss problems and potential solutions to those problems as they relate to funding in education and educational programs, too, for that matter. In many of these prior meetings, I've tried to highlight some of the needs of our particular district, Asbury Park. But then that also leads you inescapably to talk about the needs of other urban districts as well.

The poor districts in the State -- I don't need to tell you -- have high tax rates, and pay, in general, a disproportionate part of their ability to pay to support education. In many instances, those education dollars go to support social kinds of needs that may not be apparent, or need to be supported, in other types of communities.

Having met those other times and had a great deal of discussion, I'm here more to underscore a phenomenon that I've seen taking place over recent months that I haven't seen take place in my 30 years in education. I just haven't seen this in those prior 30 years; that is, a coming together, a forming of a coalition in the State of various education groups, now expanding to include some noneducation groups. This coalition is supporting a bridge for '93-'94, while proposing that continued discussions and solutions be sought for the permanent funding issue.

Ernie Reock, a few moments ago, highlighted a very critical point: Contained within this legislation are short-term solutions for '93-'94, because in some instances a crisis kind of a problem has arisen under the QEA as it was amended. One of the conflicts in the bill, then, is attempting to solve a short-term solution while talking about long-term solutions.

For example, in the legislation there are some very significant positive suggestions such as formation of full-day kindergartens, preschool programs, and the like. However, later in the legislation there are some positions that are



taken that short-circuit the provision of full-day kindergarten or preschool programs. For example, if it's stipulated in the legislation that special-needs districts must provide full-day kindergarten or a preschool program, there then is yet another clause in there that recognizes the practicality of it, that. "Well, if there aren't funds or facilities available, you know, then that provision had been short-circuited." So, in essence, in many situations the suggestions are made that are meaningful, then, are not doable under the legislation.

In the past, the funding approaches that have been taken-- While you've been working on it for a year, or a couple of years, I must remind everybody that this is an issue that goes back to the '70s, culminating with the Thorough and Efficient Act in, I guess, 1975 or 1976. These are not new issues. They've been very thorny because the debate prior to this that has taken place has pitted one group against another. Rich districts' constituents have been pitted against poor districts' constituents; white against black, and so on. I don't need to tell you or go through the litany of the contest that evolves. So all of us are forced into a situation where we have to protect our own interests, if we are to survive.

Getting back to this coalition, for the first time in my experience, you have a coalition that has been formed of poor districts. You have coalitions formed of middle income districts; you have a coalition formed of management and labor; you have a coalition formed of administrative groups and PTO groups; you have a coalition formed of the Education Law Center, and so on.

SENATOR EWING: Tom, we know those groups. Let's get down to the bill.

MR. JANNARONE: Okay. In terms of the bill, there are two points that I'd like to make to you. One is -- to reiterate the point that Ernie Reock made -- there's a mixture

in here of short-term solutions for '93-'94, and long-term changes in the bill. I think the bill is flawed if it's adopted this way, because I really think that it should be segmented. I think '93-'94 solutions should be dealt with because that's the time that we have available. If we don't move quickly, '93-'94 is gone. If we move too quickly -- which is the criticism of the other bill -- then we're putting into law permanent kinds of solutions that maybe shouldn't be put into law, for some of the very reasons as you've heard already today. You know, I don't want to reiterate them.

My position is, the bill needs to be separated. There needs to be a short-term solution for '93-'94 that's got to be dealt with relatively quickly. Then, there's got to be significant debate and continued discussion, formation of a commission or whatever the process is, to determine a long-term funding solution. Without that, we'll continue to focus on the divisions among us, rather than on the commonality and the solutions that will impact favorably for all kids in the future.

So that, in essence, is my position on this current legislation. I'd just like to thank you once again, Senator, and the rest of you that have been in attendance at meetings, for the opportunity to offer our points of view.

SENATOR EWING: Tom, do you have some specific things in the long range that should be taken out?

MR. JANNARONE: Well, my personal position is very similar, if not exact, to the position taken by the NJASA that there be 100 percent funding of education.

SENATOR EWING: What's the long-term part you want to take out of the bill?

MR. JANNARONE: The long-term part taken out of this bill, Senator?

SENATOR EWING: Yes. You said there should be two different bills, and I'm wondering which-- You said there was a short term and a long term, so I'm asking you to help us. What are the long terms that your group feels should not--

MR. JANNARONE: If, for example-- I mentioned preschool and full-day kindergarten, okay?

SENATOR EWING: Take that out?

MR. JANNARONE: No. I'm saying if you're going to leave it in there, then put in the mechanisms to help the districts to implement them. Don't put it in there and then say, "Okay, you don't really have to implement it," or, "We're not giving you the resources to implement it, because we can't afford to at this time."

The CARE provision in the bill is another example. While there's funding that goes along with that for one year, what happens in the second and third years? And doesn't that really put a burden of social programs--

SENATOR EWING: That's going to have to come out from the Education budget, in my mind anyway. We've got to get money out of Health and Human Services to fund the CARE part. There's no question about it.

MR. JANNARONE: I agree, but in this bill-- Unless I'm mistaken and I missed it, that's not contained in there except for the one-year provision for one staff member.

SENATOR EWING: It's for the future. It's something that's got to be worked towards.

MR. JANNARONE: Yes. My point is that we should develop a blueprint with some of these points made for long-term solutions -- not only problematically but how they're going to be funded. And don't put us into a position where, okay, they're good ideas; we buy into them, but in order to accomplish them, we've got to emasculate programs in other areas in order to pay for them.

SENATOR EWING: Well, as an educator, because you've been in the field so long, maybe programs have to be shifted around. What is your feeling of the priority of prekindergarten and kindergarten?

MR. JANNARONE: I think full-day kindergarten and prekindergarten are a great priority. In our own district we've done that to a certain extent, with limitations of--

SENATOR EWING: Fine. Maybe some school districts have to shift their priorities -- I mean, shift their method around to some degree, because I know a few educators that I've talked to tell me there's no question that prekindergarten and kindergarten are vital for the overall education system. Maybe there's something else they're going to have to give up over a period of time, but the child at the beginning age has to be strengthened. Maybe we can't have a school band; maybe we can't go away to football games. I don't know what it would be -- I'm not an educator -- but you've done it in Asbury Park.

MR. JANNARONE: But, Senator, in our district, taking it as an example, we are involved in the sixth year now of a court battle with one property owner that has prevented us from building a school. So we're using trailers, churches, and buildings rented from churches. And we can't provide-- We provide some full-day kindergartens, and where we do, those students do significantly better. If you want the test data, I'll send it to you. We provide some prekindergarten programs, but we have kids on waiting lists. We just don't have the facilities, and if we did, I'm not so sure we'd have the resources within the budget in the future.

This year we gained some advantage in the budget, but whether that's going to be maintained is the issue. When I hear talk about, "Well, maybe the special-needs districts have gotten too much money, and because of our State budgetary crisis we need to shift some of that money to the foundation-aid districts, because we don't want to make them into special-needs districts," I subscribe to that caveat. But you don't take it away from our children in order to solve another problem.

SENATOR EWING: No, you're getting more money.

Thank you.

ASSEMBLYMAN ROCCO: Can I just pursue that, Jack?

Obviously, when you talk about preschool and kindergarten, you have-- Senator Palaia was a principal; we have a superintendent up here, and others. I think you recognize the fact that we have, in fact, in this legislation, specified very clearly the importance of the preschool and kindergarten approaches and the CARE program for social services. Although it may not be perfect, and although it has ragged edges at this point, at least it's focused on in this legislation. I think that's one of the strengths of what's being proposed.

You may or may not know that there's going to be a bond issue coming out that your Assemblyman in your district is going to be sponsoring. That's not enough money, we know, but it's a start, and it's a movement along with-- Assemblyman Nickles has a bill for a revolving fund as well.

So we know facilities are a problem. I've been in districts where it just becomes almost impossible to deal with many of the facilities, and the lack of facilities, in those districts. I think we're attempting to really try to deal with the issues, as opposed to a lot of rhetoric that has occurred year after year; people talking about it, but not really doing anything about it. We think this legislation does, in fact. It's proactive. Although, you know, there are some weaknesses in it, it will at least-- If nothing else, this is the most critical aspect of education. At least people now know that we're placing the focus at the start of an individual's life -- when they're young -- as opposed to waiting until more difficult things occur later on in life.

I think that's the strength of the bill. Whether or not there's enough money in the bond issue that comes out, I assume with Asbury Park very much in need of facilities, as well as Paterson and some other districts, the priorities are going to go in that direction. There's no doubt in my mind.

So I think there's a move to do something about facilities. There's a move to do something about what we consider to be good education.

MR. JANNARONE: I appreciate that. Just one word of caution, though: While I identified preschool and full-day kindergarten programs -- and they are important -- they are one small piece of the pie, one piece of the puzzle. I don't think that it's wise for us to go down that road, and that be the total solution to our problems in New Jersey. We have a significant--

ASSEMBLYMAN ROCCO: We never suggested that.

MR. JANNARONE: Yes, I just wanted to state that. While I focused on it, don't be mislead by that. I don't think that we need to take money from other programs in order to go off in a different direction. I realize the significant problems perhaps the State is having financially. Perhaps that all the more underscores the need for a bridge program for '93-'94, while we continue to talk about the long-term solutions that are much more difficult to find for everybody.

ASSEMBLYMAN ROCCO: I guess it would be sufficient to say that everyone up here would like to have all the money possible to deal with all of the problems in all of the districts. The question is: Whatever we do here we have to get through the Appropriations Committee as well, and they have to look at the entire State and all of the competing aspects of it.

MR. JANNARONE: You do the right thing and there will be a lot of people in this room that will be there to help support you.

ASSEMBLYMAN ROCCO: We try.

SENATOR EWING: Any other questions? (no response)  
Thank you, Tom.

Anna Talifero?

**A N N A T A L I F E R O:** Good afternoon. My name, as you know, is Anna Talifero. I'm from Paterson, New Jersey, a State takeover district. Now, 'tis true that we're operating under the State takeover rules and regulations. I think it behooves me to bring another perspective to this table -- outside of all the statistical information that you received -- an understanding of what goes on daily in the life of a child in Paterson, New Jersey, like so many of the other 29 special-needs districts.

I want to recount a scenario for you that happened just last week.

**SENATOR EWING:** Ms. Talifero, there are other people who want to testify.

**MS. TALIFERO:** I understand that, Senator Ewing.

**SENATOR EWING:** Excuse me, just a minute.

**MS. TALIFERO:** I will get to the point as quickly as possible.

**SENATOR EWING:** Will you excuse me just a minute while I finish? Would you discuss the bill, please?

**MS. TALIFERO:** I am going to get to the bill, but you see, when you all sit around here, and you talk about a bill, you forget the humanistic part of those bills. Okay? You forget how many youngsters are out there in pain. You sound so much like the status quo that sat there in South Central L.A.; that didn't recognize what was going on with people who are in pain and who are less educated. So let's do talk about the bill, a bill that will provide what the gentleman before me talked about -- preschool and kindergarten.

I am the mother of five children who all attended public schools. I can tell you the benefits of those youngsters who did have a preschool education, who came to kindergarten with the knowledge of who they are. Let's talk about helping youngsters go beyond the circumstances they have to deal with every day of their lives. When you make a

decision on these bills, you will make the best decision possible for all of the children of New Jersey, not just for some.

We have an outstanding record in the special-needs districts from New Jersey, and it's not a nice one. It's that we don't care about all of the youngsters in New Jersey. I came to this table to implore you to understand that if every child could vote in those special-needs districts, some of you wouldn't be sitting at this table. So let's talk about those youngsters that you have taken an oath to represent when you make a decision on this Committee to look into the funding and to come up with some sound and responsible decisions, decisions that will be cost-effective.

We talk about a work pool out here that can't function. We talk about youngsters who can't even test well, and we talk about youngsters that we render hopeless because we won't do what is necessary to educate all of the children.

So that's why I'm at this table today. I don't have any profound statements for you today. But I can tell you that if New Jersey, and you as legislators, continue to miss doing what's right for children, whether you want to hear it-- You see, I happen to think that we have some of the most sorry legislators in New Jersey, because if we didn't, I can tell you that we wouldn't be sitting at this table. We wouldn't be in this hearing room today, because we would know what was necessary for us to do.

And you know what's necessary. I don't have to come here and give you a long speech. You understand what is necessary to do. We don't have children who can leave their circumstances to go back to the suburbs and rest their heads.

I was in a home last week where three youngsters were sitting at a table with a very dim light, trying to do math and English. Do you understand what's going on, and the kind of badness that's out there in our community? We're hurting.



All I'm here for today is to help urge you not to discount what the people from the urban communities are saying. Now, I am happy to say that they have some suburban counterparts who realize that our fates are intertwined; that we have to do it together, or not at all. So that's what I'm here to help you understand today. I'm not going to leave you with any profound statements other than to tell you: Do what's right, or else we'll do what Malcolm X says very clearly, "By any means necessary we'll get the job done." You will pay for education or you'll pay for incarceration.

SENATOR EWING: Any questions? (no response) Thank you.

Who's going to go first with NJAPS, so we can take them alternately? Do you want to draw straws, or what?

ROBERT E. BOOSE, Ed.D.: I think it's better, Mr. Chairman, if three people are going to testify--

SENATOR EWING: The whole group?

DR. BOOSE: Yes. We have it segmented so I think we'll meet your time constraints, and we'll take it that way. So with that, I think we could probably come and start it.

SENATOR EWING: I thought you said there would be three?

DR. BOOSE: Three testifying.

SENATOR EWING: Why don't they sit behind you to back you up?

DR. BOOSE: I'd rather they be alongside of me, Senator.

SENATOR EWING: Oh, you scared them that much? (laughter) Who's going to be the spokesman? All three at one time?

DR. BOOSE: Mr. Chairman, I'll do the lead testimony, and then I'll be sharing it with Dee Corona and Marilyn Morheuser.

SENATOR EWING: Fine. Thank you, Bob.

DR. BOOSE: Thank you, Mr. Chairman. My name is Bob Boose. I'm the Executive Director of the New Jersey School Boards Association. I just want to echo, too, your opening line, Senator Ewing, that it is just a beginning. I hope that with prior testimony-- You heard about a bridge, and we're trying to build that bridge. It seems like every year this issue of school funding comes around like the annual comet. It's become apparent to the citizens, taxpayers, and students of this State that a permanent solution to this yearly battle is elusive. Some even believe it's impossible.

The education community has come to believe that a long-term permanent solution requires cool, nonpartisan thinking away from the political climate. By taking this approach, the New Jersey Association for Public Schools -- NJAPS -- believes that we can provide a real solution for our students. NJAPS has been working with grass roots organizations representing the full spectrum of our State's school districts to develop an equitable and adequate school funding system. Our members are growing. We have grown beyond our nucleus of a State-level education group to a diverse coalition sharing a common goal for school funding. As we proceed, we are hearing from other education and public interest organizations that support our goals.

This afternoon we have on hand seven representatives of this coalition: Dolores Corona of the New Jersey Education Association; Ed Meglis, School Business Officials; Jim Moran, Association of School Administrators; JoAnn Bartoletti, Principals and Supervisors Association; Emmy Hunter, Congress of Parents and Teachers Association; and Marilyn Morheuser, of the Educational Law Center.

Our coalition has worked together to explore school funding options for today, with an eye towards tomorrow. More significant, we have been joined by groups representing transition aid, foundation-aid, and special-needs districts.

These "grass roots" groups include: the Garden State Schools Coalition, composed of wealthy transition aid districts; the largely middle-income Foundation-aid School Districts Coalition; and the Urban Superintendents Association, which you heard from previously.

That makes our proposal so significant. It makes a broad base of support. Through this alliance, unprecedented in history, this effort -- a full spectrum of New Jersey's varied types of school districts -- is united behind a 10-step proposal -- an interim proposal. We're looking at the next school year.

Our proposal was presented to both the administration and the leadership of both parties in the Legislature. It is predicated on the desire to have school funding move from the yearly political tug-of-war that has plagued education for too long.

Today, we are going to consider A-3 and S-1370 in light of this agreement. Why has this coalition agreed to an interim proposal? For two basic reasons:

First, we need to plan for the next school year. Our plan, which includes many components of the Public School Reform Act, will be a short-term alternative to the legislative proposal. To establish a permanent school funding formula in this time of tight budgets and State budget deficits is not a wise move. Instead, the Legislature should direct its attention to the urgent situation facing school districts next year.

The second advantage of an interim plan is simple, but very essential. An interim plan gives us some breathing space to carefully consider all aspects of State funding. Let's do it right this time. Let's have a commission spend a year developing a permanent school funding plan.

In today's testimony, Dee Corona, Marilyn Morheuser, and I will assess how A-3 and S-1370 meet the concerns of the

coalition, as specified in our interim funding proposal for '93-'94. In addition, all coalition members seated here will be happy to answer your questions about our position.

We are pleased to see that the bill reflects the Legislature's desire to address local school districts' grave concerns over restrictive caps. The coalition firmly believes that a legislative solution to cap relief is essential. We urge your support also for A-1093, the Nickles/Wolfe bill, which would modify school budget caps to exclude certain fixed costs. The coalition would also consider alternative cap relief proposals.

When the QEA was implemented, it imposed caps on both the current expense and capital outlay budgets, including all categorical aid funds. This change resulted in severe hardships in the local budget deliberation process. Most districts have been forced to cut deep into critical core programs to bring their budgets in under cap.

Your legislation moves in the right direction on cap waivers. While the bill addresses the right of school districts to apply for cap waivers, the coalition believes that the language in the bill needs some clarification.

The bill's language calls into question the right of local school districts to appeal directly to the Commissioner of Education if the waiver was requested because of the inability to provide a thorough and efficient system of education. A recent Attorney General's decision supports this condition. Local districts should retain the right to appeal a defeated cap waiver.

But beyond this provision, a majority of us believe that the Legislature should take a bold, very essential, but long overdue move; that is, eliminate the requirement for voter approval of proposed school budgets when these budgets are within the State imposed cap. No other governmental entity must place its budget on the ballot. School districts,

therefore, often bear the brunt of voter dissatisfaction with taxes and the spending or policies of other governmental units.

If budget caps alone are a sufficient control for municipalities and counties, why should they not be adequate for school districts? Moreover, State-mandated public hearings and required advertising ensure that the public receives information on the school budget.

Turning to the bill's specific funding provisions: The coalition would support the bill's freeze on categorical aid -- such as bilingual, vocational, and others -- only as part of a one-year interim plan. Extending the freeze beyond next year would hurt the quality of education in New Jersey, and Dr. Reock spoke to that before. Our districts cannot control the escalating fixed costs of these categorical programs. They need the opportunity to offer new information and suggestions on addressing these rising costs.

Public schools provide for the transportation of public, private, and out-of-district placement of special education students. The coalition acknowledges school districts' difficulty in securing competitive bids. This vast clientele suggests an increase in the calculation for all students, since the current formula appears problematic; therefore, we recommend a 4 percent increase in transportation.

The bill's base program aid raises many red flags with the education alliance. Because this money is targeted for new programs, it cannot be used where it is most needed within the district. We ask, "What can the money be used for? Can it go to lower class size? And, equally important, when will districts find out what programs are eligible for funds, and how much money will they receive, before or after budget time?"

Moreover, provisions creating a commission to oversee the process while requiring notification of the Department of Education are in conflict and, we believe, often unworkable. We also question the effectiveness and constitutionality of the

bill's provision on supplemental aid for special-needs districts. Will it achieve parity for special-needs districts in the context of the Abbott v Burke decision? We're not sure.

The final area I wish to address is a need for all districts to develop their budgets based on accurate and timely figures. We question the language in the bill that outlines the method of notifying school districts of their State aid figures. The coalition supports the aid notification dates contained in S-1150. This bill would require State aid notification seven days after the Governor's Budget message. By working together to create a plan that will see us through '93-'94, we will begin to get education back on track.

The continued erosion of foundation aid to the middle-income districts is resulting in an increased number of districts with local property tax rates above the State average. This situation prompted the coalition's recommendation for a 4 percent across-the-board increase in foundation-aid to nonspecial-needs districts. The coalition also supports a \$150 million increase to special-needs districts. This is consistent with the State's current response to the Supreme Court's mandate. The coalition recommends adhering to the current schedule reducing transition aid to nonfoundation districts through '93-'94.

Coalition members representing transition-aid districts fully support the alternative interim funding plan. The group's members believe it is in the State's best interest not to ignore the needs of students in our poorest communities, nor to allow middle-income districts to incur severe aid cuts. This interim plan demonstrates that varied elements can reach a consensus. The heart of our proposal is to bring to the table all components of the educational community, to advise the Legislature on a long-term constitutionally sound school financing system.

Now I'd like to turn it over to Dee Corona.

SENATOR EWING: Bob, we're running the meeting.

DR. BOOSE: You asked who was going to testify.

SENATOR EWING: I know, but the group might have some questions of you as an individual. Is that all right?

DR. BOOSE: Fine.

SENATOR EWING: Thank you. There's one question I'd like to ask. On page six, in that next to the last paragraph, you said the method used that outlines the method of notifying school districts of State aid dates -- State aid figures-- We didn't change that from what we've got in 1150.

MR. CANNON, (Committee Aide): That's a separate bill.

SENATOR EWING: Yes, I know it is, but we didn't put it in here.

MR. CANNON: No, we didn't put it in there. He's just saying they support that.

DR. BOOSE: Well, 1150 changes the date. December 15 is the notification date.

SENATOR EWING: You said, "We question in A-3 where it outlines the method of notifying school districts of their State aid figures." What is that language?

DR. BOOSE: In 1150?

SENATOR EWING: No, 1370. You question it.

DR. BOOSE: I'll have to get out the bill because there are a lot of notification dates. The most important part is it's seven days--

SENATOR EWING: Well, no, I'm asking about the one that says about notifying school districts of their State aid figures. Where is it?

DR. BOOSE: They will be notified seven days after the Governor's Budget message? In 1150.

SENATOR EWING: Where is it in the bill?

DR. BOOSE: In 1150?

SENATOR EWING: No, in S-1370. If you will read your testimony here--

DR. BOOSE: Yes. I can go through the bill. I have to find it in the bill to read it to you. I don't have it in my hand at this point.

SENATOR EWING: Well, your staff does.

DR. BOOSE: On page 21. It's a new section, section 21: "Annually, on or after the last Tuesday in January, the Commissioner shall notify--" And it goes on: "The actual aid payment to each district shall be determined after the district's budget is adopted." That's a new section, and another new section says "annually on or before February 20."

SENATOR EWING: Of 18?

DR. BOOSE: On page 21, section 21. It's the open-endedness of it, Senator. We feel 1150 can help clarify it.

SENATOR EWING: Yes, but it says under public law, that's the one of 1150 that will be coming up. You see where it says, "under provision of P.L. blank?" Well, you understand that.

ASSEMBLYMAN ROCCO: Bob, I have a few questions. Apparently there is some discrepancy in the data that we have. Just as an example: Carlstadt, you have 248,734. Our data is different than that because I think you end up with a minus 6 percent in the reform program, and in our reform program there are no districts that lose money. So every district where you have a minus here, I think your data differs. We're assuming that ours is correct, having come from OLS. That may not be the case, but our program calls for no minuses whatsoever. No district loses money in our program.

I might make a note to the members of the Committee that if you look at the percent change under the NJAPS program, you will see district, after district, after district, after district losing money: Gateway Regional, Green Brook, Haddonfield, Hasbrouk Heights, Haworth, Hawthorne, Lambertville -- you go from page to page -- New Providence, 12 percent loss;



Oaklyn, etc. etc. I mean, the list is pretty substantial: Saddle Brook loses 11 percent; Seaside Heights, 4 percent; Somerville, 6 percent; South Belmar, 19 percent; Union, 7 percent; plus Upper Saddle, 5; Verona, 8, etc.

So I guess what bothers me most about your proposal-- Again, as an educator, I wish we had the money to do everything for everyone. But I guess what bothers me most is when we see districts losing money for programs, for educators. You have Business & Industry in here talking about competing internationally and nationally, and having programs that are programs of excellence. Basically, those districts would have to cut into the existing programs and cut into existing personnel, or continue to raise taxes in their districts.

I think the difference between the two proposals, basically, is that our proposal holds all districts harmless to this budget year and provides for the special-needs districts. Three out of every four dollars that are available under this reform program go into the special-needs districts -- three out of every four. So we think that it is a sound, logical way to go. I don't know how logically, or what rationale you would utilize to cut the budgets of these districts. Maybe you can help me out?

**M A R I L Y N   J .   M O R H E U S E R ,   E S Q . :** Dr. Rocco, those data were prepared at Education Law Center. Let me apprise you first of all of the source of data for 1992 program aid. That is basically the difference between the figures which you have produced in your district-by-district profiles, and in these figures. Our data came directly from the Department of Education in a printout entitled, "QEA TOTAID," dated June 25, 1992. These are the adjusted aid figures for 1992-'93. We were told that they were the final aid figures for '92-'93.

**ASSEMBLYMAN ROCCO:** Marilyn, could you repeat that so that our staffers can get that? I'm not assuming that

automatically OLS is right and your numbers are automatically wrong. I'm just indicating there's a difference in the numbers.

MS. MORHEUSER: Yes. We asked for the most recent data from the Department. These are data we also used in litigation that have not been challenged by the Department, because that's always our source of data. We do not know what your source of data is.

SENATOR EWING: Well, what enrollment figures were they using? Because we understand we don't have the enrollment figures, and also we don't have the pensions yet. Do you have the pension figures? What did they include in that?

MS. MORHEUSER: What we have-- What we understand is that the total is 163. We haven't included pension data here.

SENATOR EWING: Okay. What about enrollment figures?

MS. MORHEUSER: We have not done any enrollment data because those, as I understand, are probably going to be available soon. But we don't have any.

ASSEMBLYMAN ROCCO: I'm assuming, Marilyn, that the Office of Legislative Services basically uses the same source.

Is Martin, or anyone here? Alan, are you familiar with the source?

UNIDENTIFIED AIDE: Yes, our source is also the Department of Education. Marty-- (indiscernible)

ASSEMBLYMAN ROCCO: All right, Marty maybe you can--

MS. MORHEUSER: The Department of Education has many and varied printouts. Over the years as we've been litigating, we have discovered that. That's why we always identify by title and date. What we used is -- and I'll spell it out -- QEA T-O-T-A-I-D, TOTAID, and that's dated June 25, 1992. We were told by the Director of School Financing that those are the adjusted State aid figures for 1992-'93. Now, I should make it clear that's a premise of these tables, and if that premise is wrong, or if your premise is wrong, then there's something wrong with the tables. We would be happy to make any adjustment.

ASSEMBLYMAN ROCCO: That's easy enough to work out -- I mean, find out the accurate numbers.

MS. MORHEUSER: Right. But as to the pattern that you noted: If you will take a look at the percentage changes in the last column -- which is the percentage change under the bill before you -- and the percentage change in the fourth column, you'll see there's a general pattern emerging. For poor, near poor, and middle-wealth districts, there is greater benefit under the NJAPS program. Many of those, including Cherry Hill among others, get increased aid under the NJAPS program. Many of them get very little aid under the bill before you, and their aid is increased. These are the districts -- there are others who can testify to this with greater immediate knowledge than I -- that are--

ASSEMBLYMAN ROCCO: They're the higher taxing districts.

MS. MORHEUSER: They are certainly overtaxed and they have been underfunded. For the pattern of negative numbers, what you see, Dr. Rocco, is a loss by those who are of the greatest wealth. That is the way our plan works out, and they are part of our coalition. They can speak much more eloquently than I, to why, but that's the pattern you see. The minuses tell one part of the story. The many, many pluses of the result of our proposed program over your bill tell another story.

ASSEMBLYMAN ROCCO: All right. Of course the way that you would correct that in our bill would be to put in another \$52 million, because obviously there's a \$50-something million difference in the two pieces of legislation. And I guess that your proposal calls for \$420-something million?

MS. MORHEUSER: That's correct; that's correct.

ASSEMBLYMAN ROCCO: About \$427 million.

MS. MORHEUSER: Yes.

ASSEMBLYMAN ROCCO: I guess the problem is, how do you suggest that we get that through the Appropriations Committee? How do you suggest that we sell this to our caucuses? The amount of money there I do not believe will be acceptable to the Appropriations Committee. That's a problem that we face. That's not your problem; that's our problem. And that's why we attempted to do as much as we could with the amount of money we thought we could sell to those Committees.

MS. MORHEUSER: I understand.

I think Ms. Corona--

D O L O R E S C O R O N A: Assemblyman, can I also attempt to answer your dilemma, then? Remember this was a coalition -- which was noted before -- and in the coalition are transition-aid districts. We have presented, or will present to you, a package. When transition-aid districts looked at the decline of 75 percent to 50 percent for next year, they also considered three other things which would be very key in this package to those transition aid districts:

One is the shift of pensions to the State level. Had those pensions been shifted back to the local level, our transition aid districts would be hurt terribly. The second thing is budget cap relief. Those transition aid districts need some budget cap relief so that they can gain some extra dollars for school through a tax. The third is the budget -- the budget vote. That is important to them also. If they were to not submit to the public below cap -- well then, that would also help them.

They saw this as a complete package, and for the most part were willing to take that 25 percent decline because of the other three issues. So I would say to you that maybe that's the way you argue that, and we will help you to argue that with the legislators.

ASSEMBLYMAN ROCCO: In your own inimitable manner.

SENATOR EWING: Was that part of your time, or not?  
(laughter)

MS. MORHEUSER: No answer is part of our time.

SENATOR EWING: You're the legal eagle--  
Assemblyman Wolfe? I'm sorry.

ASSEMBLYMAN MARTIN: I've just a quick point. Are you going to help to argue that in the 26th District, where my initial analysis is, that seven towns -- seven districts -- gain money and 12 lose money?

MS. CORONA: We have a commitment to help you.

ASSEMBLYMAN MARTIN: Are you going to be our chief salesperson? Even though there's going to be an increased cost of \$450 million from the State, most of my school districts are going to lose money.

MS. CORONA: We're prepared to help you.

ASSEMBLYMAN MARTIN: Thanks, Dolores.

SENATOR EWING: Assemblyman Wolfe?

ASSEMBLYMAN WOLFE: Yes. After consulting with my Democratic staff aide here, I-- (laughter) No, seriously, I apologize to the Chairman for being late. I had another committee at the same time as this -- two other committees, by the way. Being new to this process, along with Assemblywoman Ginny here, and Assemblyman Nickles over here, I know there have been a number of meetings held throughout the year. We were part of many of those meetings; some of them we weren't included in. I'm looking at the charts on the wall. I'm also trying to look at this, and I'm looking at the bottom line. I know that our Chairman just asked a question, you know, and I haven't heard--

You talked about relief from the caps; you talked about some other remedies. But the question still remains, that the Legislature has to answer: "Where is this excess money going to come from?" If you can tell me in five sentences where it's going to come from, I'll support your position. I

don't have my heels dug in for this or that, but I think if you can tell us where the money is going to come from, we'll all jump on your boat and we'll paddle off together. So help us out here.

DR. BOOSE: I think part of the-- The funding hole that's been dug-- I think there's some dollars that could be repositioned that have already in prior years been in the educational budget. We'd be happy to sit down and show you where we think close to \$100 million--

ASSEMBLYMAN WOLFE: Wait. No, don't show me. Right now, in front of this entire Committee, all these people here, and all the press-- You're putting our backs against the wall. You're telling us, "This is the plan; your plan is no good." And I'm saying to you coalition members, "Show me, as a legislator, where that money is going to come from."

DR. BOOSE: We had the desegregation money which was positioned there, which went to wealthier districts. That could be restructured. There's a breakdown that we could provide you. I don't think it's important for us to go over the \$33 million with regard to density aid that was provided in prior years. When you look at that, about \$80 million is going to districts which have their tax rate well below the State average in regard to repositioning existing dollars. So I mean, it's got to be a shared pain in order to gain.

You know, you just can't give it in five seconds. You have to sit down and look. If we're that close, then we ought to be sitting down going through item by item to see where we can reposition dollars.

ASSEMBLYMAN ROCCO: I think that was an around-about nonanswer, as they say. The fact is -- and I think the Speaker said it, David, in one of our meetings that we had with NJAPS -- basically, we understand the program. What's your recommendation for the revenues? You just haven't made the recommendations, obviously. Four hundred and twenty-five

million dollars is going to be-- We have some Appropriations Committee members here. I don't think we'll ever get that amount through. So in other words, we have to be realistic in what we're presenting, because otherwise it's just not going to fly.

ASSEMBLYMAN WOLFE: If you could provide that to the Joint Committee soon, I think that would be good.

MS. CORONA: We would be glad to.

SENATOR EWING: They'll give it to us next year the way they did now with this one.

Who's next?

MS. CORONA: Thank you very much. It's a little late, but I'm going to say good afternoon anyway, even though we've already talked with you. Good afternoon to all of you, and thank you again for the opportunity to speak before you.

SENATOR EWING: Dee, excuse me. Give your name so the transcriber--

MS. CORONA: My name is Dolores Corona. I'm the Director of Government Relations for the New Jersey Education Association. I cannot overemphasize what Bob Boose has said, particularly the issue of the interim plan and the commission, because we honestly believe that if we can operate on that for a year -- a bridge -- then form a commission; we're optimistic that we can come to some consensus. More importantly, we can go out and sell that to the public. And that's important; making the case for good education to the public.

It should come as no surprise to you that we are certainly going to support, in this particular bill, the provision for returning the employers' share of the Teachers' Pension and Annuity Fund and Social Security to the State. I didn't think that that would be a surprise to you.

SENATOR EWING: Chalk up one for us. (laughter)

MS. CORONA: It's really imperative that this shift occur. Unless the current law is changed, you know that the cost will go back to the local level -- or go to the local

level -- and that will create an unbearable burden on our districts. We really believe that will hurt the quality of our schools. If you keep those costs at the State level, I think we're going to avoid some cutbacks in programs. We're going to avoid some real heavy property tax burdens, and certainly, we're concerned about layoffs also. So we're saying to you, "Thank you for putting that into the bill, and given its importance, we appreciate your handling, or including, this provision."

ASSEMBLYMAN ROCCO: Dee, you're aware that is \$163 million, at this point, that may be negotiated now?

MS. CORONA: Yes, we're aware of that, Assemblyman.

ASSEMBLYMAN ROCCO: I would also say to you that our plan calls for the pensions to go to the State. The alternative, if we do nothing and QEA stays in place, is that they go back to the local districts.

MS. CORONA: We're aware of that too.

ASSEMBLYMAN ROCCO: NJEA has to be very clear on that.

MS. CORONA: Well, that's one of the reasons why, Mr. Chairman, we're so anxious to work with you in trying to reach some conclusion. We believe we can do that. So we're going to set Christmas as the deadline and hope that we can get this all done by Christmas -- so we can enjoy the holiday and go about our business.

There are many laudable and excellent educational programs addressed in this proposal, no question about that. We support the intention of provisions that would require disadvantaged districts to provide full-day kindergarten and prekindergarten. We also support the provision for Community Alliance for Reform of Education, or the CARE program, that you have put into this program. Also, we support the social service resource centers, and a creation for a task force on technology. They're all good things. The only thing is -- and we've heard it before and we say it again to you: Facilities



are very important to a lot of these programs, and we know how important preschool programs are. The evidence is compelling on that. No one would deny these programs are excellent. And, yes, we heard Assemblyman Rocco say that we're going to do -- you're going to do something about facilities.

ASSEMBLYMAN ROCCO: Three hundred and fifty million dollars.

MS. CORONA: Well, that's a good start. Because we've heard a lot about that in the last three years, but no bill has ever materialized into law. So we need to know that there is an attempt to provide some facilities and some funding for these programs. Otherwise, you know what's going to happen? We're going to delay and delay, and we're going to deprive children of what they really need: those early childhood programs.

Also, may I say that making an efficient use of educational technologies -- also a laudable goal -- and new forms of technology enter the classroom every day-- Unless we not only explore, but also analyze this phenomenon, we're vulnerable to exploitive programs. So presumably, the commission that we are asking for, or the task force on technology, could help us make the case for distinguishing between good and bad technology.

Let me also say that there are some fiscal provisions in here that I would like to address. Our next concern is with the bill's provision to tie each district's base budget to the county average. Now, previous speakers have spoken about that, and let me come in from a different perspective. I think we understand and appreciate that the intent of the provision you put into the bill is to recognize and address the broad cost-of-living differences among New Jersey counties. Many people have spoken to you about that in previous hearings. So we applaud the concept that you have there, but let me also share with you the serious reservations we have about that.

This innovation, while it apparently attempts to address the regional cost variations, may cause significant dislocations in aid entitlement. Now, let me make an attempt to explain that. See if you can follow me, an old math teacher. For example, an above average spending district in a county with a very high overall expenditure level will appear more deserving than if it were being compared to a State average expenditure, and will secure additional aid. But take a poor district in a low spending county. That low poor district will be compared to a lower standard and suffer a loss of aid. In other words, the moderately well off will benefit at the expense of the less well off, who do not qualify as special-needs districts. So we will, and we could give you example after example-- We've provided, not in this testimony, but we do have an example of how that could happen to districts. I think some of you would be terribly disappointed if you saw what these county averages might do to some of your districts.

We're also similarly concerned that the proposed bill permits base equalized aid to be reduced if the State Gross Income -- which you call SGI measures -- shows that the gross income in the State has declined. We believe this connection is arbitrary, but frankly, we admit we have no up-to-date data to evaluate. The most recent State Gross Income data is from 1990. We are concerned that this provision also places the Department of the Treasury in a conflict of interest since it must both levy the specified revenue, and then calculate their measurements. Now, using either the SGI or the county averages to determine school district State aid entitlements is a new and untried approach. So what we're saying to you is that this really needs study; all the more reason why we're asking you to take your time on SGI. Let's do something in the interim, and then put that into that commission to examine and explore.

We're also concerned that the Public School Reform Act eliminates two important categories of State aid: Funding for compensatory and at risk. Now, while the law -- or the code -- says there shall be compensatory ed programs, the important thing is that there be a requirement that that line item should be maintained. We're asking that that be done until a commission can really look at it, and perhaps we can come up with a better idea.

One other thing -- and remember this is based on the concept that you will be looking at a bridge -- an interim formula. Any funding legislation for 1993-'94 should include a maintenance of effort provision to prevent significant reductions in the local tax effort. We believe that the money going into the schools should be spent on programs, and should not be pushed into local property tax reduction. We believe that's important for next year. Over the years, a lot of that was done and many of our school districts lost a lot of programs because there were-- Most of that money was pushed into property tax reduction. So we're asking you to consider that for 1992-'93.

Mr. Chairman, that concludes my remarks. I would ask that we look at Marilyn Morheuser's testimony on constitutionality and numbers, but I would certainly entertain any of your questions.

SENATOR EWING: Are there any questions? (no response)  
Marilyn?

MS. MORHEUSER: Mr. Chairman, members of the two Committees, good afternoon. I am Marilyn Morheuser, Executive Director of the Educational Law Center.

As noted by earlier speakers, the Educational Law Center has been integrally involved with the New Jersey Association for Public Schools in the formulation of the proposal for an interim one-year school financing plan, and we associate ourselves with this proposal.

We are heartened by this significant movement towards unity and away from the destructive racial and economic divisions over school financing, which have plagued the State for more than two years.

Today I wish to apprise Committee members of the serious constitutional flaws that I see in A-3, the bill before you. As you know, ELC represents 272,000 children in the special-needs districts in a constitutional challenge to the QEA. So I am not here to defend the QEA. I am here to advise you that in three significant ways the Public School Reform Act deviates even further from the constitutional mandate than does the QEA. On its face it so departs from the Supreme Court order, that should it be enacted into law, I would have no alternative but to return to Court. That is in an independent action from the one that we are now engaged in to seek an injunction to stop its implementation, because of the irreparable harm poor children would suffer under this bill.

This bill would forever deny special-needs districts funding for regular education, which is substantially equal to average per pupil funding in I and J districts, the measure of spending parity specifically mandated, not suggested -- by the Court. By changing the parity measure from I and J districts to H, I, and J districts, this bill would reduce the current Abbott parity goal by at least \$125 per pupil. As a result of this reduction, for example, a K-8 school enrolling 800 children in a special needs district -- and there are many such schools in the large urban districts -- would lose \$100,000, the cost of hiring three full-time kindergarten teachers as required, for example -- as prior speakers have noted -- in '93-'94 under the bill before you.

Secondly, the Supreme Court has specifically required that over and above assured funding parity for regular education, the State must assure additional aid which is adequate to provide special programs needed by disadvantaged

children. In the words of the Abbott Court, "The educational needs of poor urban children vastly exceed those of others."

Under the QEA, at-risk aid is targeted to this purpose. The bill before you, A-3, plays a shell game with at-risk aid. Now you see it, now you don't. Although it was held harmless for four years, it is no longer at-risk aid; that is, it is now considered part of funding for regular education, not funding for special programs needed by disadvantaged children. And the Court ordered two prongs of funding reform: parity in funding for regular education, and additional adequate funding for programs needed -- special programs needed by disadvantaged children.

Let me demonstrate a measure of the harm this second change imposes. This year, at-risk aid for special-needs districts totaled \$183 million. In the current Abbott trial, Dr. Elena Scambio testified that because of the long years of inadequate funding for poor children -- at least for several years -- substantially more at-risk aid, that is, more than \$183 million, is needed. Under A-3, the only additional, categorical type funding available for special-needs districts is -- that is, for the special programs for the children in those districts -- the base program aid of \$300 per child. This will go to these districts in '93-'94 only if their base program aid, plus their base equalized aid, represents an increase of no more than 2 percent over '92-'93. Thus, even assuming that all of the special-needs districts qualify to receive the full \$300 per child, they will receive a total of only \$81.6 million, less than half of the present inadequate at-risk aid they are receiving in '92-'93.

The best measure of the harm to poor children under these two deviations from the Abbott mandate, both the one on parity and the one on meeting special needs, is seen in the drop in increased State aid under A-3. To comply with the Constitution--

We're talking about nothing that's on the books now, because there is nothing constitutional on the books. To comply with the Constitution in the third year of the phase-in -- as that phase-in is established in the QEA -- special-needs districts should receive an increase of well over \$210 million in '93-'94 to ensure sufficient foundation aid and to increase at-risk aid.

You see, under the QEA as it is now structured, in order for these districts to be on track for parity in '95-'96, it has been established in the present trial that they'd have to get \$210 million. Now, they're not getting that under the QEA, just for parity. I've already made the point about the need for increased at-risk aid. Under the QEA, at-risk districts would have received an additional \$150 million as opposed to the \$210-plus million. Under A-3 they will receive an increase of only \$78 million, less than one-third of what the Constitution requires.

A third Supreme Court mandate is violated by A-3. The Court found minimum aid unconstitutional -- in no uncertain terms, unconstitutional -- and ordered that it be phased out. That is, if parity funding was phased in, minimum aid should be phased out. Under the QEA, transition aid, which for affluent districts represents primarily minimum aid, was to be phased out by '95-'96. A-3, by contrast, retains 75 percent of that aid frozen through '96-'97, and provides, depending on what these districts are -- what district factor group they're in -- \$100 or \$200 per child in base program aid seven years after the Supreme Court ordered that minimum aid be halted. Add to these violations the extension of the phase in to parity from five to seven years. This change seems to dismiss the Supreme Court's admonition that these children have already waited too long for a remedy.

One other issue remains under the Abbott decision which A-3, like the QEA, has not addressed. The Supreme Court ordered that funding must be certain every year, that it cannot

depend on local budgeting and taxing decisions. Through this order, it seems clear that the Court has banned as unconstitutional the local vote on special-needs districts' budgets which can reject a spending level the districts actually need in order to reach parity. Budgets were defeated in 12 special-needs districts this year, the spring of '92. I will be arguing this issue before the Supreme Court.

I submit that these Committees should seriously reexamine the propriety of the budget vote for all districts -- a vote now participated in by only about 5 percent of New Jersey voters. As I know you recognize, constitutional rights are absolute; they are not subject to erosion by the majority will. Yet last spring, we permitted a tiny number of voters to defeat budgets in almost one-third of our school districts. Certainly, we adults would never tolerate an annual vote on the exercise of our First Amendment right of free speech. I think I'm secure in asserting, for example, that neither Senator Ewing nor I would tolerate our hometowns limiting our free speech -- even for one year.

SENATOR EWING: Speak for yourself, Marilyn.

MS. MORHEUSER: I mean, think what the world would lose if Senator Ewing's speech rights were curtailed. (laughter) Yet, we subject public school children's constitutional rights to a thorough and efficient education to the jeopardy of voters' whims each year.

Finally, we have prepared the data you have looked at, and I've already gone through what these data are based on and the pattern that they represent.

You should know that under the NJAPS proposal the constitutional requirements are not met. However, that proposal for an interim year -- a one-year stopgap proposal -- is much better than the bill before you. This bill constitutes a flagrant rejection of the rule of law; a rejection of the very structure of the remedy ordered by the Supreme Court. It

would do irreparable harm to children in special-needs districts. I believe that the Court, as well as many New Jersey citizens, would reject such legislative action.

As you consider the bill before you, I urge you to listen to the following words of the Court, which as I travel around the State speaking to many diverse groups more and more people seem to be understanding. These are the words: "The fact is that a large part of our society is disintegrating, so large a part that it cannot help but affect the rest. Everyone's future is at stake, not the poor's. Certainly, the urban poor need more than education, but it is hard to believe that their isolation and society's divisions can be reversed without it."

In conclusion, I urge you to move toward healing society's divisions by rejecting the bill before you, and by moving toward the interim one-year NJAPS plan -- a future, well-thought-through funding formula which does justice to the educational needs of all New Jersey children.

Thank you. If you have any questions, I'd be happy to answer them. (applause)

SENATOR EWING: Thank you. No demonstrations. We all like Marilyn. She's very good vocally and she's been very kind to me today. She didn't say anything nasty, yet. (laughter)

MS. MORHEUSER: That's right. That's right. Thank you. And you've been very-- You've been especially on your good behavior, Senator.

SENATOR EWING: Can't be that good. (laughter)

Senator LaRossa?

SENATOR LaROSSA: Marilyn, if I may, only for my own edification, okay? I'm glad to have you here so I can ask you this, you know, directly and get it firsthand. With the original Abbott v. Burke decision, wasn't there a-- Was there a quantified number that was in the decision, in terms of what



the Court was looking for that the State should spend as a total number on an annualized basis for the special-needs districts? I'm only focusing on the special-needs districts.

MS. MORHEUSER: Yes. The Court looked at -- you should know -- 28 special-needs districts, giving leeway to the Legislature. Actually, the Court missed one; they should have named 29, consistent with their generic definition. But for those districts, they did their own numeric comparison. They looked at the disparity both on average per pupil and in total dollars for the school year '89-'90. The total disparity was \$440 million.

SENATOR LaROSSA: Now, was that for one year, or was that projected out?

MS. MORHEUSER: For one year. For one year, \$440 million. Now, you should know-- They actually gave a choice to the State. They said you can remedy this totally in one year, or you can phase in the remedy. And as spending goes up in I and J districts, then spending must go up in the special-needs districts. You should know what has happened since that time. The year following their decision, you all will remember, was a low State aid year. Remember '90-'91? I think it was 17 percent below the formula of total State aid. So that total disparity in one year increased to something like over \$600 million. The following year -- the first year of the QEA -- it went back to around \$500 million.

SENATOR LaROSSA: All right. If I may, just--

MS. MORHEUSER: That's a one-year thing, and the Court really gave a choice. They said do it in one year, or phase it in as you phase minimum aid out.

SENATOR LaROSSA: Okay. Forgive me, because I just want to understand the historical perspective on that.

MS. MORHEUSER: Right.

SENATOR LaROSSA: If it is phased in over 'X' number of years, then does-- Were they saying that the second year there was going to be another shortfall, or would the phase in

have created an equalization in the special-needs districts in the second year? In other words, it was \$440 million the first year.

MS. MORHEUSER: Right.

SENATOR LaROSSA: Would it have been \$440 million divided by four or five and then that percentage each year would have-- Would it reach the parity, or were they looking for \$440 million the first year, \$440 million the second year, \$440 million the third year? Which were they looking to do?

MS. MORHEUSER: No, they were looking to over-- When they talked about phase in, over a period of time to reduce whatever that difference happened to be at any one year. For instance, the method used in this bill, interestingly -- and I should have actually begun with a compliment-- If you were setting the target of parity correctly, and I believe you're not, the method for reducing disparity is a very good method. It's the one we recommended to the Legislature in September of 1990, a long time ago.

ASSEMBLYMAN ROCCO: Well, we're a little slow, Marilyn.

MS. MORHEUSER: Reducing it by a specific percentage, each year; that is, Senator, measuring the disparity-- Because you've got 30 different districts to look at and you have average spending in the I and J districts, you reduce it by a specific percentage.

SENATOR LaROSSA: Okay, but what I'm saying, and maybe I'm not articulating the question precisely-- What I'm trying to understand from the perspective of what caused, you know, the suit and what the decision says is: When there was a dollar amount that the Court attached to parity--

MS. MORHEUSER: All right. Right.

SENATOR LaROSSA: --we're realizing that they came up and said it's going to be 'X' number of dollars.

MS. MORHEUSER: Right.

SENATOR LaROSSA: All right, and that's this whole pool. Then you indicated that they could either get it all in one year, or it could be phased in over a series of years.

MS. MORHEUSER: Right.

SENATOR LaROSSA: Okay? Were they using-- Let's assume it was a five-year phase in. Did it require the second year to have another pool of money over and above the first pool, or was that initial pool all they were looking at for a phase in? That's what I've been confused on.

MS. MORHEUSER: Okay. Oh, all right. I'll tell you.

SENATOR LaROSSA: That's where I've been confused since the beginning on this issue.

MS. MORHEUSER: Sure. And you should know--

SENATOR LaROSSA: Do you understand what I'm asking?

MS. MORHEUSER: --that this has been a very critical question -- what phase in means in the litigation we're in. Okay?

This is my understanding of it. The pool of money starts at a certain level. It can change if, let's say, spending rises dramatically in the I and J districts. You see, the next year, although 20 percent -- that is about one-fifth -- may have been chunked off the original \$440 million, what's left -- that is, of \$300-some million -- could go up if there's a big rise in spending.

SENATOR LaROSSA: Okay.

MS. MORHEUSER: But that's my understanding of phase in. I think this bill does it exactly the right way by looking each year at what the disparity is; that is, between each district and average per pupil spending for regular education -- if only you'd define spending for regular education correctly, right? -- and reducing it by a specific percent.

SENATOR LaROSSA: Okay. If I could rephrase it in my own words, okay?

MS. MORHEUSER: Sure.

SENATOR LaROSSA: If I may. Realizing that the I and Js may spend at a level -- and I know that it says you have to spend to the level of I and Js, okay, but for the sake of argument just to keep it simplistic -- the I and J level remains constant for five years.

MS. MORHEUSER: Right.

SENATOR LaROSSA: I mean, just for the sake of argument.

MS. MORHEUSER: Right.

SENATOR LaROSSA: The Supreme Court says you need "X" number of dollars to achieve parity.

MS. MORHEUSER: In this particular year, they said.

SENATOR LaROSSA: Okay, in this particular year.

MS. MORHEUSER: Then they ordered that there be parity in spending for regular education with the I and J districts, and as that spending goes up, the spending in the poor districts must go up.

SENATOR LaROSSA: Understood.

MS. MORHEUSER: Okay.

SENATOR LaROSSA: But the only part of it that I'm still unclear of is, did that initial dollar amount that the Supreme Court set out as what the total pool was, to achieve parity-- Did that total bucket of money increase the next year, or was it only like a small percent? Did the number change? In other words, if you had \$400 million the first year, was the second year another total amount of money, or was it an increase on top of the \$440?

MS. MORHEUSER: Oh, no. It was another total amount of money. Instead of \$400 million, it was around \$600 million. Because spending was so low from the State's level, poorer districts didn't go up as fast as richer ones, so the distance increased.

SENATOR LaROSSA: So it wasn't 440 plus 160; it was 440 plus 600.

MS. MORHEUSER: That's right.

SENATOR LaROSSA: That's what I--

MS. MORHEUSER: Well, no. It was 440 one year; 600 the next year. You don't add them. They're not incremental. Each year you look at a total disparity.

SENATOR LaROSSA: Okay. But the biggest closing of the gap, if you will, could have been either the first year with a phase in-- And possibly each year on a phase in the total amount of money may have increased. Okay?

UNIDENTIFIED MEMBER IN AUDIENCE: It would have been indexed.

MS. MORHEUSER: Yes, that's right. It would have been indexed. Yes. And this bill does it very nicely.

ASSEMBLYMAN ROCCO: Assemblyman Martin.

ASSEMBLYMAN MARTIN: Marilyn, just one question. You make reference-- I'm just trying to understand the significance of your statement on page one, where you-- I'm reading at the end of one of the sentences in the middle paragraph. It says, "The PSRA deviates even further from the constitutional mandate than does the QEA. On its face it so departs from the Supreme Court order that, should it be enacted into law--" And you indicate that you would go back into Court. The proposal that we're looking at here -- not yours, but rather the Public School Reform Act -- as Assemblyman Rocco talked about, increases funding by \$78 million to the special-needs districts, \$22 million to foundation districts, and \$1 million to the others.

You know, just from my own background, my district in Morris, Essex, and Passaic, even under the Rocco Public School Reform Act legislation, only four of my districts would receive any increase. They're almost all essentially flat, so we're not making out like bandits. Although, under your formula we're one of the more affluent districts. Here's my question: It seems to me there's a closing on the fact that there's \$78 million going to the special needs, \$22 million going to

foundation, and only \$1 million to affluent districts. Isn't the gap being closed? It may not be being closed as fast as you would have it or as you understood the Supreme Court to be saying in Abbott v. Burke, but I don't understand where you say that the gap is widening. Maybe you could expand on it?

MS. MORHEUSER: Well, the gap is widening as one looks at what a phase in means. A phase in to parity should be orderly, and I've checked many dictionaries for a definition of phase in. It literally goes orderly step by orderly step, like, for instance, the same percentage each year. Now, we're going backwards to work toward parity this year, because the truth of the matter is, we've let a lot of time pass.

ASSEMBLYMAN MARTIN: But isn't it true that under this proposal of Assemblyman Rocco and Senator Ewing, the gap is closing? It's just simply going too slow in your estimation? The phase in--

MS. MORHEUSER: Well, it might. Let's say using this bill, if you just look at parity under I and J-- I should tell you this: If you change that, took out the H and just looked at parity, this bill could do it. This bill could do it in seven years. I don't think that would be satisfactory to the Court.

The problem is, this bill erases the second prong of the mandated funding. You see, there's no money there, not nearly enough money to deal with what the Court said, that the State must assure adequate funding to provide special programs needed by disadvantaged children. The only testimony, and it is irrefutable in this case-- In fact, the State's witness agreed with this testimony that the many programs required -- and research shows they're required. We don't need several years of study to determine this. The Court devotes about five pages to such programs. It is far more costly than at-risk aid. At-risk aid is gone. Zip. That's \$183 million. It is

no longer there for at-risk aid. There's a paltry 300 per child if the districts get that, and it's not sure they do under this bill.

ASSEMBLYMAN MARTIN: My problem with your proposal, at least with some of our towns; for example, the Chathams, which are recognized as having one of the best school districts in the State-- They're going to lose 7 percent of the money which they had received this year. When you add that onto inflation, West Caldwell loses over 10 percent. To ask those districts to take that kind of a hit, knowing that we're going to have a \$450 million increase in school funding, is indeed extremely difficult.

MS. MORHEUSER: Now, you're thinking of parity in terms of total State aid, aren't you? That isn't how parity is measured when you're talking about the special-needs districts. You measure parity by spending for regular education, and at-risk is now dumped into that. You understand that difference?

ASSEMBLYMAN MARTIN: I understand.

MS. MORHEUSER: You should know that Chatham is one of the districts I began meeting with last spring. Their Board members, as well as their administrators, understand with all the caveats that Dee added in her testimony to the specifics of the proposal we're making, that for one year they would have to absorb a cut. I must tell you, Assemblyman Martin, I would never agree to a long-range plan that would cut Chatham. That would be like cutting the throat of the children I represent. The Court said these districts offer fine education, and this is what we want for poor children.

It was representatives of districts like Chatham that convinced the Court in the first trial of Abbott what these poor children need. I want them to get more money. For one year, they're saying with the additional proposals we're making concerning the budget, concerning the cap and so on, they can

tolerate this. I would never agree to-- And I think that's one of the terrible problems. I agree with Chairman Rocco. That's one of the terrible problems under QEA, with many districts that are having to do what for so many years the poor districts did -- do without programs. That's not what we owe our children in New Jersey, and that's one reason I'm challenging the QEA. It's not the legal basis, but it is the moral basis. It is not a formula that is good for this State.

ASSEMBLYMAN ROCCO: Marilyn, did the Abbott v. Burke decision also indicate that the phase in would be predicated upon the economic condition of the State?

MS. MORHEUSER: Well, what the Court said-- Actually they--

ASSEMBLYMAN ROCCO: I mean some paraphrasing--

MS. MORHEUSER: Yes. What they did was deal first with the one-year thing that Senator LaRossa asked me about, the \$440 million. They said this may well impose an economic burden, which is why they then said the State may phase it in. That's the only language I recall that adverted to economic conditions in the State. But I should tell you, Dr. Rocco, that's one reason I'm at this table. We all recognize this is a difficult year. It's a little unusual, as you perhaps recognize, for me to be here with this company. Right? (laughter)

ASSEMBLYMAN ROCCO: Very unusual, yes, Marilyn.

MS. MORHEUSER: Right. But we agree it's a difficult year. That's why we're asking you seriously to consider just the one-year stopgap, rather than going ahead in a tough economic year with a multiyear program that we really don't know much about, as Professor Reock said.

ASSEMBLYMAN ROCCO: I guess, you know, nobody disagrees with the premise. You're all here dedicating your time and service for all the children of the State of New



Jersey. We want all districts to do well, and all children to do well. I mean, there's no doubt in my mind that anyone on this Committee feels any differently than that.

It's as Assemblyman Martin indicated: With 'X' number of dollars, how do you give the special districts as much as possible? How do you make certain that districts do not lose programs, or children are not harmed in those districts? At least-- Maybe you don't give them an increase and they're damaged by the fact that the cost of living has to be absorbed in negotiated contracts. Maybe 6 percent or 7 percent has to be absorbed. Fred Nickles has that problem as Superintendent. He has to do all of this within a closed number of dollars.

So you have to reach parity, and this provides three out of every four dollars into the special-needs districts. The base aid is there for the at-risk programs or for whatever the base aid is for that purpose. So it seems to me that when we project for '97-'98, we are projecting parity at that point, yet not destroying the existing districts.

I guess that's the issue that comes up time and time again. How could we do it so that districts are at least going to get what they got in the previous year, but the additional money that goes into the coffers would go into the special-needs districts? And that's the rationale -- a simple rationale -- behind our proposal; that you close the gap by putting all new money into the special-needs districts.

MS. MORHEUSER: I guess the best way -- and once more I'm speaking from the constitutional basis and from what I believe the basis of the Court's reasoning was-- I think you have to look at the condition now in the special-needs districts as it really is. Dr. Scambio said, "After a good number of years when a lot of children have gotten not just preschool" -- certainly she advised that -- "not just full-day kindergarten" -- certainly she advised that -- "counseling, in

poor districts from kindergarten on." So those children learn the strong relationship between the world of learning and the world of work, alternative programs--

ASSEMBLYMAN ROCCO: It's in our bill, Marilyn.

MS. MORHEUSER: That's right.

SENATOR EWING: But, Marilyn, let me interrupt a minute. I was just up with Elena the other day, and there are more things than that. You know yourself, the school--

MS. MORHEUSER: Oh, I'm going--

SENATOR EWING: Just a minute, please. There are more things than what you're talking about. It's what the individual gives, and what Elena has given to that school district and those teachers -- the interest in the child. She has a closed lunch program in the schools so no child leaves, so a lot of them are not going home and then not coming back in the afternoon. They're not, at least, seeing the drug dealers at lunchtime. Efforts like that-- And it's up to these individuals, the principals and the superintendents, to start things like that. That's what's going to change these schools. Certainly she needs money, and we want to see that they get additional funds.

But there's not a bottomless pit here. There are one hell of a lot of other priorities out there for these children who are aged 35 and 40 years old, whose parents have been taking care of them. They've been incontinent since birth, and we do not have the room for over 4000 of those to put them into a group home. It's just one thing after another. Certainly, what we're doing in education is going to help those children. They've got to be helped. I've always said we've got to give additional funds to those special-needs districts, and we've got to change the special-needs districts because some should be in it, and some should be out of it. You know that yourself. So it also comes from the individuals working in those districts.

MS. MORHEUSER: If I may respond?

SENATOR EWING: Yes.

MS. MORHEUSER: What I was articulating, when you interrupted, Senator, was what Dr. Scambio said under sworn testimony.

SENATOR EWING: I know.

MS. MORHEUSER: She was talking about programs that are needed now at much higher grade levels because there had been insufficient funds for so many years to do the Good Start kind of programs. She said the present \$1100 per at-risk child -- and in her district that's about 70 percent of all the children, in Newark it's 75 percent, in Camden it's 75 percent of all the children -- just isn't enough. It just is not enough to give those children what will work to bring them up to a level playing field. When they also, through parity, get the chances that other children have in better funded districts -- and those districts have been better funded for many years -- they'll be able to take advantage of them and will leave truly ready to compete; truly ready to function as citizens; truly ready to spend their lives as all of us know we must, learning and growing.

SENATOR EWING: Senator Kyrillos.

SENATOR KYRILLOS: Thank you, Chairman Ewing.

Welcome, everybody. Congratulations on this very unique consortium. (laughter) I was quite surprised when you all came up.

A couple of times you've alluded to the fact that this is just a one-year fix, and therefore, maybe a temporary alliance. Is that the thinking on the part of most of the folks here?

MS. MORHEUSER: Oh, no. Oh, no. No, the alliance is probably even firmer on the long-range work that we know is before us; that is, on a formal approach to truly learning alternatives to funding education, and to making the kinds of

decisions based on children's needs in New Jersey that will give us a fair and constitutional long-range funding formula. That was actually one of the things that got us started meeting together.

SENATOR KYRILLOS: That's good. That's very good. You've alluded to the fact that next time around maybe economic conditions will improve as we look to a long-term approach. You've said to Assemblyman Martin that we want to ask Chatham to take a one-year hit, but that certainly isn't something we want for the long haul.

MS. MORHEUSER: That's right.

SENATOR KYRILLOS: How can we reconcile upcoming economic conditions -- things aren't going to improve that much, if they improve at all -- to fashion a plan that each of you could sign onto, that doesn't inordinately hurt towns like Chatham, for example? It seems like wishful thinking.

MS. MORHEUSER: Well, first of all, I did read just yesterday that income tax revenues are above expectations, so I'm refusing to be pessimistic about everything. And also, as measured against the 6 percent tax, sales revenues are above expectations. I should tell you I'm trying to get the Board of the Educational Law Center to increase my salary so that I could pay more taxes. (laughter) We're actually trying to do that with all members of the Coalition.

SENATOR EWING: You're typical of all the lawyers. They want more. (laughter)

MS. MORHEUSER: That's right, we are the grabby bunch. You know that, Senator Ewing.

But let me tell you a fact of life that I think we all need to kind of consider. You know, first of all, that for many years the bulk of New Jersey funding for education has come from local districts, not from the State; about 60 percent from local districts, about 40 percent from the State. Now, we always brag about what high spenders we are; first in the

nation, right? How much more money do you want us to spend? We're first in the nation. Well, that 60 percent and 40 percent combined places us 40th in the nation if we measure it against our income. Each year there's an index, a ranking of states that shows how many dollars they spend for education out of every \$1000 of income. The most recent data show we rank 40th. That is not a lot to be proud of. Many states that are a lot poorer than we are spend more per their income than we do.

So I think we may be looking at higher spending for the future. Absolutely. We hope that when we come up with a plan, it won't be an election year. (laughter) And then we hope we'll be able to put on a lot of educational TV to help you convince the State that this investment is worth it for our children. We have great ideas for how to do this. Just give us a chance.

SENATOR EWING: Any other questions?

SENATOR KYRILLOS: Just quickly, Mr. Chairman.

We've got -- as I know you recognize better than most of us up here -- perhaps, a lot of other social problems in the State that--

MS. MORHEUSER: I know.

SENATOR KYRILLOS: Other states that don't have the tough urban problems that we have -- the social costs, the crime in cities, auto theft, and whatnot -- don't have to compete with-- You know, even though they may be poor, they're not as congested or as urbanized. So we've got to remember that when we talk about spending as it relates to income.

MS. MORHEUSER: I know that. I know that you're absolutely right. Some of them would say, "Well we have more transportation. We're the wide open states."

SENATOR KYRILLOS: So what I think you're hoping for, and I guess we are, too, is that the economy is going to improve. It may, in fact, do that, and allow us to fashion a long-term proposal that's a bit easier.

MS. MORHEUSER: Right.

SENATOR KYRILLOS: And that's what it comes down to.

MS. MORHEUSER: That's right, Senator.

SENATOR EWING: Any other questions? (no response)

Thank you very much.

DR. BOOSE: Thank you, Senator.

MS. MORHEUSER: Thank you.

MS. CORONA: Thank you.

SENATOR EWING: James Marino.

Bob Boose, I might add that we're going to be sitting down with the OLS staff on Wednesday morning to go over all the recommendations that are coming out at this meeting today, and also the meeting we have in Toms River.

DR. BOOSE: Thank you, Senator.

SENATOR EWING: Yes, Mr. Marino.

J A M E S M A R I N O: Thank you, Senator. I want to compliment you legislators on your apparent openness, your willingness to listen, and your recognition of the value of early childhood education. To save time, I'm not going to comment about what Ernie Reock and Judith Cambria--

SENATOR EWING: Excuse me just a minute.

Would you hold your conversations outside of the room here, please? Other people are testifying. Show a little courtesy, please. (addressing members of audience)

MR. MARINO: I am not going to comment, although I agree with Ernie Reock, Judith Cambria, and the others who have stated that to go beyond solving this one year's problems without thorough study would be a mistake.

John Rocco's out of the room, but he could tell you that although I am the Vice President of NJSBA for finance, and I'm an 18-year member of the Cherry Hill Board of Education, I am an independent spirit. Anybody that forgets that is in trouble.

I'm wondering why, for the long-range, we have to continue to go along with an antiquated, archaic, failed system of funding districts which works to fund not the children's needs, but to fund, in effect, a bureaucracy that can very well waste money? Why not fund students as individuals through their districts, but as individuals setting a base funding level for all students statewide, and then adding carefully researched factors to address the special needs of identified special needs children -- those in the categories that we've established, those at-risk, those other problems that we may have across the State?

If we continue funding in the method that we have been funding over the years, we're just looking for another series of these meetings, another series of problems, another series of court cases. And I believe that if you would fund the individual student to the level that it takes to provide a thorough and efficient education, you would meet all of the requirements of the Supreme Court. You'd meet all of the needs of the individual districts, and we would avoid all of this turmoil that goes on year, after year, after year.

I walked into my Board of Education when it was in turmoil because of the 1975 Court decision. Now, you're going to say, "Well, that's easy advice." And, "Go ahead," and you know, let you go ahead and do the funding. Well, I don't back away from challenges like that.

We already have the mechanisms in place to take care of the necessary funding for this State. We have a real estate tax base in place. If we equalize the tax base across the State and applied the same figure to every district, then every district would be providing their fair share for the education of our children across the State. That would never provide enough money to fund education. But if we then went to something else that's already in place, the personal income tax, and made it a truly graduated income tax, then the extra

money needed by the individual districts to bring the funding up to the level that has been set as adequate for thorough and efficient would be found in the income coming from that income tax. It's that simple.

SENATOR EWING: Do you have it proposed there?

MR. MARINO: I have it here, Jack.

SENATOR EWING: Well, if you'd give us a copy we--

MR. MARINO: You and I have talked about this before.

SENATOR EWING: I know. Well, give it to us, so we'll have it here.

MR. MARINO: All right. I've addressed your problems in here.

SENATOR EWING: Good.

MR. MARINO: Okay?

SENATOR EWING: Thank you.

MR. MARINO: Thank you for letting me come. Any questions? (no response)

SENATOR EWING: Thank you very much, and give us a copy of that, please.

Patricia Bradford?

P A T R I C I A B R A D F O R D: Good afternoon, Senator Ewing, all the members of the Senate. My name is Patricia Bradford, and I'm from Newark, New Jersey. I'm a parent advocate, a parent activist. I'm also a grandparent of children who now attend Newark public schools. I have to tell you that I've been watching this chaotic battle over the years, and I want to translate to you some of the things that you stated today of what we could do without.

We did implement a few more all-day and prekindergarten classes. However, we already took away from music and art. We're going to have an art center there in Newark, and we have children already in Newark who don't even get music or art. We've had our teen pregnancy program wiped out. We've had the New Jersey Institute that goes to Arts High



connected; that's been wiped out. They were talking about taking away adult evening education. I'm not hearing anything about what we're adding to the City of Newark public education. The only thing I continue to watch, and I continue to not know what we can do anything about, is the fact that we continue to cut programs that directly affect children.

Now, we've heard about parity to be reached in five years from the time QEA first began. Now that is being extended along with-- I understand the same Dr. Scambio is asking for an extension on takeover legislation because they need more time. We don't have much more time to work things out when we're in a district that is threatened with takeover by this State Department, because we are inadequately providing education for children.

The other side of the coin is the fact that I've understood that taxpayers, already overburdened, should not have to bear that burden again. And I'm confused as a parent, because I'm a parent and a taxpayer owning my own property. Any time that you have a property tax that jumps up \$170 per month on people-- And that's what we've experienced over the last-- Two years ago, \$150 a month; last year, \$170 a month increase on a two-family home where the income between my husband and me has never reached what you would call middle income. I heard middle income as a figure somewhere around \$40,000. Most of us who are living in Newark, who need this education for our children, we're nowhere near that type of income.

So I'm still hearing the Court say one thing, and I'm watching the State do another, which is still not bringing us equity in education, equity in taxes, or equity in programs for our children. The only thing that I've heard in this whole hearing which makes me feel a little bit better is, take away the voters' right to say yes or no on what the budget amount should be. However, we're still fearful of that, because we

know sometimes our legislators do get into extra spending. But I haven't been able, as a person watching this system very closely, to monitor it effectively enough to understand whether we're getting something or if we're getting nothing. In most cases when I look, I'm here to tell you today, I see that we do increase salaries for a lot of people, but I am watching the fact that a lot of people are also being put out. That's the cafeteria workers who are supposed to feed the kids, where we're talking about how they never get a meal -- the only meal they get-- But the people who are cut out of working every day for our children are the ones who give meaningful services.

So I'm not really in agreement with some of the aspects that New Jersey PTA, the NJAPS, and all of those people-- I'm still not in favor of some of the areas in this where it's going to be provided from the State. But I also understand that when we're talking about the I and J districts, people who already have had -- over the years they've had-- They're not backing off any by getting less. We're not asking them to get less, but we're asking you to find a formula that's going to be adequate in terms of feasibly funding programs.

I'm not saying to sit down now and accuse people of stealing any longer. We have a Monitor General who's been in the City of Newark for 20 years. We haven't been able to find anyone but maybe a custodian somewhere taking some garbage bags or something. That's accountable for when you're talking about a district that has over 7000 employees. But to sit down and actually say, when the Court says that we've not been getting the funds--

I'm trying to understand why I should pay a \$23 tax per \$100 for a lot, when someone else who is in an I and J district doesn't pay \$12.97 tax, and they own acres of land. When we turn around and look at Newark, if they do anything that looks like it's wrong, the State is right there to say,

"Give us back this \$33,000," or "Give us back that--" If we find that those I and J districts do anything wrong, I haven't seen anything to tell them to give back.

So I'm trying to understand today-- I'm hoping that whatever this legislation works out to be, it really is equitable, and one day our children will reach the parity and have the programs that we're supposed to have in the City of Newark, Paterson, and all of the other districts that fall into the same category.

One thing I could suggest. You know, board members volunteer. Maybe all of our elected officials need to stay and do whatever their line of profession is, give the dollars back that are accounted for in their salaries, and volunteer for us in the community, being loyal to carry out the State mandates. I think we'd probably find some change in the attitudes of: First, who would want to be here to represent us; and secondly, if they want to represent us according to what's going to be best for our districts.

Thank you.

SENATOR EWING: I have a question to ask you, Ms. Bradford. When they cut out the art, did they add anything? Or, why did they cut out art?

MS. BRADFORD: Well, first of all, they're always confused about what amount of dollars we're going to get. So we sit down and we put together various plans that are going to increase pre-K and kindergarten programs, and like you said, a Good Start and all of those. But I sat down and watched the budget hearings, watched how many other programs had been taken away. We were all there at our local School Board meetings fighting each other, just to try to maintain the level of minimal programs that we have.

So it's not saying we're increasing anything. What we're doing is giving in one hand and taking away out of the back of it.

SENATOR EWING: Well, that's up to the Board as to what they're doing with the money.

MS. BRADFORD: Yes. Well, like I said--

SENATOR EWING: What was their last salary contract that they signed in Newark?

MS. BRADFORD: Are you talking about for the Executive Superintendent?

SENATOR EWING: No, no. I'm talking about for the teachers.

MS. BRADFORD: I haven't got those figures of what the teachers are being given, but the only explanation I continue to hear about that is they're trying to make their's equal, as according to the I and J districts and how the income of those teachers are paid. I understand that their salaries are increased also, but making more than the urban district staff members are getting.

SENATOR EWING: That part I do not know.

MS. BRADFORD: Plus, with lesser classroom sizes.

SENATOR EWING: Oh, yes.

MS. BRADFORD: So they're showing again that that's not parity, even in the level of teaching. And then again, if you have a classroom size of elementary children that's running you over 30 kids, then you know for a fact that teacher is doing double work for half the pay. And so again, we're sitting down trying to figure out just how we're going to move; that eventually the programs in our school district will not be cut; that whatever it is that we put in, we will not be taking away from some of those things that we know were working.

SENATOR EWING: But we need people like Elena Scambio in a lot of these districts. What she's done in Jersey City has been tremendous, and it's really helping the children tremendously.

MS. BRADFORD: Well, what you alluded to that Elena Scambio is doing, such as a closed lunch program, we did that in Newark 10 years ago.

SENATOR EWING: You have it all--

MS. BRADFORD: We've been having closed lunch programs since Columbus Sally (phonetic spelling) served--

SENATOR EWING: In every school?

MS. BRADFORD: In every school.

SENATOR EWING: I'm glad to hear that. That's wonderful.

MS. BRADFORD: Sure. Ten years. What she said to-- I spoke with--

SENATOR EWING: Do any of the children have to pay for the lunch?

MS. BRADFORD: Some of our children must pay.

SENATOR EWING: Well, you see, she's worked it out so none of them pay. Period.

MS. BRADFORD: Well, we know that in a lot of cases many of them should not be paying either, but the paperwork is inadequate and a lot of times the students--

SENATOR EWING: Yes, but she's been able to work out a system whereby nobody pays for lunch. Period. So how she's done it, I don't know.

The other thing you were talking about, the takeover-- The takeover bill did not say that at the end of five years it automatically stops, whatsoever. I know that impression is out there. It can be reviewed at that time, but there's no definite cutoff whatsoever. The takeover can last for six or seven years, and we feel now, in the little bit we've learned of it, that maybe it is going to take longer than five years. Maybe we should be changing it so it is definite that it doesn't review for, say, seven years. I don't know. But there's nothing that says it stops after five years.

MS. BRADFORD: No, but at the hearings -- and I went to many of the various hearings when Dr. Cooperman was the Commissioner -- they stated clearly that within five years it was supposed to have been turned back over to local control for

the people of that district to determine whether they wanted a Type 1 or Type 2 system. So that was the impression that was given. Okay?

SENATOR EWING: The impression, but it's not in the legislation. I'm sorry.

MS. BRADFORD: Exactly, but that was the interpretation of the legislation when those same people, Dr. Scambio and Dr. Cooperman, came to George Washington Carver School. They shared with the public at large that this was the intention, that the Board would be dismissed -- a Board appointed would be occurring from the State and whatever -- and that within a five-year period it would be determined whether it would go back to a Type 1 or local. But they didn't say that at the end of five years we would be again questioning if we needed to extend the legislation.

So like I said, just as she needs extended time to be able to work these things out, if your setting that as a precedent for her, then everybody else who's got these districts that are having problems -- that don't have the money and need to be able to work out programs, they, too, should be given that kind of time. I mean, it sounds like a double standard. If the State is not meeting what they said that they should be capable of meeting, then why are you saying that they are okay to go ahead and extend their time even longer? I thought from what they shared, that was the State that came to us and gave us that information. They gave us the impression that the five years we're going to be able to find out and map out just what we're doing.

But I sat down and I spoke with Dr. Graber (phonetic spelling) from Jersey City. The programs that he stated he implemented, so have we. There has been no difference. They've come in not reinventing the wheel, but have come in putting into place some of the things and initiatives that already are in place.

SENATOR EWING: Well, it will depend on what they find out in what they're doing right now. Maybe they won't take Newark over. I don't know. But if Jersey City--

MS. BRADFORD: Well, I'm not so concerned about that part either. I feel that in the event that it was necessary, then you've already done that. You've made the legislation, and you would take advantage of what is your authority. But I would like also for your authority to give us the dollars that we need in order to increase programs and not take away from the children.

I'm not concerned about fighting for whose job is the Superintendent. I'm concerned that whenever whomever makes whatever plan it is-- If it's the dollars that we're talking about, let them at least be adequate so that we are adding more to our children, more experiences, more time on task. Just like the science program. We compared Montville to the City of Newark's West Side High School. They had computers and everything. You're talking about the technology. We definitely had been lacking a lab, let alone the technology.

So what we're saying is, once we get furniture in to clear up that part, then do we get the technology part in? Our teachers have complained. They go to their home districts where they live. They say, "My kids are getting stuff that I can't teach and give these children here." So that's what I'm concerned about; that we get the increase of dollars to go along with these plans and you tell us how we're going to implement them without there being that overburdened taxpayer, which I'm sitting here saying to you that I am exactly now -- overburdened.

SENATOR EWING: Thank you.

Are there any questions? (no response) Thank you very much.

MS. BRADFORD: Thank you.

SENATOR EWING: Mark Smith?

M A R K C. S M I T H, Ed.D.: Good afternoon. I'd like to thank those of you who are still here. My name is Mark Smith, and I'm speaking today as President of the Garden State Coalition of Schools, and as Superintendent of Schools in Westfield, New Jersey.

The Garden State Coalition of Schools is a formal organization of 82 school districts. Many of our member districts are the districts who stand to lose under the NJAPS compromise proposal which was described a few minutes ago. Many of our member districts are the districts that have been named by members of this panel -- Mr. Martin, particularly, who's no longer here. Each district in the Coalition is represented by both the superintendent and the board president, and the President of the Westfield Board, Susan Pepper, is here with me this afternoon.

The Garden State Coalition was formed by school districts committed to the dual and interrelated goals of quality and equity in public education. Our concern, as a group, has focused on the need to improve the quality of education in all districts and not to seek equity by leveling down successful programs.

A copy of our Statement of Purpose and a list of our member districts are attached to my testimony.

I want to thank the Committees for the opportunity to speak today, and I also want to express the Coalition's appreciation for the open process that Senator Ewing and members of the Assembly and Senate Committees have followed in preparing this legislation. We appreciate the multiple opportunities for input and the fact that suggestions from our organization and member districts have been incorporated into the version of the Public School Reform Act of 1992 which is before us today.

The schedule of four public meetings moreover, on this bill, is evidence of your willingness to receive more input



and, I hope, evidence of your willingness to consider some changes before action is taken to adopt new legislation in this area.

We also recognize and want to express appreciation for the efforts that have been made by legislators from both parties in New Jersey to sustain and improve the funding of public education during difficult economic times. Those of us who have professional acquaintances in other states realize that the work in New Jersey at the State level has been significant in avoiding what has beset education in many other districts, particularly those in the northeast.

The Garden State Coalition has joined with urban districts, foundation districts, the Educational Law Center, and all major education groups in New Jersey to develop a one-year compromise funding plan for 1993-1994 and a process for generating a more permanent formula. We support that compromise plan as offering the best hope for a short- and long-term answer to the challenge of developing a school funding plan which furthers the interrelated goals of equity and excellence. We hope that your deliberations will include examination of that plan, and that that plan was presented to you by NJAPS.

I recognize, however, that the purpose today is to discuss the Public School Reform Act of 1992, and I'd like to talk about some of those provisions as they pertain to our districts. The Garden State Coalition has six initial priorities for legislation on school funding. Those are spelled out in my testimony in the paper. I won't repeat the six here. You can read them.

The Public School Reform Act addresses some of our concerns and falls short on others. First, and perhaps most significantly, we concur with representatives of urban districts that the Public School Reform Act of 1992 does not adequately address the court-directed goal of fiscal equity

among school districts in New Jersey. It is in the self-interest of all school districts in New Jersey that more substantial and timely steps be taken to provide our urban communities with resources necessary to address clear, established educational inequities.

The Act's focus on program equity and the relationship between family and socioeconomic issues and educational success are very promising. Both, however, are sweeping changes and deserve further discussion before being written into law. The concept of program equity, in particular, requires more deliberation than the schedule for adoption of this legislation provides.

The Coalition strongly supports the provision to return the State's share of pensions and Social Security payments to the State for the reasons that have been stated by previous speakers.

We also support strongly the flexibility provided for the cap in 1993-1994. That's a target goal of our organization. That flexibility, however, needs to be permanent. The formula used in the Act for the years after '93-'94, we think, is overly restrictive, particularly for districts with high fixed costs and/or rapidly increasing enrollments.

We question the use of a four-year average if enrollment increases are to be a factor in the cap formula. Many districts are facing sharp increases in elementary enrollments and the related increased costs. Earlier this month, the Westfield Board of Education voted to add four new classrooms to one of its elementary schools, reflecting the fact that our elementary enrollment is increasing slightly under 100 pupils a year, and will continue to increase over the next decade.

The Coalition believes that income is the best measure for the ability to pay for education at the local level. We urge that an income measure be included in the formula for

determining local wealth. We recognize that's a difficult task, but we think that task needs to be thought about, or wrestled with, because we believe that the ability to pay is very much measured by income, along with property wealth.

SENATOR EWING: Mark, could I interrupt for a minute?

DR. SMITH: Yes.

SENATOR EWING: How would you get the income data?

DR. SMITH: I don't have an answer for how we'd get the income data.

SENATOR EWING: We don't have it either.

DR. SMITH: I understand that the current income tax provision does not adequately provide for that, but there should be a way to provide an analysis of income that should provide that data. I'd be happy to sit down with people, more expert than I in the field, to try to wrestle with that.

SENATOR EWING: Well, on our State income tax there's a box that you fill in with a code number. I haven't talked to Leslie this year, but-- I mean, recently -- last year, not the returns they're working on now -- only 40 percent of the people put down their code. So how can you--

You can't use zip codes. Previously they've been going on the Federal data, which is, I think, back to '89 or something and was done by zip codes. I mean, I think that would be very interesting and certainly worthwhile, but how are you going to do it?

DR. SMITH: It's hard for me to believe that there aren't people more expert than you or I who would be able to develop adequate procedures for developing that data. As a matter of principle, we think it's important that that data be incorporated.

ASSEMBLYMAN NICKLES: I agree it's important, but my district has 4400 students. We have seven different zip codes, and we do not have a post office of our own. About 40 percent of our district has a Pleasantville zip, which is a part of the

special 30 school districts. We feel that we're losing money. The municipality has a Linwood zip code, which is an affluent, all white area. I fought with the Department of Ed for two years because we believe we're losing money and Pleasantville's getting our money. So the zip codes are a real problem.

DR. SMITH: I understand the problem. I mean, I've talked with the Senator before. I appreciate that. I have not made any effort to talk with professors of sociology or economics about various ways of ascertaining that data. If we could get it I think, I continue to believe -- and it's the position of the Coalition of Garden State Schools -- that's an important piece in the puzzle.

SENATOR EWING: Mark, you might, with your Coalition -- you know, when you have your other discussion -- see if some of them can come up with some ideas. I know within their community they might come up with some suggestions, because I think it would be very worthwhile.

DR. SMITH: Good suggestion.

SENATOR EWING: I'm sorry. Go ahead.

DR. SMITH: The reform of the local election law to bring the school budget process into line with all other New Jersey governmental processes is overdue. We think that should be included in the funding plan. We understand that separate legislation is being considered to forward the idea, and we would support that.

The establishment of the Education Reform Commission and the Technology Task Force are both positive ideas, and we hope that they will be included in whatever final form this Act takes.

We also welcome and strongly support the establishment of a process for local boards of education to seek waivers of State laws and regulations. This is a long overdue reform in New Jersey. I think that's one provision in the law that I haven't heard anyone else speak to today, but we were glad to see it and hope that it continues.

The Act includes two substantial new mandates for special-needs districts. One involves preschool, kindergarten, and before- and after-school child care; the second established Community Alliance for Reform of Education. Both have been talked about this afternoon; both have considerable merit. The coordinator for the CARE program is funded, we notice, in the bill, and we continue to encourage legislators, when establishing new State mandates, to do so whenever possible with State support.

The preschool and kindergarten mandate could not be enacted in my district without diverting substantial dollars from existing successful programs. So I would have a problem with that in my district, and I would imagine unless there's some help, special-needs districts would also.

In conclusion, the Garden State Coalition supports the one-year compromise plan for '93-'94 proposed by NJAPS, the Educational Law Center, and representatives of urban foundation and transition districts. We hope that these two Committees will give that plan serious consideration.

The compromise plan will result in less money for Westfield -- approximately \$350,000 -- and for many Coalition member districts. We believe, however, that the self-interest of our districts is better understood in terms of the needs for all districts in the State. It is imperative that New Jersey school districts -- urban and suburban -- and the State government work together constructively to establish an approach to school funding that best serves all students, and brings school districts and communities together.

I would urge that it not be lost on the two Committees -- or those of you who are remaining -- that Tom Jannarone, the Vice President of the Urban School Superintendents, and myself, the President of an organization of 82 suburban transition districts, said basically the same thing here this afternoon. Nor should it be lost that he and I both said essentially the

same thing that a group representing all of the major educational organizations and the Educational Law Center said. I think there's been an unusual coming together on the part of professional educators, leaders of boards of education, and organizations here in Trenton that relate to education, on the idea that we need a one-year short solution, even if it means sacrificing something for some of us, to work further on the long-term plan.

I think that the Reform Act that you're considering has in it the nucleus of a great potential for the long term. I think I heard Marilyn Morheuser say that a little while ago. I think we need some more time. I would urge you to look at the idea of one year, further consideration of some of the proposals in your permanent plan, or some other ideas that might be developed out there.

Thank you, and if you have any questions, I'd be happy to answer them.

SENATOR EWING: Yes, I do, Mark. One thing: You're talking about the kindergarten, prekindergarten, talking about your district, "could not be enacted in my district without diverting substantial dollars." Do you have kindergarten and prekindergarten, or don't you? Or, do most of the families use a private day-care center?

DR. SMITH: We have a half-day kindergarten program. I'm not arguing that the preschool program is needed in terms of public funding in my district, because as you were just starting to allude to, a very high majority of our parents have their children in private preschool programs. I'm simply saying that if that mandate were made for my district, I would immediately have to build between six and eight new classrooms and add six or eight new teachers. That would be a major piece of budget that would have to come from somewhere. I can recognize that however important, and I consider that an important mandate-- I think that what Assemblyman Rocco said

at the opening of the session at 1:30 about those initiatives; the family, the conditions of the community, and the reforms in the bill, are extremely important. So that's an important one. It's just that I recognize the difficulty that's going to present to special-needs districts.

SENATOR EWING: Fine, but then you have families living in Westfield that can't afford a private day care and things like that.

DR. SMITH: That's right.

SENATOR EWING: Fine. So we've got to take care of those kids. And I think you and the Board have to come up with your priorities. Now, as I said earlier, most educators feel that this is absolutely vital. Evidently, your Board doesn't feel-- I don't think you should say we have to give up other successful programs. What do you think is best for the overall education of the child? I think you have to implement it. You can't just say, "Well, we want to do everything, but we want it all to come from the State." It just ain't going to be there. And you've got to do it.

DR. SMITH: I think, as a general rule, that new mandates from the State have to-- The State has to be cautious about new mandates for adding new programs, in recognizing the burden that might place on local districts to find the funds for those new programs.

SENATOR EWING: Yes, but I think in Westfield what you're doing is, you're hurting the people that cannot afford a private preschool, kindergarten, whatever you call it.

DR. SMITH: Well, I don't accept that at all. In fact, we're spending a great deal of resources for those students in many ways, including a rather innovative three-week running-start summer program that isn't just preschool, but takes place between kindergarten and first grade, first and second, and second and third. So we're constantly analyzing

test scores of that segment of our population to see how they're doing. So I think we're doing a lot. We have not chosen to do it with an organized preschool.

SENATOR EWING: Thank you very much.

ASSEMBLYMAN ROCCO: Jack, I have a question.

SENATOR EWING: Yes?

ASSEMBLYMAN ROCCO: As a Superintendent of a higher spending district, do you find the caps too restrictive?

DR. SMITH: Yes.

ASSEMBLYMAN ROCCO: Would you ultimately lose programs or personnel because of the caps?

DR. SMITH: Yes. In fact, when people ask me what the impact on Westfield to date of the Quality Education Act has been, my answer is usually to focus on the cap. Because with some modest loss of transition aid, and with the State continuing to pay the pension and Social Security as they have to date, the major impact has been on the cap. And that impact has been severe, and will continue to be severe.

ASSEMBLYMAN ROCCO: So you would look for more relief under the cap, with the lease purchase going to debt service or-- You know, we've already taken out the medical benefits, maybe looking to insurance--

DR. SMITH: I think that the cap provision in the Reform Act is a good provision. I think it needs to go beyond '93-'94. I would actually -- if I were crafting it -- probably be in favor of a slightly lower general cap with more exemption of difficult fixed costs, than the higher percentage approach.

ASSEMBLYMAN ROCCO: But if we maintain the 6 percent, you could live with that?

DR. SMITH: Well, given the current economy, we could. The 6 percent, with some exemption for health benefits, is a good provision. The two things that are most important to my district in terms of our ability to sustain quality, are the



pension/Social Security question -- which you have addressed, and we appreciate that -- and some cap relief. Those are the two most important things.

ASSEMBLYMAN ROCCO: It seems to me that the Garden State Coalition has gotten wrapped up in the NJAPS proposal, and from my perspective that's not on the table. The only thing that's on the table, basically, is the Quality Education Act, which will continue in its present form unless we do something proactive which sends the pensions back to locals, or the proposal that we have before us at this point. I think it's kind of distracted the whole process, unfortunately. I think we need more information about how we can make this bill better, because realistically our caucuses and our Appropriations Committees, both in the Senate and the Assembly, are not going to buy more than \$360-something million.

SENATOR EWING: If they buy that.

ASSEMBLYMAN ROCCO: If they buy that. So I mean, we're really just wasting a lot of time on this. I don't mean wasting in the sense of waste, but it's just not going to be accepted by the Appropriations Committees. So if you had no other choice, if NJAPS is not in the plan, I assume that our proposal answers more of the needs than if we continue under the existing QEA.

DR. SMITH: There's no question in my mind that your proposal is preferable to the Quality Education Act as it's currently constituted. I would venture that that would be true for a wide range of districts. I don't think the Quality Education Act as currently constituted is very good for any district, even our urban districts.

ASSEMBLYMAN ROCCO: You see, that's the unfortunate part. I think Assemblyman Wolfe hit it right on the head when he asked the very pointed question in regard to, "Well where's the money going to come from?" I mean, our proposal does just about everything that we could do to make the Quality Education

Act, within a given amount of money-- But, you know, you can always build on that. Just throw more money, and more money, and more money, and it looks better and better, as though NJAPS is a reality. It's not a reality, and it's not there. I mean, our \$368 million is the only package on the table, and I think it really just confused this whole issue that we're attempting to deal with.

DR. SMITH: I would think it would be always unfortunate if any deliberative body took an all-or-nothing approach to legislation before it, and was not willing-- I assume, particularly given the process you've followed, which has been very open and very welcoming of input, that with four public hearings scheduled, there is and should be, I would argue, a willingness on this panel to take a look at a variety of different things. I think the Reform Act is clearly preferable to the existing Quality Education Act, but I think it has in it a number of things that really need to be thought about further. I think that the change of the parity issue from I and J to H, I, and J does raise constitutional questions. That does seem to conflict with a fairly direct decision by the Court.

ASSEMBLYMAN ROCCO: May I alleviate your fears? I mean, you know, lawyers are lawyers. I mean, we did take it to our-- We have umpteen lawyers, and our entire staff of lawyers in the Legislature, and in our House, looked at it and felt that there was not an issue of constitutionality here--

DR. SMITH: Okay, fair enough.

ASSEMBLYMAN ROCCO: --to be dealt with. I mean, we've tried to get that issue out of the way. We've read the paper -- the Garden State Coalition -- and your evaluation of our proposal. But I think we need more specifics, maybe zeroing in on the cap and what we can do to make that better, or anything else that may be of concern. So we would need--

DR. SMITH: I understand that what's in front of -- that the primary issue for you is the Education Reform Act. You may have been out of the room, but I did focus a lot of my comments, which are written on specific provisions of that Act, assuming that that was the main purpose of today's hearing.

ASSEMBLYMAN ROCCO: Thank you.

SENATOR EWING: We're going to be going over, with staff from OLS and our own partisan staff, comments we get from today and tomorrow in Toms River. We're going to work on Wednesday. Then after we have the next two meetings, we'll be looking at that again to see if there are other comments, to see if we can incorporate any of them in this.

DR. SMITH: Very good. Thank you, sir.

SENATOR EWING: Thank you.

Barry Erseck, please?

**B A R R Y R. E R S E C K, Ed.D.:** My name is Barry Erseck, Superintendent of Schools of Haddonfield, New Jersey. I want to first thank you for the opportunity to speak before the Joint Committee this afternoon, and thank you very much for staying this late to hear my testimony this evening.

Haddonfield is a J district, but we're probably unique because we're a low spending J district. Our spending per pupil is usually just a few dollars below or a few dollars above the State average spending per pupil, so that any change in funding certainly makes a change in program, and it's usually essential programs that get hurt. So that's why I wanted the opportunity to address the Joint Committee this evening.

We are one of the founding members of the Garden State Coalition of Schools. We remain a member and support the Garden State Coalition of Schools' position overall.

I want to first commend the Joint Committee on the open process I've witnessed and participated in. I've been an administrator in three different states. I've seen many

battles over state funding, and local funding versus state funding throughout this region. Delaware, Pennsylvania, and New Jersey are where I've worked as an administrator, the last 14 years in New Jersey. I've never seen a more open process, one where there was an invitation to work collaboratively, and it's very evident. It's especially evident in this legislation because there are significant changes from the concept paper to this bill. Those changes certainly were the result of discussions and the opportunity for different groups to submit position papers to you for your consideration. The Garden State Coalition of Schools certainly did that, and we could see the evidence of that input in the changes that were made.

Another thing that is very significant about the bill is that programs are the heart of it, and service to children and families is certainly part of it. It's not just a mechanical funding device. There is emphasis on the needs of children, the needs of cities, the needs of the urban area, and the needs of families. Support for special education certainly comes across in the bill with the increased funding you've provided there to recognize the special needs of individual children and the increased number of children who are being identified for special education services.

The pension funding provision is another needed change that's in the bill, and again, we believe that's part of the discussions and inputting conversations over the last year, not just from our concept paper. We thank you very much for being receptive.

Fourth, the proposed changes in the cap calculations for '93-'94 are a significant improvement and should be incorporated in future cap requirements. That is extremely important to Haddonfield, where as I said, we're a low spending district. We need flexibility under the cap to recognize the increased costs of medical insurance which have doubled in the last four years for us, and to recognize, in our case, the

increased costs of special education transportation, because that's the only transportation that we provide. That's gone up significantly recently by having special education costs also partially out from under the cap.

So we welcome any of those opportunities, and I think the Nickles bill that was originally discussed incorporates a lot of those areas that are very, very important, and any additional latitude that you could provide under the cap by excluding those fixed cost items that are extremely difficult to contain. We accept the challenge of containing those other items where we need to contain them, through increased efficiencies, or effectiveness of negotiations, or whatever it takes. We accept that challenge.

We endorse the continuation of this open dialogue, and agree with your commitment to improve the proposed legislation. All children would be well served if a bipartisan compromise is developed in the next few weeks, the chaotic history of school funding ends, and there comes the opportunity for a new era of collaboration to begin a long-term solution which assures stable and equitable funding for all of New Jersey's children.

We recognize that you have begun a journey to equitable funding with this significant first step, but we believe that journey should be completed in as short a time as possible, because we all will benefit or suffer the consequences of inadequate funding for any of New Jersey's children.

Thank you.

SENATOR EWING: Thank you.

ASSEMBLYMAN ROCCO: Barry, being a minimum-aid district-- We're told that minimum-aid districts really don't need the money, that their taxpayers can, in fact, handle the costs, and children will not suffer by-- For instance, in the NJAPS proposal, there's an 11 percent decrease in Haddonfield. Can you live with a \$148,000 cut?

DR. ERSECK It's not easy to do that, not easy to accommodate. We had to accommodate such a cut last year. And yes, we had to trim programs, operate more efficiently, reduce some services. We regret that we had to do that. But in comparison to the chaos that existed previously, the threat of losing pension and Social Security funding-- If we had an appropriate adjustment to the cap, we believe in the end, our voters would support additional taxation if necessary to avoid funding chaos at the State level. That has been the most disruptive feature of our educational planning for the last five years. That shared pain theory -- or approach -- could be endorsed if it was, in fact, a shared pain throughout the State.

Yes, there would be discomfort. It would not be easy, but to avoid the chaotic situation we've lived under over the last five years, it would be reluctantly supported.

ASSEMBLYMAN ROCCO: Could you, under QEA, of course-- If State money would be totally phased out except for categorical aid and transportation aid, could you live with that?

DR. ERSECK No, sir. We would lose \$450,000 in transition aid. In addition, we could lose over \$1 million in pension and Social Security. Depending upon which funding calculation you look at, it could be \$1.5 million -- very easily \$1.5 million. That would require over a 20 percent tax increase just to make up that shortfall, on top of a regular tax increase which would be totally intolerable. Consequently, there would be no support in Haddonfield from the voters for that approach, and significant cutbacks in staff, programs, and services would have to take place. The quality that has existed in Haddonfield for many years would certainly be diminished.

ASSEMBLYMAN ROCCO: So once again, as I said, this NJAPS proposal keeps confusing things. On the table we have the QEA, or we have the proposal A-3 and S -- whatever Senator

Ewing's number is -- one in which you become totally phased out -- which is the QEA -- the other puts the brakes on. Are you saying that with NJAPS that the whole concept there is to stop that erosion; that that 11 percent cut is the last cut you're going to see? Do you think that's--

DR. ERSECK: Exactly. That would be-- Well, I would hope that would be it, and that's certainly our expectation in going along with the Coalition's approach. We're very reluctant to do that but, again, in the interest of statewide support for regular funding and avoiding chaos, it's worth kind of paying our dues in order to get that done and also to provide increased emphasis on equity wherever we can. That would be, again, tolerable.

ASSEMBLYMAN ROCCO: Well, in light of that, Barry-- Of course, Barry and I have worked together before. But in light of that, wouldn't it make more sense to put the brakes on totally this year; hold districts harmless and then put the money into the special-needs districts? I mean, isn't that more logical, or-- My guess is-- My gut reaction is that a lot of the minimum-aid and transition-aid districts that the previous speaker indicated he represented -- that if you went to those taxpayers and said, "It's going to cost you 'X' number of dollars because we bought into this concept," my guess is those taxpayers wouldn't be very happy at all; would not be able to bear that burden, possibly; and would say, "Let's continue to cut programs."

So I'm not sure that the NJAPS is a true braking -- putting the brakes on. I think, you know, it slices those districts one more time. And it's what, the third major cut, three years in a row for you, at this point? Haddonfield? I'm not sure how much more of that Haddonfield and Cherry Hill -- at least in my districts the Audubons-- I don't know how much more of that they can take. So our idea was to put the brakes on this year, put the extra money -- three out of four dollars

-- in the special-needs districts. It's logical. It makes sense. And the pensions would then go to the State. We think that's really what makes sense.

The foundation districts represented by Ken Hall back there, I think they have the same basic problems. I mean, the continued erosion of a lot of those districts under this proposal-- In my estimation, those taxpayers out there are not going to be very happy if they knew that this acceptance of the NJAPS proposal was to occur.

So I, for one, think that our proposal makes the most sense. It's the most logical. It's the fairest, and serves the purposes of the public a heck of a lot better than an unrealistic \$428 million that will never get through the Appropriations Committees.

DR. ERSECK: Well, we recognize the economic times and, quite frankly, I think the Haddonfield Board of Education, and yours truly certainly applaud the efforts of this Committee to provide the amount of additional funding that you've already included in the bill. We know that it's going to be difficult to maintain support through the Legislature -- to get enough votes through. That's why we would encourage you and all the members of the Legislature -- both sides of the aisle, if at all possible -- to get a bipartisan effort, a bipartisan compromise. It would be most productive on a long-term basis, help us set the stage for a long-term solution, and not permit educational funding to become a political football, as it has in the last few years.

We think that what's been done with this Committee, and the openness of the conversations has provided input for everyone -- today we had input from NJAPS, from the urban districts -- and this kind of a forum is much better than an arm wrestling situation with the members of the Legislature on the other side of the aisle.



ASSEMBLYMAN ROCCO: We appreciate your comments about the openness simply because I think we all remember -- and I served on the Committee and I think Senator Ewing did as well -- when QEA was presented to the Education Committee one session, was passed out of Committee, went right to the floor, and was passed on the floor. So lest we forget, as the saying goes-- (laughter)

DR. ERSECK: Yes. We remember it well, and that's why we endorse this process.

Thank you very much.

SENATOR EWING: Thank you, Barry.

Ken Hall? Proceed, Ken.

K E N N E T H D. H A L L, Ed.D.: I'm assuming I'm last, that you're saving the best for the last.

SENATOR EWING: That's right. We got a couple more.

DR. HALL: Chairman Ewing, Chairman Rocco, and members of the Committee, I'm Kenneth Hall, Superintendent of Schools of the Matawan-Aberdeen Regional School District. I'm here on behalf of the majority of some 300 foundation-aid school districts.

As you know, I've been before both the Senate and the Assembly Education Committees on several occasions to testify on the flaws contained in the QEA formula for the distribution of school aid, and the devastating effect it has had on many of our foundation-aid districts. Without question there has been, over the past couple of years, a major shift of State aid away from middle-income districts to subsidize our special-needs and transitional-aid districts. An additional blow was dealt to the middle-income districts with the shift of \$360 million for foundation aid to fund the Supplemental Tax Relief Act, the result of which was an increase in property taxes at the local level for many of the middle-income districts, to make up for the resulting loss in State aid.

When one reviews the manner in which the Supplemental Tax Relief funds were distributed, it's obvious that many of the most wealthy school districts and municipalities were major beneficiaries of State aid. We have, in effect, perpetuated a cruel hoax on the middle-income districts, many of which are concentrated in Camden, Burlington, Cumberland, and Gloucester Counties, as well as a number of others scattered across the State of New Jersey, through the manipulation of State aid.

In meetings throughout the State over the past several months, with Senator Ewing, Assemblyman Rocco, and legislative Committee members, we called attention to Title 18A:7A-2, the statute which calls for the distribution of State aid to equalize statewide the tax effort required for a thorough and efficient system of free public schools. It was our hope that the Public School Reform Act of 1992 would address the inequities that presently exist, and put forward a formula that would be consistent with the statute. The Public School Act of 1992 does eliminate the income factor from the formula, and that is a step in the right direction. It also recognizes the tax burden and inequities by showing what districts would receive if the statewide equalized tax rate does not exceed \$1. However, it caps districts at 2 percent, thus disallowing aid adjustments for some of the needy foundation districts.

In your previous discussion regarding the income factor and the fact that it is collected on zip code data, that's not the only problem that exists with the income factor. The income factor is just improperly used in the QEA formula. There's no way that you can justify, in my judgment, the placing of property tax -- or increasing property tax -- on the basis of income in a community. We don't still have the ability to tax that income. Consequently, the way it's used in the formula, it simply-- If there is a higher income group living in that particular community or municipality, it simply causes the ratables in that district to go up, or the taxes to

go up. You are not able to really tax the income, so we have a real problem with the manner in which it's used in the formula, not just the way it's collected.

Without going into detail regarding the aspects of the Act of 1992 -- the one that is proposed -- the Foundation Aid Districts Association is in support of a bridge agreement put forth by the Coalition. This agreement provides for a minimal increase of 4 percent for foundation-aid districts, to be distributed on an across-the-board basis. This, however, in no way addresses the inequity problem. Many of the foundation districts will still have to continue to cut staff and programs, and increase class sizes. These are the districts that are presently having to tax up to 142 percent above the State equalized tax rate to make up for their previous losses in State aid, both under QEA and the underfunding of Chapter 212.

The supplemental disadvantaged aid to special districts should be increased so as to avoid possible Court sanctions. We understand that. It is evident that most of these districts need the additional aid. A few of the districts included in this group may need to be phased out of the group, while still others may need to be placed into the group. During this interim period, it would be too confusing to attempt this. However, this must be included in the long-term plan, in our judgment.

The transition aid school districts have been helped enormously by cap relief in the proposed legislation. These districts were anticipating a cut of 25 percent in their transition aid. The Garden State School group has agreed to this; therefore, moneys can now be shifted to foundation districts and special-needs districts.

While we're on the topic, we should clear up a misnomer, however. Not all districts that receive transition aid are wealthy. Transition aid was given out to districts

that lost the old minimum aid, as well as those that were to lose a very high percentage of equalization aid, which is now called foundation aid.

This proposed legislation is a step in the right direction. It has many fine features; a little bit of fine-tuning will improve it. One item that would go a long way toward improving school finance legislation over the long haul would be to include some kind of circuit breaker for senior citizens and others who might be on a fixed income, and whose income is below a prescribed level.

It is critical, however, that the Legislature establish a task force of competent and unbiased experts in the field of school aid funding, to begin as soon as possible to create a funding formula that will be consistent with our statutes and State Constitution. Not only should the Commission function as outlined in the proposed legislation, but it should also have a small allocation of funds in order to bring in State and nationally recognized school finance experts. To do less is going to continue to present us with a problem as we attempt to manipulate State aid to serve the various groups that have been represented here today.

So we would just urge you to consider the Coalition's position at this time.

SENATOR EWING: Thank you, Ken. Do you have a question?

ASSEMBLYMAN ROCCO: Yes, I do. Ken, you know, I have to be honest once again. The NJAPS proposal has once again totally confused this issue here for us. There is not \$428 million. You're not going to see it. It's not going to get through the Appropriations Committees. I mean, it's as simple as that. I don't know what we have to do to convince you and the others before us. We're not going to have votes on our caucuses to go \$428 million. We're not.

DR. HALL: Well, Mr. Chairman, I'd just like to stress the fact that we're not on a level playing field. You know, the foundation-aid districts have been hurt drastically. Over the last two years--

ASSEMBLYMAN ROCCO: You know what the sad part of it is? The group up here -- these two Committees, this Jack Ewing's Committee and my Committee -- has worked hard to try to resolve that issue and get an equitable position so that good districts were not destroyed. That's what this is all about, and that's what QEA was doing, destroying your districts left and right, one after the other. So we tried to put the brakes on that.

DR. HALL: Well, what-- You know, we were just discussing Haddonfield. What you project might happen in Haddonfield has already happened. I've lost-- I went from a 42 percent State aided district to less than 20 percent next year. That's \$5 million that we've had to transfer and burden over to the local taxpayer. Now, that's happened in Old Bridge; it's happened in Highland Park; it's happened in East Windsor. I could give you a whole host of districts that have already been devastated, and the legislation as it's proposed does not take that into account. It does not do-- It provides some \$22 million for those 300-plus foundation-aid districts that have lost several hundred thousands of dollars in the last two years.

SENATOR EWING: Well, what does Marilyn say to you?

ASSEMBLYMAN ROCCO: You see, the problem is, you're trying to make up for those QEA years when you lost hundreds of millions of dollars. And it's just not going to happen.

DR. HALL: Well, what I'm suggesting is--

ASSEMBLYMAN ROCCO: What we're trying to do is put the brakes on here and hold all your districts to a point where they can at least know that they're not going to have that foundation taken out from under them again. You know, we think

that we are doing what the public has requested that we do; basically, to change the QEA, to get into place a formula that will at least enable districts to -- maybe no great increase -- at least not lose money and then put additional money to meet the Court mandate for the special needs. We think this legislation does it. I don't know. I'm really at a loss to find out why we're having so much opposition, not only from the Garden State Coalition, but from your Foundation group. We're the people that are trying to rectify the situation.

DR. HALL: Yes. I don't think we're here to protest so much as to try to find a way in which we can all live together. You know, the reason I'm supporting the Coalition is because it means 4 percent more for the foundation-aid districts. We were going to get something--

SENATOR EWING: Yes, but where is it coming from? God, that-- I mean, you--

DR. HALL: Mr. Chairman, it's going to have to come from some kind of redistribution or some additional moneys to be found somewhere.

SENATOR EWING: Well, look. Maybe we ought to just scrap this and just continue on with QEA. That would be fine for you.

DR. HALL: No, I think that would be devastating. We know that.

SENATOR EWING: Well, fine. That's the only alternative.

ASSEMBLYMAN ROCCO: That's the only alternative. NJAPS, that has-- Once again, the 427 has caused more problems because of confusion. That is not on the table. When you go in to negotiate with your teachers, you have certain things that are on the table. That is not on the table; that is not a negotiated item.

SENATOR EWING: And, also, I've got to tell you I resent the fact that supposedly all the educators who are so

interested in the child wait till the last minute to come up with their proposals.

Ken, you know how long we've been working on this.

DR. HALL: I know.

SENATOR EWING: I haven't seen any of this group coming together and saying, "Look, here's some things we want incorporated. We want to sit down with you." There wasn't one bloody word out of them, and I think it stinks--

DR. HALL: Well--

SENATOR EWING: --for a group of educators to act like that. All they're interested in is themselves. Period. More money, more money, more money.

ASSEMBLYMAN ROCCO: Well, as I say, the only alternative, Ken, is that the QEA continues and on top of the QEA, the pensions go back to the local boards. Now, we're saying here's how you stop. This is the proposal we're putting forth to stop that, really, which would be totally devastating to the districts.

We think it's fair; we think it's logical; we think it makes sense. We're not going to be able to make up for lost money in the foundation districts, because Marilyn says the same thing about the special-needs districts: We should make up for lost money for the special-needs districts. But the taxpayer out there says, "You put one more tax on me and this whole State's going to turn upside down." It turned upside down before, and they could turn it upside down again.

DR. HALL: Could we do this, perhaps? Give some consideration to those districts that are having to tax at extraordinarily high levels now, that just can't go back to their taxpayers. They're going to have to cut staff. They're going to have--

ASSEMBLYMAN ROCCO: See, I think that's a reasonable-- I think if there's anything that's reasonable, it's the high local tax-burdened districts -- maybe not in this

formula, but in future formulas -- to look at a way to help those districts on a gradual basis, those that are taxing at a local rate -- at an extremely high local rate. I agree with you on that.

DR. HALL: Can I suggest one way that that might be done? You've already recognized that by taking the income factor out. Now we're basing the formula on ratable wealth, you know, but how do we cap it at 2 percent? Nobody is going to benefit substantially, even though there are districts that have to tax extremely high. Could some formula be incorporated into that?

ASSEMBLYMAN ROCCO: Well, that's what we're here for. Do you think 3 percent helps? I mean, do you think there's another way to do it? That's what we want to know. We don't want to know about NJAPS. We want to know what could we do to make this formula better.

SENATOR EWING: And still keep the price down.

DR. HALL: Yes. You could have some kind of graduated situation there with the 2 percent; maybe 3 percent for those taxing at \$1.20, or 20 percent above the State equalized table right here; or 4 percent for those 60 percent; or you know, something of that nature.

ASSEMBLYMAN ROCCO: Sold. Why don't you get together with Alan and David and Deena and Judy.

DR. HALL: I would be very pleased to do that.

SENATOR EWING: Why don't you come up with an idea and give it to us? Call down here tomorrow or early Wednesday morning, because we're going to meet again Wednesday morning -- the staff, as I said earlier -- to get these suggestions and see if there's anything we can do with any of them.

DR. HALL: Fine, sir. Very good. We'll surely do that.

SENATOR EWING: If you've got this thought, suggestion, or idea, give it to us. We're not saying we're going to buy it, but maybe it might be an answer for us.



ASSEMBLYMAN ROCCO: I guess what I was most frustrated at, you know, in the foundation districts and Garden State Coalition, is that they're the districts we worked so hard to try to help. I cannot understand the resistance.

SENATOR EWING: Well, that's why it might be better to let them live with QEA. They love it. (laughter)

DR. HALL: Senator, I don't think anyone wants to do that. No one wants to do that.

I think what you're seeing-- You're seeing representation of these various groups trying to take a position that would be consistent and together to some degree.

SENATOR EWING: But it's sure damned late coming through.

DR. HALL: It's-- But--

SENATOR EWING: What?

DR. HALL: I don't know. I don't know how else we can do it.

SENATOR EWING: Well, I didn't see you coming around, or your group coming around, and saying, "Look, we've got some good ideas here. Let's sit down." No, you had to get in bed with Marilyn and all these other people. (laughter)

DR. HALL: We're not in bed.

SENATOR EWING: Well, it's the truth.

DR. HALL: We're not in bed.

SENATOR EWING: Don't blush then, if you're not in bed. (laughter)

DR. HALL: Do you realize how many of these spread sheets I've given you with all these different-- (laughter)

SENATOR EWING: Is Mr. Johnson here? Mr. Abatti? Mr. Garrity? (no response) No-shows. Okay.

Thank you all very much, and I thank the staff.

**(MEETING CONCLUDED)**

## APPENDIX



TESTIMONY PREPARED FOR JOINT ASSEMBLY-SENATE EDUCATION COMMITTEES,  
NOVEMBER 23, 1992 RE SCHOOL FUNDING.

I am Evelyn S. Field. I represent the National Council of Negro Women, INC., a coalition of 15 statewide women's organizations.

I have come to express the concern of this organization that all of the hearings on the proposed school funding plan, with the exception of this one, are being held in suburban areas. When elements of this plan were released, statements were issued that there was interest in developing dialogue on the proposal. Yet, none of the hearings is readily accessible to parents, public and taxpayers in the special needs districts which are largely urban.

We urge that a public hearing for these residents be held in a North Jersey urban area and one in South Jersey.

We express our continuing concern for a school funding plan which closes in the shortest time possible the gap in spending for education between the wealthiest and poorest districts in the state. The education of urban youth is vital in economic and social terms to the state and to the nation.



**TESTIMONY BEFORE THE SENATE  
AND ASSEMBLY EDUCATION COMMITTEES**

By Judith Cambria  
Education Director  
League of Women Voters of New Jersey  
November 23, 1992

In assessing the Public School Reform Act of 1992, the League of Women Voters of New Jersey believes there are two essential concerns: the effects of the new provisions governing state aid and compliance with N.J. constitutional requirements. The school funding provisions determine long-term fiscal resources and their allocation among districts. The Constitutional requirements protect and assure the rights of children.

Our position on this legislation is based on League principles and positions reached through member study and consensus.

The League opposes S.1370/A.3 for the following reasons.

- Achieving equal educational opportunity will be more difficult, if not impossible, under the proposed legislation than under the present foundation system.
- A significant number of poorer districts, whether rural, suburban or urban, may be unable to provide a thorough and efficient education because of changes in the allocation of state aid.
- The proposed funding system will shift state aid from less affluent to wealthier school districts, a result directly in conflict with the major purpose of state aid -- to insure children receive an adequate education by providing more equal access to fiscal resources among schools.
- The League believes the legislation is unconstitutional in at least four respects:
  - it provides base aid to wealthier districts which is similar to minimum aid;
  - it changes the districts which are used to measure the achievement of parity in per pupil expenditures between the special needs and wealthier districts;
  - it mandates that an enormous number of new educational and social service programs be provided by the special needs districts through increased local taxation;
  - it eliminates the single state aid program which provides funding to meet the greater needs of students in special needs districts.

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The above points are discussed in more detail below.

The proposed school funding system fails to distribute state aid so that each district has the capability to provide equality of educational opportunity and high quality education. S.1370 would initiate a funding system in which basic aid to school districts is determined by average per pupil spending in each of the 21 counties. These 21 average budgets are based solely on the past level of spending of school districts within a single county, an amount related neither to educational need, the special needs of particular children, or the costs of living or of education. It would be reasonable to assume that the state would provide more aid to districts in low spending counties which would enable them to provide educational programs similar to those in higher spending districts -- the kind of program equity proposed in Section 5 of this legislation. The opposite is true; state aid will be increased to districts in higher spending counties and reduced to those in lower spending counties. It is a design which can be characterized as giving more to the haves and less to the have nots.

Presumably, the rationale for the use of county averages is to reflect regional differences in the cost of living and cost of education. No such relationship is evident between educational costs and the county average spending levels. For example, there is a 19.7% difference in average spending between the adjoining counties of Morris and Passaic. What justification is there for providing greater per pupil aid to Morris than Passaic, especially when the personal income of residents is higher in the first? How can we defend a system which gives more per pupil aid to districts in a county already spending 33% more than another much poorer county -- Morris and Cumberland? The League cannot, and opposes such a system. The result will be economic discrimination which will harm schools and children in southern and northwestern New Jersey in particular as well as special needs districts.

The pernicious long-term effect on school districts in lower spending counties cannot be discerned in the 1993-94 school aid figures. It is masked by short-term provisions such as save harmless, freezes in various kinds of aid, and one year caps. Make no mistake, this bill not only will shift resources from the poorer urban districts, but also from poor and middle-income rural and suburban districts in whole regions of the state. These regions are the same ones where school districts have access to fewer fiscal resources because of lower personal income of residents.

The bill also fails because it does not establish a nexus between the sweeping, and admirable, educational goals and program reforms it mandates, and the funding system it sets up. The achievement of these goals -- the obligations of the state identified in section 2, the program equity requirements in section 5, the technology requirements in section 6, the pre-kindergarten and kindergarten educational and social service programs to be provided by special needs districts mandated in section 8, and the health, nutritional, social and family services mandated for special needs districts in section 9 -- all are dependent on the new school funding system. But that system is not designed to provide additional fiscal resources to assist districts in achieving the mandates. This is particularly evident for school districts in southern and

northwestern counties and the special needs districts. In the latter, the districts are required to initiate sweeping new academic and social programs for pre-K and K students, social services for both elementary and high school students, academic programs to achieve program equity with other districts, and special programs for disadvantaged children. They are supposed to do this with reduced state aid in comparison to the Quality Education Act, with the elimination of at risk aid, and with a lower per pupil parity figure (an amount to be reached in 1998).

The imposition of these extensive new requirements on special needs districts, to be funded through local taxation, flies in the face of the Abbott II decision which indicated it is the state's responsibility to assure adequate funding for poorer urban districts, funding that is certain each year, and not subject to the actions of the school board, administration or voters. Mandating programs which would increase school taxes significantly is neither politically nor economically feasible in special needs districts. Attempts to raise taxes would lead to the ouster of elected and appointed officials who attempted it and, if adopted, would likely lead to bankruptcy for the municipality. Municipal overburden is a fact of life in these municipalities, and the Supreme Court recognized in Abbott II that additional tax increases are virtually impossible.

The initiation of a new type of school aid, base program aid, also appears to be unconstitutional and would face the scrutiny of the court. In the opinion of the League, this aid despite the change from a flat \$200 figure, is similar in nature to minimum aid which was found unconstitutional in 1990.

The proposed change in the districts to be used for determining parity in per pupil spending between the special needs districts and the wealthier suburban districts does not conform with the court decision and raises a question of constitutionality. Addition of the districts in determining the average per pupil expenditure for regular education in the wealthier districts is likely to significantly reduce the average per pupil expenditure, providing even less money to special needs districts to pay for all the programs they will be required to add.

There appears to be a significant error in S.1370 in the definitions contained in Section 3. "District factor group" is defined as ten groups "with substantially equal pupil populations." That definition is incorrect. It should be ten groups with similar numbers of school districts. If such a change were to be made, a large number of school districts would be shifted into different DFG categories. This would alter the composition of the I and J groups and the A and B groups, thus raising further questions about conforming to the Abbott decision.

Other issues of concern are raised by S.1370. The elimination of at risk aid freezes the amount available to school districts for remedial education, regardless of future need. Facilities aid is eliminated as a program, removing the single aid provision which provided assistance for yearly capital projects.

Debt service aid is extended to all school districts, providing new additional aid to wealthier districts. The formula for determining the amount for which a district is eligible is written so that school districts in higher spending counties will receive greater debt service aid than those in lower spending counties. This will result in a significant shift in aid to wealthier districts.

The League of Women Voters urges the Education Committee to vote against release of S.1370/A.3. Despite many potentially positive features, the funding provisions are so flawed they do not support the reform features. They will undermine progress we have made toward equality and the provision of high quality education which prepares all children to be economically, socially and politically effective citizens.



# NJAPS.....The New Jersey Associations for Public Schools

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- New Jersey Association of School Administrators
  - New Jersey Association of School Business Officials
  - New Jersey PTA
  - New Jersey Education Association
  - New Jersey Principals and Supervisors Association
  - New Jersey School Boards Association
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TESTIMONY BEFORE ASSEMBLY EDUCATION COMMITTEE  
ON THE PUBLIC SCHOOL REFORM ACT OF 1992 (A-3/S-1370)

Robert E. Boose, Ed.D., Executive Director  
New Jersey School Boards Association  
November 23, 1992

Good afternoon. I am Dr. Robert E. Boose, executive director of the New Jersey School Boards Association.

It seems as though the beginning of the school year marks the start of the annual debate over the state's obligation to fund public education.

Regardless of the response, it has become apparent to the citizens, educators, parents, taxpayers and students of the state that a permanent solution to this yearly battle is elusive. Some even believe it is impossible.

The education community has come to believe that a long-term, permanent solution requires cool, non-partisan thinking--away from the political climate. By taking this approach, the New Jersey Associations for Public Schools (NJAPS) believes that we can provide a real solution for our students.

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NJAPS has been working with grass-roots organizations representing the full spectrum of our state's school districts to develop an equitable, adequate school finance system. Our numbers are growing. We have grown beyond our nucleus of state-level education groups toward a diverse coalition sharing a common goal for school funding. As we proceed, we are hearing from other education and public interest organizations that support our goals.

This afternoon, we have on hand seven representatives of this coalition:

- \* Dolores Corona of the New Jersey Education Association.
- \* Ed Meglis of the Association of School Business Officials;
- \* James Moran of the Association of School Administrators;
- \* JoAnn Bartoletti of the Principals and Supervisors Association;
- \* Emmy Hunter of the Congress of Parents and Teachers, and
- \* Marilyn Morheuser of the Education Law Center.

Our coalition has worked together to explore school funding options for today, with an eye towards tomorrow. More significant, we have been joined by groups representing transition aid, foundation aid and special needs school districts. These "grass roots" groups include the Garden State Schools Coalition, composed of wealthy transition aid districts; the largely middle-income foundation aid school districts coalition; and the Urban School Superintendents Association.

That's what makes our proposal so significant--its broad base of support.

Through an alliance unprecedented in the history of our state's school funding

efforts, the full spectrum of New Jersey's varied types of school districts is united behind our 10-step interim proposal.

Our proposal was presented to both the administration and the leadership of both parties in the Legislature. It is predicated on the desire to have school funding removed from the yearly political tug-of-war that has plagued education for too long.

Today, we are going to consider A-3/S-1370 in light of this agreement. Why has this coalition agreed to an interim proposal? For two reasons:

First, we need to plan for the next school year. Our plan, which includes many components of the Public School Reform Act, would be a short-term alternative to the legislative proposal. To establish a permanent school funding formula in this time of tight budgets and state budget deficits is not a wise move. Instead, the Legislature should direct its attention to the urgent situation facing school districts next year.

The second advantage of an interim plan is simple, but essential. An interim plan gives us the breathing space to carefully consider all aspects of state funding. Let's do it right this time. Let's have a commission spend a year developing a permanent school funding plan.

In today's testimony Dee Corona, Marilyn Morheuser and I will assess how A-3/S-1370 meets the concerns of the coalition as specified in our interim funding proposal for 1993-94. In addition, all coalition members seated here will be happy to answer your questions about our position.

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We are pleased to see that A-3/S-1370 reflects the Legislature's desire to address local school districts' grave concerns over restrictive caps. The coalition firmly believes that a legislative solution to the issue of cap relief is essential. We urge your support for A-1093, the Nickles-Wolfe bill, which would modify school budget caps to exclude certain fixed costs. The coalition would also consider alternative cap relief proposals.

When the Quality Education Act was implemented, it imposed caps on both the current expense and capital outlay budget--including all categorical aid funds. This change resulted in severe hardship on the local budget deliberation process. Most districts have been forced to cut deep into critical core programs to bring their budgets in under cap.

A-3/S-1370 moves in the right direction on cap waivers. While the bill addresses the rights of school districts to apply for cap waivers, the coalition believes that the language in A-3/S-1370 needs clarification.

The bill's language calls into question the right of local school districts to appeal directly to the commissioner of education if the waiver was requested because of the inability to provide a thorough and efficient education. The recent attorney general's decision supports this condition. Local districts should retain the right to appeal a defeated cap waiver.

But beyond this provision, a majority of us believe the Legislature should take a bold--but very essential and long-overdue--move. That is, eliminate the requirement for voter approval of proposed school districts budgets when those budgets are within the state-imposed cap. No other governmental entity

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must place its budget on the ballot. School districts, therefore, often bear the brunt of voter dissatisfaction with the taxes, the spending or the policies of other governmental units.

If budget caps alone are a sufficient control for municipalities and counties, why should they not be adequate for school districts? Moreover, state-mandated public hearings and required advertising ensure that the public receives information on the school budget.

Turning to the bill's specific funding provisions, the coalition would support A-3/S-1370's freeze on categorical aid--such as bilingual, vocational, and others--only as part of a one-year interim plan. Extending the freeze beyond next year would hurt the quality of education in New Jersey. Our districts cannot control the escalating fixed costs of these categorical programs. They need the opportunity to offer new information and suggestions on addressing these rising costs.

Public schools provide for the transportation of public, private and out-of-district special education students. The coalition acknowledges school districts' difficulty in securing competitive bids. This vast clientele suggested an increase in the calculation for all students since the current formula appears problematic.

Therefore, we recommend a 4% increase for transportation.

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A-3/S-1370's base program aid raises many red flags with the education alliance. Because this money is targeted for new programs, it cannot be used where it's most needed within the district. The coalition asks: What can the money be used for? Can it go to lower class size? And, equally important, when will districts find out what programs are eligible for funds and how much money they will receive? Before or after budget time?

Moreover, provisions creating a commission to oversee the process while also requiring notification of the department of education are in conflict and, we believe, unworkable.

We also question the effectiveness and constitutionality of the bill's provision on supplemental aid for the special needs districts. Will it achieve parity for special needs districts in the context of the Abbott v. Burke decision?

The final area I wish to address is the need of all districts to develop their budgets based on accurate and timely figures. We question the language in A-3/S-1370 that outlines the method of notifying school districts of their state aid figures. The coalition supports the state aid notification dates contained in S-1150. This bill would require state aid notification seven days after the governor's budget message.

By working together to create a plan that will see us through 1993-94, we will begin to get education funding back on track.

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The continued erosion of foundation aid to middle-income districts is resulting in an increasing number of districts with local property tax rates above the state average. This situation prompted the coalition's recommendation for a 4% across-the-board increase in foundation aid to non-special needs districts.

The coalition also supports a \$150 million dollar increase to special needs districts. This is consistent with the state's current response to the Supreme Court's mandate.

The coalition recommends adhering to the current schedule of reducing transition aid to non-foundation districts through 1993-94. Coalition members representing transition aid districts fully support the alternative interim funding plan. The group's members believe it is in the state's best interests not to ignore the needs of the students in our poorest communities, nor to allow middle-income districts to incur severe aid cuts.

The coalition's interim plan demonstrates that varied elements can reach a consensus. The heart of our proposal is to bring to the table all components of the education community to advise the Legislature on a long-term, constitutionally sound school finance system.

Thank you.

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- New Jersey Association of School Administrators
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- New Jersey PTA
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## SCHOOL GROUPS REACH FUNDING ACCORD WITH URBAN/SUBURBAN DISTRICTS

TRENTON, November 23, 1992--The state's major education organizations today joined with groups representing low-, high- and middle-income school districts, as well as the Education Law Center, to urge enactment of an interim school aid program for 1993-94. Efforts to encompass other education and public interest organizations in the movement are continuing.

The coalition's 10-point plan was officially unveiled during testimony before the Assembly and Senate Education Committee on the "Public School Reform Act of 1992," a proposed school finance system that would replace the Quality Education Act. Representatives of the New Jersey Associations for Public Schools (NJAPS) urged the lawmakers to consider their coalition's interim school aid plan as a short-term alternative to the legislative proposal and also to create a commission to study future school funding.

To establish a permanent school funding formula in the current atmosphere of tight budgets and state budget deficits is not wise, according to representatives of the NJAPS organizations. They urged the lawmakers to direct their immediate attention



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to the urgent situation facing school districts next year.

"An alliance unprecedented in the history of New Jersey school finance" is how the NJAPS leaders termed the groups backing the interim funding plan. They noted that the full spectrum of the state's school districts is united behind the funding proposal.

In particular, the NJAPS leaders pointed to the participation and support of several organizations that, for the first time, joined together on the issue of school funding: the Garden State Schools Coalition, an organization of wealthy "transition aid" districts; the predominantly middle-income foundation aid school districts coalition; and the Urban School Superintendents Association. In addition, the Education Law Center (the non-profit organization that brought suit in Abbott v. Burke) participated in development of the coalition plan and is a supporter.

According to NJAPS leaders, each of these groups has gone beyond its own particular financial interest to address the interests of all children in the state. For example, they noted that special needs districts believe that the QEA will not enable them to obtain equity as mandated by the state Supreme Court. Yet, the Education Law Center and the Urban School Superintendents support the NJAPS proposal which, on an interim basis, provides the same level of aid to the special needs districts as the QEA. These advocates of the special needs districts also recognize the disastrous impact of the potentially sharp cuts in school funding facing middle-income foundation aid districts.

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NJAPS officials also pointed to the Garden State Schools Coalition's support for the interim plan - even though the state's wealthiest school districts would receive more transition aid in 1993-94 under the "Public School Reform Act." The Garden State group's members believe it is in the state's best interest not to ignore the needs of the students in our poorest communities, nor to allow middle-income districts to incur severe aid cuts, according to NJAPS.

The NJAPS plan averts the disastrous cuts in aid facing many middle-income foundation aid districts under the QEA, they stressed. The Foundation Aid Districts Association fully supports the NJAPS plan as an interim solution to the current school funding dilemma. This group represents the largest number of districts in the state. They have had significant cuts in funding in prior years.

According to the officials, adoption of the coalition plan would not commit the Legislature to a particular school funding program in the future. Nonetheless, they pointed out that development of the coalition's interim plan demonstrates the success of bringing to the table all elements of the education community. Part of the NJAPS proposal is creation of a similar, broad-based task force to recommend to the Legislature a long-term, constitutionally sound school finance system, with adequate and equitable funding provisions.

The ten elements of the Coalition Interim School Funding Proposal for 1993-94 are -

- o State payment of the employer share of Teachers Pension and Annuity Fund and Social Security.

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- o Continued movement toward equity by special needs districts. Special needs districts receive the same entitlement as under anticipated funding for 1993-94. This equals a \$150 million increase over 1992-93 amounts.
- o Retain aid for special education, bilingual and county vocational programs at 1992-93 levels.
- o A 4% increase in transportation aid.
- o Total state transition aid at 50% (\$68.5 million) of the original 1991-92 levels, as provided by state law. However, those foundation aid districts that had also been eligible for transition aid in 1992-93 would receive the 1992-93 transition aid amounts.
- o A 4% increase in foundation aid to non-special needs foundation aid districts.
- o A freeze in compensatory education and at-risk aid at 1992-93 levels.
- o The "Nickles-Wolfe" bill (A-1093), which would modify school budget caps to exclude fixed costs. The coalition would also consider support of other proposals to amend current cap provision.
- o Maintenance of local district tax efforts at 1992-93 rates to ensure that school funding adjustments are directed toward aid to education. Adjustments should be made for districts that have conducted property revaluations, however.
- o Elimination of budget elections when school budgets are at or below cap. (The NJ Congress of Parents and Teachers, a coalition member, is currently considering its position on this issue.)

## Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Absecon City	\$1,103,395	\$1,110,642	\$7,247	0.66%	\$1,114,966	\$11,571	1.05%
Alexandria	\$930,534	\$960,699	\$30,165	3.24%	\$943,089	\$12,555	1.35%
Allamuchy	\$445,992	\$439,240	(\$6,752)	-1.51%	\$445,992	\$0	0.00%
Allendale	\$490,866	\$426,695	(\$64,171)	-13.07%	\$495,212	\$4,346	0.89%
Allenhurst	\$44,060	\$45,469	\$1,409	3.20%	\$44,072	\$12	0.03%
Alloway	\$2,595,205	\$2,691,383	\$96,178	3.71%	\$2,639,524	\$44,319	1.71%
Alpha	\$1,116,373	\$1,153,487	\$37,114	3.32%	\$1,134,474	\$18,101	1.62%
Alpine	\$241,820	\$245,400	\$3,580	1.48%	\$239,359	(\$2,461)	-1.02%
Andover Reg	\$1,173,024	\$1,208,351	\$35,327	3.01%	\$1,184,560	\$11,536	0.98%
Asbury Park	\$20,203,566	\$22,066,588	\$1,863,022	9.22%	\$20,921,527	\$717,961	3.55%
Atlantic City	\$10,501,005	\$10,339,330	(\$161,675)	-1.54%	\$10,469,602	(\$31,403)	-0.30%
Atlantic Highlands	\$223,147	\$201,263	(\$21,884)	-9.81%	\$223,147	\$0	0.00%
Atlantic Sp Serv	\$6,809,806	\$6,830,629	\$20,823	0.31%	\$6,809,806	\$0	0.00%
Atlantic Voc	\$1,551,445	\$1,577,777	\$26,332	1.70%	\$1,565,484	\$14,039	0.90%
Audubon	\$3,922,618	\$4,049,108	\$126,490	3.22%	\$3,988,558	\$65,940	1.68%
Audubon Park	\$469,931	\$479,387	\$9,456	2.01%	\$477,938	\$8,007	1.70%
Avalon	\$78,742	\$79,625	\$883	1.12%	\$78,970	\$228	0.29%
Avon	\$158,590	\$141,663	(\$16,927)	-10.67%	\$158,590	\$0	0.00%
Barnegat	\$13,632,327	\$14,117,910	\$485,583	3.56%	\$13,865,254	\$232,927	1.71%
Barrington	\$2,125,991	\$2,191,790	\$65,799	3.09%	\$2,160,637	\$34,646	1.63%
Bass River	\$762,692	\$786,604	\$23,912	3.14%	\$773,610	\$10,918	1.43%
Bay Head	\$60,480	\$60,813	\$333	0.55%	\$60,703	\$223	0.37%
Bayonne	\$16,390,293	\$16,751,036	\$360,743	2.20%	\$16,604,678	\$214,385	1.31%
Beach Haven	\$57,762	\$57,762	\$0	0.00%	\$58,162	\$400	0.69%
Bedminster	\$617,488	\$628,751	\$11,263	1.82%	\$618,088	\$600	0.10%
Belleville	\$7,232,001	\$7,413,232	\$181,231	2.51%	\$7,329,066	\$97,065	1.34%
Bellmawr	\$2,378,819	\$2,432,618	\$53,799	2.26%	\$2,408,330	\$29,511	1.24%
Belmar	\$703,011	\$687,310	(\$15,701)	-2.23%	\$703,011	\$0	0.00%
Belvidere	\$1,780,478	\$1,834,638	\$54,160	3.04%	\$1,809,612	\$29,134	1.64%
Bergen Sp Serv	\$11,478,229	\$10,196,857	(\$1,281,372)	-11.16%	\$11,478,229	\$0	0.00%
Bergen Voc	\$4,293,205	\$4,293,205	\$0	0.00%	\$4,299,137	\$5,932	0.14%
Bergenfield	\$3,598,955	\$3,667,606	\$68,651	1.91%	\$3,644,345	\$45,390	1.26%
Berkeley Heights	\$1,050,710	\$993,146	(\$57,564)	-5.48%	\$1,050,710	\$0	0.00%
Berkeley Twp	\$1,664,452	\$1,632,289	(\$32,163)	-1.93%	\$1,672,590	\$8,138	0.49%
Berlin Boro	\$1,535,351	\$1,585,935	\$50,584	3.29%	\$1,558,857	\$23,506	1.53%
Berlin Twp	\$1,861,712	\$1,920,128	\$58,416	3.14%	\$1,890,522	\$28,810	1.55%
Bernards	\$1,740,057	\$1,611,388	(\$128,669)	-7.39%	\$1,740,058	\$1	0.00%
Bernardsville	\$576,506	\$539,154	(\$37,352)	-6.48%	\$576,506	\$0	0.00%
Bethlehem	\$933,098	\$962,785	\$29,687	3.18%	\$944,941	\$11,843	1.27%
Beverly City	\$2,218,378	\$2,289,930	\$71,552	3.23%	\$2,254,274	\$35,896	1.62%
Black Horse Reg	\$17,828,837	\$18,483,894	\$655,057	3.67%	\$18,124,272	\$295,435	1.66%
Blairstown	\$1,085,417	\$1,116,386	\$30,969	2.85%	\$1,098,301	\$12,884	1.19%
Bloomfield	\$5,662,931	\$5,713,586	\$50,655	0.89%	\$5,705,673	\$42,742	0.75%
Bloomington	\$1,669,958	\$1,705,799	\$35,841	2.15%	\$1,684,480	\$14,522	0.87%
Bloomsbury	\$440,243	\$454,600	\$14,357	3.26%	\$447,383	\$7,140	1.62%
Bogota	\$2,014,925	\$2,072,310	\$57,385	2.85%	\$2,043,692	\$28,767	1.43%
Boonton	\$1,286,962	\$1,298,234	\$11,272	0.88%	\$1,295,696	\$8,734	0.68%
Boonton Twp	\$318,432	\$303,127	(\$15,305)	-4.81%	\$318,432	\$0	0.00%
Bordentown Reg	\$3,062,811	\$3,148,466	\$85,655	2.80%	\$3,101,484	\$38,673	1.26%
Bound Brook	\$2,812,300	\$2,894,507	\$82,207	2.92%	\$2,857,753	\$45,453	1.62%
Bradley Beach	\$1,012,756	\$937,873	(\$74,883)	-7.39%	\$1,012,756	\$0	0.00%
Branchburg	\$1,688,154	\$1,595,484	(\$92,670)	-5.49%	\$1,719,531	\$31,377	1.86%
Branchville	\$77,064	\$73,423	(\$3,641)	-4.72%	\$77,320	\$256	0.33%
Brick	\$23,011,026	\$23,706,599	\$695,573	3.02%	\$23,285,108	\$274,083	1.19%
Bridge-Rar Reg	\$5,538,540	\$5,222,823	(\$315,717)	-5.70%	\$5,569,755	\$31,215	0.56%
Bridgeton	\$24,277,480	\$26,601,369	\$2,323,889	9.57%	\$25,114,267	\$836,787	3.45%

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Brielle	\$379,406	\$368,472	(\$10,934)	-2.88%	\$379,406	\$0	0.00%
Brigantine City	\$1,149,197	\$1,162,630	\$13,433	1.17%	\$1,149,197	\$0	0.00%
Brooklawn	\$1,118,182	\$1,152,680	\$34,498	3.09%	\$1,135,509	\$17,327	1.55%
Buena Reg	\$9,444,356	\$9,729,454	\$285,098	3.02%	\$9,538,056	\$93,700	0.99%
Burlington City	\$5,677,295	\$6,183,597	\$506,302	8.92%	\$5,912,058	\$234,763	4.14%
Burlington Sp Ser	\$13,944,900	\$14,054,836	\$109,936	0.79%	\$13,944,900	\$0	0.00%
Burlington Twp	\$4,080,806	\$4,210,534	\$129,728	3.18%	\$4,137,791	\$56,985	1.40%
Burlington Voc	\$8,396,229	\$8,606,493	\$210,264	2.50%	\$8,507,001	\$110,772	1.32%
Butler	\$2,288,479	\$2,346,890	\$58,411	2.55%	\$2,316,916	\$28,437	1.24%
Byram	\$2,534,621	\$2,624,375	\$89,754	3.54%	\$2,572,426	\$37,805	1.49%
Cald-W Caldwell	\$1,581,527	\$1,416,597	(\$164,930)	-10.43%	\$1,571,059	(\$10,468)	-0.66%
Califon	\$214,976	\$218,884	\$3,908	1.82%	\$217,709	\$2,733	1.27%
Camden	\$150,880,750	\$165,380,836	\$14,500,086	9.61%	\$156,246,584	\$5,365,834	3.56%
Camden Voc	\$17,582,245	\$17,953,311	\$371,066	2.11%	\$17,794,658	\$212,413	1.21%
Cape May City	\$170,911	\$171,560	\$649	0.38%	\$170,911	\$0	0.00%
Cape May Point	\$11,258	\$11,339	\$81	0.72%	\$11,262	\$4	0.04%
Cape May Sp Ser	\$4,713,393	\$4,387,288	(\$326,105)	-6.92%	\$4,713,393	\$0	0.00%
Cape May Voc	\$827,848	\$827,848	\$0	0.00%	\$829,367	\$1,519	0.18%
Carl E Ruth	\$305,773	\$308,425	\$2,652	0.87%	\$313,055	\$7,282	2.38%
Carlstadt	\$248,734	\$249,299	\$565	0.23%	\$233,278	(\$15,456)	-6.21%
Cartert	\$6,690,878	\$6,878,361	\$187,483	2.80%	\$6,785,439	\$94,561	1.41%
Cedar Grove	\$966,192	\$901,951	(\$64,241)	-6.65%	\$966,192	\$0	0.00%
Central Reg	\$2,280,694	\$2,272,230	(\$8,464)	-0.37%	\$2,287,897	\$7,203	0.32%
Chathams	\$1,972,845	\$1,836,811	(\$136,034)	-6.90%	\$1,972,845	\$0	0.00%
Cherry Hill	\$12,736,606	\$12,918,168	\$181,562	1.43%	\$12,867,730	\$131,124	1.03%
Chesilhurst	\$981,088	\$1,010,816	\$29,728	3.03%	\$958,249	(\$22,839)	-2.33%
Chester	\$919,899	\$877,791	(\$42,108)	-4.58%	\$924,407	\$4,508	0.49%
Chesterfield	\$311,161	\$317,096	\$5,935	1.91%	\$314,648	\$3,487	1.12%
Cinnaminson	\$4,500,885	\$4,623,988	\$123,103	2.74%	\$4,565,089	\$64,204	1.43%
Clark	\$925,983	\$862,696	(\$63,287)	-6.83%	\$925,983	\$0	0.00%
Clayton	\$5,972,364	\$6,154,615	\$182,251	3.05%	\$6,066,657	\$94,293	1.58%
Clearview Reg	\$6,055,467	\$6,276,758	\$221,291	3.65%	\$6,055,459	(\$8)	0.00%
Clementon	\$1,638,052	\$1,680,306	\$42,254	2.58%	\$1,659,166	\$21,114	1.29%
Cliffside Park	\$1,723,214	\$1,657,323	(\$65,891)	-3.82%	\$1,723,214	\$0	0.00%
Clifton	\$8,425,184	\$8,010,026	(\$415,158)	-4.93%	\$8,414,717	(\$10,467)	-0.12%
Clinton	\$189,985	\$170,989	(\$18,996)	-10.00%	\$191,726	\$1,741	0.92%
Clinton Twp	\$1,401,584	\$1,430,725	\$29,141	2.08%	\$1,410,520	\$8,936	0.64%
Closter	\$633,276	\$566,900	(\$66,376)	-10.48%	\$615,395	(\$17,881)	-2.82%
Collingswood	\$7,280,164	\$7,512,221	\$232,057	3.19%	\$7,391,639	\$111,475	1.53%
Colts Neck	\$643,062	\$613,821	(\$29,241)	-4.55%	\$620,223	(\$22,839)	-3.55%
Commercial	\$5,446,281	\$5,616,494	\$170,213	3.13%	\$5,540,046	\$93,765	1.72%
Corbin City	\$113,163	\$117,299	\$4,136	3.65%	\$114,808	\$1,645	1.45%
Cranbury	\$399,191	\$390,262	(\$8,929)	-2.24%	\$399,191	\$0	0.00%
Cranford	\$2,296,322	\$2,060,273	(\$236,049)	-10.28%	\$2,373,082	\$76,760	3.34%
Creskill	\$768,464	\$695,443	(\$73,021)	-9.50%	\$768,464	\$0	0.00%
Cumberland Reg	\$7,166,502	\$7,411,668	\$245,166	3.42%	\$7,297,725	\$131,223	1.83%
Cumberland Voc	\$2,232,098	\$2,289,590	\$57,492	2.58%	\$2,262,523	\$30,425	1.36%
Deal	\$119,295	\$110,218	(\$9,077)	-7.61%	\$108,827	(\$10,468)	-8.77%
Deerfield	\$1,515,789	\$1,564,077	\$48,288	3.19%	\$1,539,305	\$23,516	1.55%
Delanco	\$1,630,380	\$1,686,963	\$56,583	3.47%	\$1,658,731	\$28,351	1.74%
Delaware Twp	\$1,118,458	\$1,150,860	\$32,402	2.90%	\$1,131,079	\$12,621	1.13%
Delaware Val Reg	\$2,849,084	\$2,956,591	\$107,507	3.77%	\$2,897,032	\$47,948	1.68%
Delran	\$7,119,228	\$7,358,669	\$239,441	3.36%	\$7,272,280	\$153,052	2.15%
Demarest	\$604,023	\$575,913	(\$28,110)	-4.65%	\$583,177	(\$20,846)	-3.45%
Dennis	\$3,955,021	\$4,092,317	\$137,296	3.47%	\$4,009,067	\$54,046	1.37%
Denville	\$1,210,248	\$1,189,668	(\$20,580)	-1.70%	\$1,214,068	\$3,820	0.32%

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# Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Deptford	\$13,345,117	\$13,734,599	\$389,482	2.92%	\$13,423,474	\$78,357	0.59%
Dover	\$7,080,926	\$7,249,338	\$168,412	2.38%	\$7,228,089	\$147,163	2.08%
Downe	\$1,724,919	\$1,777,534	\$52,615	3.05%	\$1,724,919	\$0	0.00%
Dumont	\$3,989,585	\$4,110,537	\$120,952	3.03%	\$4,089,352	\$99,767	2.50%
Dunellen	\$2,426,608	\$2,497,458	\$70,850	2.92%	\$2,462,489	\$35,881	1.48%
Eagleswood	\$556,898	\$574,540	\$17,642	3.17%	\$556,898	\$0	0.00%
East Amwell	\$702,178	\$724,176	\$21,998	3.13%	\$753,479	\$51,301	7.31%
East Brunswick	\$12,771,367	\$13,138,519	\$367,152	2.87%	\$12,910,603	\$139,236	1.09%
East Greenwich	\$2,107,982	\$2,182,486	\$74,504	3.53%	\$2,107,982	\$0	0.00%
East Hanover	\$859,677	\$811,680	(\$47,997)	-5.58%	\$859,677	\$0	0.00%
East Newark	\$1,408,860	\$1,451,555	\$42,695	3.03%	\$1,432,464	\$23,604	1.68%
East Orange	\$75,996,427	\$83,580,898	\$7,584,471	9.98%	\$80,711,625	\$4,715,198	6.20%
East Rutherford	\$490,498	\$463,192	(\$27,306)	-5.57%	\$490,498	\$0	0.00%
East Windsor Reg	\$10,870,148	\$11,141,641	\$271,493	2.50%	\$11,013,430	\$143,282	1.32%
Eastampton	\$2,208,488	\$2,285,732	\$77,244	3.50%	\$2,244,376	\$35,888	1.63%
Easter Cam Reg	\$5,988,400	\$6,210,403	\$222,003	3.71%	\$6,085,636	\$97,236	1.62%
Eatontown	\$4,195,800	\$4,321,177	\$125,377	2.99%	\$4,256,529	\$60,729	1.45%
Edgewater	\$704,633	\$714,053	\$9,420	1.34%	\$700,661	(\$3,972)	-0.56%
Edgewater Park	\$3,898,738	\$4,009,651	\$110,913	2.84%	\$3,971,019	\$72,281	1.85%
Edison	\$10,378,737	\$10,013,757	(\$364,980)	-3.52%	\$10,428,053	\$49,316	0.48%
Egg Harbor City	\$2,254,303	\$2,319,924	\$65,621	2.91%	\$2,292,659	\$38,356	1.70%
Egg Harbor Twp	\$18,190,087	\$18,770,974	\$580,887	3.19%	\$18,650,583	\$460,496	2.53%
Elizabeth	\$85,691,165	\$92,881,992	\$7,190,827	8.39%	\$90,558,026	\$4,866,861	5.68%
Elk	\$1,668,006	\$1,722,663	\$54,657	3.28%	\$1,694,256	\$26,250	1.57%
Elmer	\$1,093,037	\$1,131,892	\$38,855	3.55%	\$1,111,530	\$18,493	1.69%
Elmwood Park	\$1,659,720	\$1,630,858	(\$28,862)	-1.74%	\$1,679,762	\$20,042	1.21%
Elsinboro	\$394,094	\$406,068	\$11,974	3.04%	\$399,819	\$5,725	1.45%
Emerson	\$794,285	\$741,069	(\$53,216)	-6.70%	\$835,304	\$41,019	5.16%
Englewood	\$3,303,583	\$3,244,167	(\$59,416)	-1.80%	\$3,307,451	\$3,868	0.12%
Englewood Cliffs	\$397,106	\$405,251	\$8,145	2.05%	\$404,232	\$7,126	1.79%
Essex Fells	\$40,310	\$37,136	(\$3,174)	-7.87%	\$40,508	\$198	0.49%
Essex Voc	\$11,392,363	\$11,577,779	\$185,416	1.63%	\$11,522,507	\$130,144	1.14%
Estell Manor City	\$1,329,990	\$1,377,612	\$47,622	3.58%	\$1,329,990	\$0	0.00%
Evesham	\$9,103,677	\$9,405,806	\$302,129	3.32%	\$9,234,442	\$130,765	1.44%
Ewing	\$4,274,551	\$4,059,022	(\$215,529)	-5.04%	\$4,272,717	(\$1,834)	-0.04%
Fair Haven	\$544,663	\$484,456	(\$60,207)	-11.05%	\$549,237	\$4,574	0.84%
Fair Lawn	\$2,877,150	\$2,751,693	(\$125,457)	-4.36%	\$2,895,127	\$17,977	0.62%
Fairfield	\$379,217	\$370,408	(\$8,809)	-2.32%	\$380,742	\$1,525	0.40%
Fairfield (CU)	\$3,648,884	\$3,765,509	\$116,625	3.20%	\$3,693,417	\$44,533	1.22%
Fairview	\$1,419,149	\$1,445,798	\$26,649	1.88%	\$1,466,447	\$47,298	3.33%
Far Hills	\$64,597	\$61,148	(\$3,449)	-5.34%	\$64,597	\$0	0.00%
Farmingdale	\$590,615	\$608,838	\$18,223	3.09%	\$600,194	\$9,579	1.62%
Fieldsboro	\$353,384	\$365,622	\$12,238	3.46%	\$358,749	\$5,365	1.52%
Flem-Raritan Reg	\$2,528,518	\$2,579,203	\$50,685	2.00%	\$2,550,534	\$22,016	0.87%
Florence	\$4,598,911	\$4,759,907	\$160,996	3.50%	\$4,679,185	\$80,274	1.75%
Florham Park	\$433,895	\$436,669	\$2,774	0.64%	\$428,143	(\$5,752)	-1.33%
Folsom Boro	\$2,287,965	\$2,368,022	\$80,057	3.50%	\$2,325,017	\$37,052	1.62%
Fort Lee	\$1,774,140	\$1,785,997	\$11,857	0.67%	\$1,805,919	\$31,779	1.79%
Frankford	\$1,907,750	\$1,965,990	\$58,240	3.05%	\$1,932,088	\$24,338	1.28%
Franklin (G)	\$6,512,946	\$6,718,006	\$205,060	3.15%	\$6,607,049	\$94,103	1.44%
Franklin (HU)	\$305,700	\$295,058	(\$10,642)	-3.48%	\$306,958	\$1,258	0.41%
Franklin (SO)	\$6,654,591	\$6,473,685	(\$180,906)	-2.72%	\$6,675,429	\$20,838	0.31%
Franklin (SU)	\$2,254,739	\$2,322,313	\$67,574	3.00%	\$2,288,207	\$33,468	1.48%
Franklin (W)	\$638,728	\$657,315	\$18,587	2.91%	\$647,016	\$8,288	1.30%
Franklin Lakes	\$793,432	\$798,251	\$4,819	0.61%	\$793,992	\$560	0.07%
Fredon	\$485,494	\$497,499	\$12,005	2.47%	\$490,302	\$4,808	0.99%

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## Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Freehold Boro	\$2,595,118	\$2,661,212	\$66,094	2.55%	\$2,619,229	\$24,111	0.93%
Freehold Reg	\$31,534,085	\$32,639,605	\$1,105,520	3.51%	\$32,039,230	\$505,145	1.60%
Freehold Twp	\$3,992,236	\$4,109,060	\$116,824	2.93%	\$4,042,603	\$50,367	1.26%
Frelinghuysen	\$406,327	\$417,757	\$11,430	2.81%	\$406,327	\$0	0.00%
Frenchtown	\$617,666	\$638,126	\$20,460	3.31%	\$628,300	\$10,634	1.72%
Galloway Twp	\$9,463,071	\$9,781,560	\$318,489	3.37%	\$9,612,903	\$149,832	1.58%
Garfield	\$6,511,185	\$6,969,706	\$458,521	7.04%	\$7,343,718	\$832,533	12.79%
Garwood	\$370,500	\$330,314	(\$40,186)	-10.85%	\$374,002	\$3,502	0.95%
Gateway Reg	\$4,943,270	\$5,122,935	\$179,665	3.63%	\$5,025,956	\$82,686	1.67%
Gibbsboro	\$1,047,173	\$1,081,453	\$34,280	3.27%	\$1,064,516	\$17,343	1.66%
Glassboro	\$9,183,356	\$9,469,151	\$285,795	3.11%	\$9,183,356	\$0	0.00%
Glen Gardner	\$355,691	\$366,881	\$11,190	3.15%	\$360,153	\$4,462	1.25%
Glen Ridge	\$1,002,459	\$880,576	(\$121,883)	-12.16%	\$1,011,057	\$8,598	0.86%
Glen Rock	\$1,069,645	\$945,583	(\$124,062)	-11.60%	\$1,078,574	\$8,929	0.83%
Gloucester City	\$12,077,569	\$13,297,783	\$1,220,214	10.10%	\$12,897,848	\$820,279	6.79%
Gloucester Sp Ser	\$1,267,248	\$1,277,019	\$9,771	0.77%	\$1,272,134	\$4,886	0.39%
Gloucester Twp	\$27,235,377	\$28,182,932	\$947,555	3.48%	\$27,688,141	\$452,764	1.66%
Gloucester Voc	\$4,597,925	\$4,722,936	\$125,011	2.72%	\$4,660,746	\$62,821	1.37%
Greater Egg Har	\$12,991,327	\$13,447,929	\$456,602	3.51%	\$13,121,136	\$129,809	1.00%
Green	\$1,841,391	\$1,903,188	\$61,797	3.36%	\$1,868,285	\$26,894	1.46%
Green Brook	\$607,737	\$570,012	(\$37,725)	-6.21%	\$607,737	\$0	0.00%
Greenwich (W)	\$1,259,482	\$1,302,363	\$42,881	3.40%	\$1,278,935	\$19,453	1.54%
Greenwich (G)	\$1,569,440	\$1,609,188	\$39,748	2.53%	\$1,569,440	\$0	0.00%
Greenwich Twp (CUM	\$364,676	\$375,372	\$10,696	2.93%	\$369,619	\$4,943	1.36%
Guttenberg	\$1,348,074	\$1,357,075	\$9,001	0.67%	\$2,119,676	\$771,602	57.24%
Hackensack	\$4,261,311	\$4,144,769	(\$116,542)	-2.73%	\$4,250,843	(\$10,468)	-0.25%
Hackettstown	\$3,836,455	\$3,954,221	\$117,766	3.07%	\$3,896,966	\$60,511	1.58%
Haddon	\$5,395,835	\$5,553,453	\$157,618	2.92%	\$5,481,292	\$85,457	1.58%
Haddon Heights	\$1,712,470	\$1,742,897	\$30,427	1.78%	\$1,737,513	\$25,043	1.46%
Haddonfield	\$1,347,629	\$1,198,910	(\$148,719)	-11.04%	\$1,358,172	\$10,543	0.78%
Hainesport	\$1,160,431	\$1,195,973	\$35,542	3.06%	\$1,160,431	\$0	0.00%
Haledon	\$1,357,969	\$1,390,638	\$32,669	2.41%	\$1,377,344	\$19,375	1.43%
Hamburg	\$787,446	\$812,010	\$24,564	3.12%	\$800,408	\$12,962	1.65%
Hamilton	\$34,116,578	\$35,200,860	\$1,084,282	3.18%	\$34,625,628	\$509,050	1.49%
Hamilton Twp(A)	\$6,128,092	\$6,314,558	\$186,466	3.04%	\$6,128,092	\$0	0.00%
Hammononton	\$6,346,373	\$6,543,224	\$196,851	3.10%	\$6,446,918	\$100,545	1.58%
Hampton (SU)	\$829,971	\$853,674	\$23,703	2.86%	\$839,062	\$9,091	1.10%
Hampton (HUNT)	\$592,298	\$609,504	\$17,206	2.91%	\$603,410	\$11,112	1.88%
Hanover	\$807,425	\$816,241	\$8,816	1.09%	\$778,180	(\$29,245)	-3.62%
Hanover Park Reg	\$1,362,733	\$1,270,037	(\$92,696)	-6.80%	\$1,362,733	\$0	0.00%
Harding	\$313,354	\$312,592	(\$762)	-0.24%	\$313,865	\$511	0.16%
Hardwick	\$269,079	\$278,060	\$8,981	3.34%	\$272,744	\$3,665	1.36%
Hardyston	\$1,457,097	\$1,502,088	\$44,991	3.09%	\$1,474,833	\$17,736	1.22%
Harmony	\$394,579	\$401,246	\$6,667	1.69%	\$394,945	\$366	0.09%
Harrington Park	\$427,828	\$432,634	\$4,806	1.12%	\$431,617	\$3,789	0.89%
Harrison	\$5,692,316	\$6,215,843	\$523,527	9.20%	\$6,233,687	\$541,371	9.51%
Harrison (G)	\$1,558,561	\$1,614,646	\$56,085	3.60%	\$1,585,083	\$26,522	1.70%
Hasbrouk Heights	\$895,535	\$827,987	(\$67,548)	-7.54%	\$901,959	\$6,424	0.72%
Haworth	\$265,105	\$253,031	(\$12,074)	-4.55%	\$267,150	\$2,045	0.77%
Hawthorne	\$1,599,417	\$1,464,596	(\$134,821)	-8.43%	\$1,599,417	\$0	0.00%
Hazlet	\$9,683,257	\$10,000,005	\$316,748	3.27%	\$9,832,972	\$149,715	1.55%
Helmetta	\$677,749	\$700,592	\$22,843	3.37%	\$686,781	\$9,032	1.33%
Henry Hud Reg	\$673,572	\$641,033	(\$32,539)	-4.83%	\$677,460	\$3,888	0.58%
Hi Nella	\$399,631	\$413,484	\$13,853	3.47%	\$405,393	\$5,762	1.44%
High Bridge	\$1,222,813	\$1,259,479	\$36,666	3.00%	\$1,241,369	\$18,556	1.52%

## Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
High Point Reg	\$4,483,682	\$4,648,264	\$164,582	3.67%	\$4,556,230	\$72,548	1.62%
Highland Park	\$2,684,843	\$2,745,923	\$61,080	2.27%	\$2,715,761	\$30,918	1.15%
Highlands	\$414,480	\$386,530	(\$27,950)	-6.74%	\$414,480	\$0	0.00%
Hillsborough	\$14,080,284	\$14,565,562	\$485,278	3.45%	\$14,289,630	\$209,346	1.49%
Hillsdale	\$721,373	\$661,032	(\$60,341)	-8.36%	\$726,267	\$4,894	0.68%
Hillside	\$8,090,740	\$8,324,780	\$234,040	2.89%	\$8,285,901	\$195,161	2.41%
Ho Ho Kus	\$429,821	\$421,435	(\$8,386)	-1.95%	\$430,389	\$558	0.13%
Hoboken	\$9,849,526	\$10,355,060	\$505,534	5.13%	\$10,601,046	\$751,520	7.63%
Holland	\$1,497,609	\$1,545,825	\$48,216	3.22%	\$1,518,871	\$21,262	1.42%
Holmdel	\$1,898,694	\$1,757,889	(\$140,805)	-7.42%	\$1,898,694	\$0	0.00%
Hopatcong	\$9,997,888	\$10,326,230	\$328,342	3.28%	\$10,154,147	\$156,259	1.56%
Hope	\$812,256	\$835,939	\$23,683	2.92%	\$821,670	\$9,414	1.16%
Hopewell	\$2,223,955	\$2,295,444	\$71,489	3.21%	\$2,256,633	\$32,678	1.47%
Hopewell Val Reg	\$2,108,180	\$1,977,149	(\$131,031)	-6.22%	\$2,143,205	\$35,025	1.66%
Howell	\$17,039,186	\$17,603,115	\$563,929	3.31%	\$17,308,771	\$269,585	1.58%
Hudson Voc	\$10,157,056	\$10,448,359	\$291,303	2.87%	\$10,157,056	\$0	0.00%
Hunterdon Reg	\$5,348,584	\$5,531,021	\$182,437	3.41%	\$5,425,276	\$76,692	1.43%
Independence	\$2,544,159	\$2,632,410	\$88,251	3.47%	\$2,583,701	\$39,542	1.55%
Interlaken	\$33,003	\$26,764	(\$6,239)	-18.90%	\$33,003	\$0	0.00%
Irvington	\$55,427,953	\$60,596,835	\$5,168,882	9.33%	\$59,757,552	\$4,329,599	7.81%
Island Heights	\$179,666	\$167,553	(\$12,113)	-6.74%	\$179,666	\$0	0.00%
Jackson	\$24,144,443	\$24,994,731	\$850,288	3.52%	\$24,539,976	\$395,533	1.64%
Jamesburg	\$1,761,922	\$1,812,422	\$50,500	2.87%	\$1,785,898	\$23,976	1.36%
Jefferson MOR	\$8,675,069	\$8,972,699	\$297,630	3.43%	\$8,806,557	\$131,488	1.52%
Jersey City	\$149,642,347	\$162,892,388	\$13,250,041	8.85%	\$158,933,469	\$9,291,122	6.21%
Keansburg	\$9,343,871	\$10,238,895	\$895,024	9.58%	\$9,786,908	\$443,037	4.74%
Kearny	\$10,528,509	\$10,843,776	\$315,267	2.99%	\$10,623,689	\$95,180	0.90%
Kenilworth	\$542,680	\$498,910	(\$43,770)	-8.07%	\$542,680	\$0	0.00%
Keyport	\$3,758,270	\$3,863,835	\$105,565	2.81%	\$3,815,520	\$57,250	1.52%
Kingsway Reg	\$4,431,203	\$4,584,432	\$153,229	3.46%	\$4,502,755	\$71,552	1.61%
Kingwood	\$805,234	\$830,584	\$25,350	3.15%	\$815,561	\$10,327	1.28%
Kinnelon	\$1,844,410	\$1,804,704	(\$39,706)	-2.15%	\$1,849,339	\$4,929	0.27%
Kittatinny Reg	\$4,221,492	\$4,374,814	\$153,322	3.63%	\$4,288,162	\$66,670	1.58%
Knowlton	\$938,706	\$970,000	\$31,294	3.33%	\$941,534	\$2,828	0.30%
Lacey	\$13,568,248	\$14,006,154	\$437,906	3.23%	\$13,086,374	(\$481,874)	-3.55%
Lafayette	\$485,805	\$495,740	\$9,935	2.05%	\$489,697	\$3,892	0.80%
Lakehurst	\$3,265,317	\$3,373,259	\$107,942	3.31%	\$3,316,217	\$50,900	1.56%
Lakeland Reg	\$4,995,473	\$5,174,678	\$179,205	3.59%	\$5,075,558	\$80,085	1.60%
Lakewood	\$18,426,789	\$18,947,213	\$520,424	2.82%	\$18,681,630	\$254,841	1.38%
Lambertville	\$280,474	\$261,961	(\$18,513)	-6.60%	\$282,448	\$1,974	0.70%
Laurel Springs	\$1,227,706	\$1,262,510	\$34,804	2.83%	\$1,248,437	\$20,731	1.69%
Lavallette	\$151,105	\$152,836	\$1,731	1.15%	\$151,767	\$662	0.44%
Lawnside	\$2,231,037	\$2,299,289	\$68,252	3.06%	\$2,268,146	\$37,109	1.66%
Lawrence (CU)	\$2,889,283	\$2,981,163	\$91,880	3.18%	\$2,889,281	(\$2)	0.00%
Lawrence (ME)	\$3,142,244	\$3,027,288	(\$114,956)	-3.66%	\$3,131,777	(\$10,467)	-0.33%
Lebanon Boro	\$108,261	\$109,001	\$740	0.68%	\$108,354	\$93	0.09%
Lebanon Twp	\$1,056,550	\$1,086,842	\$30,292	2.87%	\$1,067,182	\$10,632	1.01%
Lenape Val Reg	\$3,259,173	\$3,374,142	\$114,969	3.53%	\$3,311,148	\$51,975	1.59%
Lenepe Reg	\$20,723,768	\$21,472,769	\$749,001	3.61%	\$21,046,388	\$322,620	1.56%
Leonia	\$1,167,666	\$1,169,567	\$1,901	0.16%	\$1,174,769	\$7,103	0.61%
Liberty	\$1,792,792	\$1,852,301	\$59,509	3.32%	\$1,819,402	\$26,610	1.48%
Lincoln Park	\$1,901,487	\$1,941,782	\$40,295	2.12%	\$1,920,458	\$18,971	1.00%
Linden	\$5,434,874	\$5,120,352	(\$314,522)	-5.79%	\$5,434,874	\$0	0.00%
Lindenwold	\$4,900,851	\$5,037,884	\$137,033	2.80%	\$4,981,401	\$80,550	1.64%
Linwood City	\$1,346,082	\$1,374,982	\$28,900	2.15%	\$1,366,200	\$20,118	1.49%
Little Egg Harbor	\$4,171,714	\$4,298,526	\$126,812	3.04%	\$4,171,714	\$0	0.00%



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	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Little Falls	\$544,631	\$537,932	(\$6,699)	-1.23%	\$545,865	\$1,234	0.23%
Little Ferry	\$994,637	\$1,012,204	\$17,567	1.77%	\$1,000,813	\$6,176	0.62%
Little Silver	\$449,501	\$397,142	(\$52,359)	-11.65%	\$449,501	\$0	0.00%
Livingston	\$3,302,980	\$2,988,865	(\$314,115)	-9.51%	\$3,302,980	\$0	0.00%
Lodi	\$3,353,642	\$3,398,455	\$44,813	1.34%	\$3,386,535	\$32,893	0.98%
Logan	\$4,050,253	\$4,196,003	\$145,750	3.60%	\$4,050,253	\$0	0.00%
Long Beach Id	\$355,732	\$359,977	\$4,245	1.19%	\$356,932	\$1,200	0.34%
Long Branch	\$17,090,394	\$18,382,281	\$1,291,887	7.56%	\$18,103,710	\$1,013,316	5.93%
Longport	\$30,634	\$31,859	\$1,225	4.00%	\$30,634	\$0	0.00%
Lopatcong	\$1,586,532	\$1,642,356	\$55,824	3.52%	\$1,613,663	\$27,131	1.71%
Lower All Creek	\$1,071,736	\$1,109,407	\$37,671	3.51%	\$1,071,736	\$0	0.00%
Lower Cam Reg	\$30,135,011	\$31,199,118	\$1,064,107	3.53%	\$30,643,413	\$508,402	1.69%
Lower Cape Reg	\$4,938,537	\$5,098,793	\$160,256	3.25%	\$4,935,216	(\$3,321)	-0.07%
Lower Twp	\$5,045,733	\$5,200,499	\$154,766	3.07%	\$5,117,136	\$71,403	1.42%
Lumberton	\$1,970,626	\$2,030,587	\$59,961	3.04%	\$1,970,626	\$0	0.00%
Lyndhurst	\$1,654,851	\$1,576,273	(\$78,578)	-4.75%	\$1,654,851	\$0	0.00%
Madison	\$1,153,416	\$1,064,033	(\$89,383)	-7.75%	\$1,153,416	\$0	0.00%
Magnolia	\$1,689,093	\$1,736,115	\$47,022	2.78%	\$1,713,374	\$24,281	1.44%
Mahwah	\$2,056,094	\$2,095,981	\$39,887	1.94%	\$2,059,249	\$3,155	0.15%
Mainland Reg	\$3,900,531	\$4,040,170	\$139,639	3.58%	\$3,768,492	(\$132,039)	-3.39%
Manal-Eng Reg	\$11,784,579	\$12,197,948	\$413,369	3.51%	\$11,962,459	\$177,880	1.51%
Manasquan	\$658,465	\$591,776	(\$66,689)	-10.13%	\$640,069	(\$18,396)	-2.79%
Manchester	\$3,446,318	\$3,414,450	(\$31,868)	-0.92%	\$3,469,978	\$23,660	0.69%
Mannington	\$601,021	\$613,735	\$12,714	2.12%	\$601,021	\$0	0.00%
Mansfield (W)	\$1,668,444	\$1,715,235	\$46,791	2.80%	\$1,688,894	\$20,450	1.23%
Mansfield (BUR)	\$236,731	\$232,289	(\$4,442)	-1.88%	\$237,578	\$847	0.36%
Mantoloking	\$7,876	\$7,562	(\$314)	-3.99%	\$7,910	\$34	0.43%
Mantua	\$3,162,445	\$3,266,035	\$103,590	3.28%	\$3,196,544	\$34,099	1.08%
Manville	\$2,319,429	\$2,379,846	\$60,417	2.60%	\$2,350,758	\$31,329	1.35%
Maple Shade	\$3,132,736	\$3,197,269	\$64,533	2.06%	\$3,173,359	\$40,623	1.30%
Margate	\$559,627	\$565,149	\$5,522	0.99%	\$561,493	\$1,866	0.33%
Marlboro	\$7,888,036	\$8,137,460	\$249,424	3.16%	\$8,002,751	\$114,715	1.45%
Matawn-Aber Reg	\$8,746,854	\$9,005,862	\$259,008	2.98%	\$8,871,190	\$124,336	1.42%
Maurice River	\$3,687,175	\$3,810,653	\$123,478	3.35%	\$3,773,572	\$86,397	2.34%
Maywood	\$795,769	\$760,762	(\$35,007)	-4.40%	\$804,289	\$8,520	1.07%
Medford	\$5,255,614	\$5,423,694	\$168,080	3.20%	\$5,320,713	\$65,099	1.24%
Medford Lakes	\$1,232,451	\$1,250,546	\$18,095	1.47%	\$1,251,259	\$18,808	1.53%
Mendham Twp	\$430,557	\$417,474	(\$13,083)	-3.04%	\$430,557	\$0	0.00%
Mendham Boro	\$301,566	\$287,032	(\$14,534)	-4.82%	\$301,627	\$61	0.02%
Mercer Sp Ser	\$9,018,941	\$9,056,560	\$37,619	0.42%	\$9,018,941	\$0	0.00%
Mercer Voc	\$2,176,261	\$2,217,006	\$40,745	1.87%	\$2,197,276	\$21,015	0.97%
Merchantville	\$1,145,452	\$1,177,781	\$32,329	2.82%	\$1,161,802	\$16,350	1.43%
Metuchen	\$1,260,511	\$1,113,388	(\$147,123)	-11.67%	\$1,271,744	\$11,233	0.89%
Middle Twp	\$8,132,697	\$8,402,469	\$269,772	3.32%	\$8,261,285	\$128,588	1.58%
Middlesex	\$3,489,237	\$3,594,877	\$105,640	3.03%	\$3,540,312	\$51,075	1.46%
Middlesex Voc	\$10,557,215	\$10,698,717	\$141,502	1.34%	\$10,642,809	\$85,594	0.81%
Middletown	\$13,578,892	\$13,882,332	\$303,440	2.23%	\$15,156,634	\$1,577,742	11.62%
Midland Park	\$863,836	\$868,859	\$5,023	0.58%	\$870,988	\$7,152	0.83%
Millford	\$204,448	\$208,457	\$4,009	1.96%	\$206,865	\$2,417	1.18%
Millburn	\$1,258,484	\$1,276,750	\$18,266	1.45%	\$1,259,460	\$966	0.08%
Millstone (MON)	\$1,377,968	\$1,419,372	\$41,404	3.00%	\$1,386,805	\$8,837	0.64%
Millstone (SOM)	\$50,283	\$47,961	(\$2,322)	-4.62%	\$50,480	\$197	0.39%
Milltown	\$988,488	\$1,004,158	\$15,670	1.59%	\$994,408	\$5,920	0.60%
Millville	\$24,870,867	\$27,307,808	\$2,436,941	9.80%	\$27,185,120	\$2,314,253	9.31%
Mine Hill	\$449,233	\$386,184	(\$63,049)	-14.03%	\$453,553	\$4,320	0.96%
Monmouth Beach	\$203,937	\$204,269	\$332	0.16%	\$203,937	\$0	0.00%

## Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Monmouth Reg	\$4,152,270	\$4,294,524	\$142,254	3.43%	\$4,216,593	\$64,323	1.55%
Monmouth Voc	\$4,440,964	\$4,507,213	\$66,249	1.49%	\$4,474,244	\$33,280	0.75%
Monroe	\$17,450,638	\$18,034,347	\$583,709	3.34%	\$17,748,222	\$297,584	1.71%
Monroe (MI)	\$3,064,693	\$2,986,899	(\$77,794)	-2.54%	\$3,064,693	\$0	0.00%
Montague	\$1,444,435	\$1,485,606	\$41,171	2.85%	\$1,461,655	\$17,220	1.19%
Montclair	\$7,410,603	\$7,536,363	\$125,760	1.70%	\$7,481,317	\$70,714	0.95%
Montgomery	\$1,434,787	\$1,300,761	(\$134,026)	-9.34%	\$1,445,041	\$10,254	0.71%
Montvale	\$621,569	\$631,047	\$9,478	1.52%	\$615,741	(\$5,828)	-0.94%
Montville	\$1,989,116	\$1,818,495	(\$170,621)	-8.58%	\$2,003,509	\$14,393	0.72%
Moonachie	\$435,558	\$440,875	\$5,317	1.22%	\$424,885	(\$10,673)	-2.45%
Moorestown	\$2,334,384	\$2,167,620	(\$166,764)	-7.14%	\$2,334,384	\$0	0.00%
Morris District	\$4,452,516	\$4,449,217	(\$3,299)	-0.07%	\$4,452,516	\$0	0.00%
Morris Hills Reg	\$5,585,410	\$5,761,315	\$175,905	3.15%	\$5,660,052	\$74,642	1.34%
Morris Plains	\$491,432	\$496,572	\$5,140	1.05%	\$491,432	\$0	0.00%
Morris Voc	\$1,127,179	\$1,127,179	\$0	0.00%	\$1,127,179	\$0	0.00%
Mount Arlington	\$764,083	\$778,715	\$14,632	1.92%	\$773,446	\$9,363	1.23%
Mount Ephraim	\$1,559,283	\$1,609,898	\$50,615	3.25%	\$1,578,248	\$18,965	1.22%
Mount Holly	\$5,732,280	\$5,882,846	\$150,566	2.63%	\$5,822,267	\$89,987	1.57%
Mount Laurel	\$2,597,429	\$2,447,582	(\$149,847)	-5.77%	\$2,615,057	\$17,628	0.68%
Mount Olive	\$11,404,031	\$11,773,078	\$369,047	3.24%	\$11,565,252	\$161,221	1.41%
Mountain Lakes	\$579,489	\$497,004	(\$82,485)	-14.23%	\$584,993	\$5,504	0.95%
Mountainside	\$288,034	\$286,148	(\$1,886)	-0.65%	\$288,656	\$622	0.22%
Mullica Twp	\$2,963,243	\$3,052,075	\$88,832	3.00%	\$3,008,757	\$45,514	1.54%
N Caldwell	\$261,198	\$216,769	(\$44,429)	-17.01%	\$261,198	\$0	0.00%
N Hunterdon Reg	\$5,550,871	\$5,726,047	\$175,176	3.16%	\$5,620,996	\$70,125	1.26%
N. Burlington Reg	\$6,830,060	\$7,084,285	\$254,225	3.72%	\$7,105,012	\$274,952	4.03%
N. Highlands Reg	\$818,008	\$744,406	(\$73,602)	-9.00%	\$823,889	\$5,881	0.72%
N. Valley Reg	\$2,165,146	\$2,209,035	\$43,889	2.03%	\$2,243,509	\$78,363	3.62%
N. Warren Reg	\$2,747,813	\$2,842,912	\$95,099	3.46%	\$2,790,115	\$42,302	1.54%
National Park	\$1,644,355	\$1,699,342	\$54,987	3.34%	\$1,673,083	\$28,728	1.75%
Neptune City	\$1,063,941	\$1,087,934	\$23,993	2.26%	\$1,076,361	\$12,420	1.17%
Neptune Twp	\$13,771,162	\$14,875,407	\$1,104,245	8.02%	\$14,847,450	\$1,076,288	7.82%
Netcong	\$464,444	\$473,737	\$9,293	2.00%	\$470,737	\$6,293	1.35%
New Brunswick	\$20,165,986	\$21,607,635	\$1,441,649	7.15%	\$21,200,355	\$1,034,369	5.13%
New Hanover	\$749,716	\$779,705	\$29,989	4.00%	\$760,466	\$10,750	1.43%
New Milford	\$1,514,480	\$1,378,501	(\$135,979)	-8.98%	\$1,527,792	\$13,312	0.88%
New Providence	\$875,274	\$769,080	(\$106,194)	-12.13%	\$875,274	\$0	0.00%
Newark	\$349,191,519	\$382,458,877	\$33,267,358	9.53%	\$362,474,430	\$13,282,911	3.80%
Newfield	\$1,190,873	\$1,230,995	\$40,122	3.37%	\$1,209,515	\$18,642	1.57%
Newton	\$4,176,330	\$4,298,825	\$122,495	2.93%	\$4,240,690	\$64,360	1.54%
North Arlington	\$1,529,114	\$1,542,518	\$13,404	0.88%	\$1,541,689	\$12,575	0.82%
North Bergen	\$16,210,597	\$16,641,398	\$430,801	2.66%	\$16,444,700	\$234,103	1.44%
North Brunswick	\$6,661,229	\$6,831,246	\$170,017	2.55%	\$6,718,155	\$56,926	0.85%
North Haledon	\$498,115	\$465,394	(\$32,721)	-6.57%	\$498,115	\$0	0.00%
North Hanover	\$4,429,527	\$4,568,569	\$139,042	3.14%	\$4,626,305	\$196,778	4.44%
North Plainfield	\$7,518,975	\$7,740,503	\$221,528	2.95%	\$7,576,693	\$57,718	0.77%
North Wildwood	\$601,447	\$604,008	\$2,561	0.43%	\$608,087	\$6,640	1.10%
Northfield City	\$1,042,073	\$1,057,914	\$15,841	1.52%	\$1,054,541	\$12,468	1.20%
Northvale	\$422,438	\$402,516	(\$19,922)	-4.72%	\$424,045	\$1,607	0.38%
Norwood	\$343,467	\$327,698	(\$15,769)	-4.59%	\$343,467	\$0	0.00%
Nutley	\$3,085,379	\$3,115,958	\$30,579	0.99%	\$3,122,375	\$36,996	1.20%
Oakland	\$1,138,262	\$1,044,179	(\$94,083)	-8.27%	\$1,145,327	\$7,065	0.62%
Oaklyn	\$1,583,263	\$1,631,924	\$48,661	3.07%	\$1,608,715	\$25,452	1.61%
Ocean City	\$1,664,818	\$1,679,487	\$14,669	0.88%	\$1,677,426	\$12,608	0.76%
Ocean Gate	\$467,138	\$480,872	\$13,734	2.94%	\$467,233	\$95	0.02%
Ocean Twp (MO)	\$7,762,770	\$7,998,433	\$235,663	3.04%	\$7,865,875	\$103,105	1.33%

# Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Ocean Twp (O)	\$2,885,428	\$2,974,139	\$88,711	3.07%	\$2,885,428	\$0	0.00%
Ocean Voc	\$4,731,681	\$4,807,357	\$75,676	1.60%	\$4,772,791	\$41,110	0.87%
Oceanport	\$429,950	\$391,474	(\$38,476)	-8.95%	\$433,819	\$3,869	0.90%
Ogdensburg	\$1,457,595	\$1,506,643	\$49,048	3.36%	\$1,482,579	\$24,984	1.71%
Old Bridge	\$27,007,397	\$27,857,608	\$850,211	3.15%	\$27,395,726	\$388,329	1.44%
Old Tappan	\$287,056	\$257,153	(\$29,903)	-10.42%	\$289,171	\$2,115	0.74%
Oldmans	\$1,610,700	\$1,667,549	\$56,849	3.53%	\$1,610,700	\$0	0.00%
Oradell	\$412,825	\$402,128	(\$10,697)	-2.59%	\$412,825	\$0	0.00%
Orange	\$25,226,500	\$27,481,975	\$2,255,475	8.94%	\$26,229,162	\$1,002,662	3.97%
Oxford	\$658,242	\$678,705	\$20,463	3.11%	\$668,250	\$10,008	1.52%
Pahaquarry	\$835	\$868	\$33	4.00%	\$835	\$0	0.00%
Palisades Park	\$1,359,567	\$1,259,340	(\$100,227)	-7.37%	\$1,370,542	\$10,975	0.81%
Palmyra	\$3,481,033	\$3,562,963	\$81,930	2.35%	\$3,538,907	\$57,874	1.66%
Paramus	\$2,936,516	\$2,815,582	(\$120,934)	-4.12%	\$2,936,516	\$0	0.00%
Park Ridge	\$784,242	\$706,940	(\$77,302)	-9.86%	\$784,242	\$0	0.00%
Parsippany-Troy	\$6,004,754	\$5,679,169	(\$325,585)	-5.42%	\$6,033,856	\$29,102	0.48%
Pascack Vall Reg	\$1,813,233	\$1,704,423	(\$108,810)	-6.00%	\$1,844,912	\$31,679	1.75%
Passaic City	\$56,471,181	\$61,492,722	\$5,021,541	8.89%	\$59,485,112	\$3,013,931	5.34%
Passaic Man Reg	\$1,754,831	\$1,810,141	\$55,310	3.15%	\$1,781,102	\$26,271	1.50%
Passaic Reg	\$1,230,508	\$1,220,436	(\$10,072)	-0.82%	\$1,233,352	\$2,844	0.23%
Passaic Twp	\$653,620	\$604,554	(\$49,066)	-7.51%	\$653,620	\$0	0.00%
Passaic Voc	\$7,343,572	\$7,376,442	\$32,870	0.45%	\$7,386,537	\$42,965	0.59%
Paterson	\$152,111,712	\$166,479,966	\$14,368,254	9.45%	\$157,550,653	\$5,438,941	3.58%
Paulsboro	\$5,715,678	\$5,883,869	\$168,191	2.94%	\$5,811,778	\$96,100	1.68%
Peapack-Glad	\$162,053	\$166,548	\$4,495	2.77%	\$162,053	\$0	0.00%
Pemberton Boro	\$1,047,217	\$1,084,049	\$36,832	3.52%	\$1,065,738	\$18,521	1.77%
Pemberton Twp	\$40,626,958	\$44,637,235	\$4,010,277	9.87%	\$43,753,183	\$3,126,225	7.69%
Pennsauken	\$18,171,287	\$18,761,659	\$590,372	3.25%	\$18,450,700	\$279,413	1.54%
Pennsville (S)	\$8,016,937	\$8,290,745	\$273,808	3.42%	\$8,153,791	\$136,854	1.71%
Pens Grve-Car Pt	\$12,543,434	\$12,965,790	\$422,356	3.37%	\$12,543,434	\$0	0.00%
Pequannock	\$2,054,864	\$2,108,461	\$54,597	2.66%	\$2,079,438	\$24,574	1.20%
Perth Amboy	\$37,361,333	\$40,512,528	\$3,151,195	8.43%	\$39,290,387	\$1,929,054	5.16%
Phillipsburg	\$12,684,886	\$13,890,282	\$1,205,396	9.50%	\$13,594,133	\$909,247	7.17%
Pine Hill	\$3,980,883	\$4,111,640	\$130,757	3.28%	\$4,047,028	\$66,145	1.66%
Pine Valley	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Pinelands Reg	\$6,698,993	\$6,921,660	\$222,667	3.32%	\$6,698,993	\$0	0.00%
Piscataway	\$12,064,942	\$12,400,394	\$335,452	2.78%	\$12,193,577	\$128,635	1.07%
Pitman	\$6,598,099	\$6,816,959	\$218,860	3.32%	\$6,708,840	\$110,741	1.68%
Pittsgrove	\$8,084,656	\$8,363,834	\$279,178	3.45%	\$8,215,892	\$131,236	1.62%
Plainfield	\$37,818,473	\$41,331,395	\$3,512,922	9.28%	\$39,281,985	\$1,463,512	3.87%
Pleasantville	\$17,094,134	\$18,729,707	\$1,635,573	9.57%	\$17,636,641	\$542,507	3.17%
Plumsted	\$5,448,046	\$5,638,699	\$190,653	3.50%	\$5,535,717	\$87,671	1.61%
Pohatcong	\$1,465,748	\$1,509,689	\$43,941	3.00%	\$1,485,652	\$19,904	1.36%
Point Pleasant	\$4,812,202	\$4,957,130	\$144,928	3.01%	\$4,879,999	\$67,797	1.41%
Point Plsnt Beach	\$582,424	\$566,027	(\$16,397)	-2.82%	\$582,424	\$0	0.00%
Pompton Lakes	\$2,337,196	\$2,393,615	\$56,419	2.41%	\$2,365,755	\$28,559	1.22%
Port Republic	\$771,461	\$797,904	\$26,443	3.43%	\$777,539	\$6,078	0.79%
Princeton Reg	\$1,929,688	\$1,893,126	(\$36,562)	-1.89%	\$1,929,688	\$0	0.00%
Prospect Park	\$1,385,966	\$1,425,633	\$39,667	2.86%	\$1,407,252	\$21,286	1.54%
Quinton	\$2,046,263	\$2,117,488	\$71,225	3.48%	\$2,079,807	\$33,544	1.64%
Rahway	\$6,154,913	\$6,290,570	\$135,657	2.20%	\$6,227,077	\$72,164	1.17%
Ramapo Reg	\$1,685,849	\$1,534,810	(\$151,039)	-8.96%	\$1,696,943	\$11,094	0.66%
Ramsey	\$1,840,436	\$1,640,759	(\$199,677)	-10.85%	\$1,855,736	\$15,300	0.83%
Rancocas Val Reg	\$6,768,598	\$7,008,626	\$240,028	3.55%	\$6,879,345	\$110,747	1.64%
Randolph	\$10,046,211	\$10,371,117	\$324,906	3.23%	\$10,192,066	\$145,855	1.45%
Readington	\$1,381,538	\$1,312,072	(\$69,466)	-5.03%	\$1,388,264	\$6,726	0.49%

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# Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Red Bank	\$1,363,515	\$1,323,533	(\$39,982)	-2.93%	\$1,363,515	\$0	0.00%
Red Bank Reg	\$1,690,577	\$1,716,115	\$25,538	1.51%	\$1,712,080	\$21,503	1.27%
Ridgefield	\$1,796,653	\$1,840,141	\$43,488	2.42%	\$1,819,968	\$23,315	1.30%
Ridgefield Park	\$1,338,982	\$1,223,438	(\$115,544)	-8.63%	\$1,349,840	\$10,858	0.81%
Ridgewood	\$3,018,487	\$2,686,930	(\$331,557)	-10.98%	\$3,044,374	\$25,887	0.86%
Ringwood	\$3,000,552	\$3,095,158	\$94,606	3.15%	\$3,040,090	\$39,538	1.32%
River Dell Reg	\$1,114,737	\$1,018,275	(\$96,462)	-8.65%	\$1,125,219	\$10,482	0.94%
River Edge	\$587,086	\$533,688	(\$53,398)	-9.10%	\$591,446	\$4,360	0.74%
River Vale	\$755,441	\$679,193	(\$76,248)	-10.09%	\$761,474	\$6,033	0.80%
Riverdale	\$317,803	\$296,884	(\$20,919)	-6.58%	\$317,803	\$0	0.00%
Riverside	\$3,472,372	\$3,585,428	\$113,056	3.26%	\$3,531,911	\$59,539	1.71%
Riverton	\$442,180	\$370,899	(\$71,281)	-16.12%	\$447,269	\$5,089	1.15%
Rochelle Park	\$390,352	\$392,853	\$2,501	0.64%	\$391,329	\$977	0.25%
Rockaway Boro	\$444,848	\$403,334	(\$41,514)	-9.33%	\$448,602	\$3,754	0.84%
Rockaway Twp	\$2,014,565	\$1,910,551	(\$104,014)	-5.16%	\$2,047,351	\$32,786	1.63%
Rockleigh	\$33,507	\$30,293	(\$3,214)	-9.59%	\$33,893	\$386	1.15%
Rocky Hill	\$52,985	\$52,755	(\$230)	-0.43%	\$53,118	\$133	0.25%
Roosevelt	\$417,655	\$431,721	\$14,066	3.37%	\$422,868	\$5,213	1.25%
Roseland	\$260,498	\$263,599	\$3,101	1.19%	\$260,743	\$245	0.09%
Roselle	\$6,491,919	\$6,665,497	\$173,578	2.67%	\$6,585,905	\$93,986	1.45%
Roselle Park	\$4,143,044	\$4,260,257	\$117,213	2.83%	\$4,208,768	\$65,724	1.59%
Roxbury	\$12,333,242	\$12,756,329	\$423,087	3.43%	\$12,575,125	\$241,883	1.96%
Rumson	\$434,601	\$418,510	(\$16,091)	-3.70%	\$434,601	\$0	0.00%
Rumson Fair Hav	\$596,811	\$527,543	(\$69,268)	-11.61%	\$596,811	\$0	0.00%
Runnemede	\$2,826,607	\$2,918,980	\$92,373	3.27%	\$2,875,034	\$48,427	1.71%
Rutherford	\$2,510,798	\$2,565,164	\$54,366	2.17%	\$2,537,993	\$27,195	1.08%
S Hunterdon Reg	\$650,130	\$665,088	\$14,958	2.30%	\$654,713	\$4,583	0.70%
S. Gloucester Reg	\$9,864,033	\$10,212,856	\$348,823	3.54%	\$10,011,173	\$147,140	1.49%
S. Harrison	\$718,966	\$744,271	\$25,305	3.52%	\$730,999	\$12,033	1.67%
Saddle Brook	\$1,142,227	\$1,010,958	(\$131,269)	-11.49%	\$1,142,227	\$0	0.00%
Saddle River	\$184,126	\$188,468	\$4,342	2.36%	\$184,171	\$45	0.02%
Salem City	\$7,346,134	\$7,570,697	\$224,563	3.06%	\$7,477,423	\$131,289	1.79%
Salem Sp Ser	\$817,361	\$817,361	\$0	0.00%	\$818,235	\$874	0.11%
Salem Voc	\$2,010,042	\$2,061,196	\$51,154	2.54%	\$2,037,569	\$27,527	1.37%
Sandy-Walpack	\$353,870	\$364,105	\$10,235	2.89%	\$358,399	\$4,529	1.28%
Sayreville	\$8,052,223	\$8,296,036	\$243,813	3.03%	\$8,148,162	\$95,939	1.19%
Scotch Plns-Fan	\$3,929,821	\$3,698,568	(\$231,253)	-5.88%	\$3,949,350	\$19,529	0.50%
Sea Bright	\$114,657	\$103,480	(\$11,177)	-9.75%	\$114,657	\$0	0.00%
Sea Girt	\$73,445	\$73,625	\$180	0.24%	\$73,534	\$89	0.12%
Sea Isle City	\$362,848	\$366,884	\$4,036	1.11%	\$362,848	\$0	0.00%
Seaside Heights	\$314,451	\$300,092	(\$14,359)	-4.57%	\$314,451	\$0	0.00%
Seaside Park	\$126,231	\$126,892	\$661	0.52%	\$126,231	\$0	0.00%
Secaucus	\$1,085,153	\$1,078,610	(\$6,543)	-0.60%	\$1,097,802	\$12,649	1.17%
Shamong	\$3,743,024	\$3,873,594	\$130,570	3.49%	\$3,802,093	\$59,069	1.58%
Shiloh	\$313,382	\$322,068	\$8,686	2.77%	\$318,464	\$5,082	1.62%
Shore Reg	\$832,826	\$752,951	(\$79,875)	-9.59%	\$838,619	\$5,793	0.70%
Shrewsbury	\$284,221	\$268,779	(\$15,442)	-5.43%	\$284,221	\$0	0.00%
So Orange/Maple	\$4,995,370	\$4,631,630	(\$363,740)	-7.28%	\$4,984,902	(\$10,468)	-0.21%
Somerdale	\$1,254,241	\$1,279,780	\$25,539	2.04%	\$1,270,711	\$16,470	1.31%
Somers Point	\$2,465,572	\$2,531,547	\$65,975	2.68%	\$2,499,900	\$34,328	1.39%
Somerset Voc	\$1,285,849	\$1,285,849	\$0	0.00%	\$1,286,522	\$673	0.05%
Somerville	\$1,247,675	\$1,163,168	(\$84,507)	-6.77%	\$1,258,225	\$10,550	0.85%
South Amboy	\$2,797,053	\$2,875,567	\$78,514	2.81%	\$2,836,264	\$39,211	1.40%
South Belmar	\$105,138	\$84,167	(\$20,971)	-19.95%	\$106,430	\$1,292	1.23%
South Bound Brk	\$1,921,257	\$1,980,015	\$58,758	3.06%	\$1,952,150	\$30,893	1.61%
South Brunswick	\$4,940,416	\$5,012,936	\$72,520	1.47%	\$4,940,416	\$0	0.00%



## Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
South Hackensack	\$278,787	\$282,959	\$4,172	1.50%	\$279,365	\$578	0.21%
South Plainfield	\$3,216,264	\$3,286,737	\$70,473	2.19%	\$3,249,335	\$33,071	1.03%
South River	\$3,467,204	\$3,548,843	\$81,639	2.35%	\$3,511,719	\$44,515	1.28%
Southampton	\$2,262,433	\$2,327,176	\$64,743	2.86%	\$2,289,408	\$26,975	1.19%
Southern Reg	\$2,112,447	\$2,145,241	\$32,794	1.55%	\$2,090,596	(\$21,851)	-1.03%
Sparta	\$4,678,196	\$4,822,294	\$144,098	3.08%	\$4,737,117	\$58,921	1.26%
Spotswood	\$2,695,568	\$2,771,694	\$76,126	2.82%	\$2,725,500	\$29,932	1.11%
Spring Lake	\$167,676	\$170,379	\$2,703	1.61%	\$167,821	\$145	0.09%
Spring Lake Hts	\$481,732	\$469,239	(\$12,493)	-2.59%	\$495,412	\$13,680	2.84%
Springfield (BU)	\$729,444	\$754,291	\$24,847	3.41%	\$740,183	\$10,739	1.47%
Springfield (U)	\$517,075	\$516,820	(\$255)	-0.05%	\$518,273	\$1,198	0.23%
Stafford	\$2,463,589	\$2,521,784	\$58,195	2.36%	\$2,463,589	\$0	0.00%
Stanhope	\$675,702	\$689,875	\$14,173	2.10%	\$685,804	\$10,102	1.50%
Sterling HS	\$3,413,568	\$3,529,761	\$116,193	3.40%	\$3,467,239	\$53,671	1.57%
Stillwater	\$1,963,985	\$2,028,718	\$64,733	3.30%	\$1,992,853	\$28,868	1.47%
Stockton	\$28,705	\$25,215	(\$3,490)	-12.16%	\$28,915	\$210	0.73%
Stone Harbor	\$44,597	\$41,207	(\$3,390)	-7.60%	\$44,597	\$0	0.00%
Stow Creek	\$738,608	\$762,408	\$23,800	3.22%	\$749,374	\$10,766	1.46%
Stratford	\$2,152,636	\$2,222,360	\$69,724	3.24%	\$2,187,861	\$35,225	1.64%
Summit	\$1,564,620	\$1,478,752	(\$85,868)	-5.49%	\$1,564,620	\$0	0.00%
Sussex Voc	\$3,822,927	\$3,902,376	\$79,449	2.08%	\$3,863,791	\$40,864	1.07%
Sussex-Wan Reg	\$6,238,867	\$6,445,718	\$206,851	3.32%	\$6,332,522	\$93,655	1.50%
Swedes-Woolwich	\$1,750,076	\$1,807,675	\$57,599	3.29%	\$1,780,235	\$30,159	1.72%
Tabernacle	\$4,578,045	\$4,739,631	\$161,586	3.53%	\$4,652,728	\$74,683	1.63%
Tavistock	\$0	\$0	\$0	0.00%	\$3,843	\$3,843	#DIV/0!
Teaneck	\$4,818,335	\$4,602,586	(\$215,749)	-4.48%	\$4,870,898	\$52,563	1.09%
Tenafly	\$1,522,703	\$1,369,886	(\$152,817)	-10.04%	\$1,510,251	(\$12,452)	-0.82%
Teterboro	\$628	\$653	\$25	4.00%	\$0	(\$628)	-100.00%
Tinton Falls	\$1,991,470	\$2,021,402	\$29,932	1.50%	\$2,000,091	\$8,621	0.43%
Toms River Reg	\$54,595,336	\$56,477,335	\$1,881,999	3.45%	\$54,599,373	\$4,037	0.01%
Totowa	\$570,787	\$562,267	(\$8,520)	-1.49%	\$572,424	\$1,637	0.29%
Trenton	\$92,270,946	\$100,936,749	\$8,665,803	9.39%	\$95,418,891	\$3,147,945	3.41%
Tuckerton	\$896,168	\$921,320	\$25,152	2.81%	\$909,739	\$13,571	1.51%
Tewksbury	\$400,057	\$398,391	(\$1,666)	-0.42%	\$422,896	\$22,839	5.71%
Union	\$8,398,052	\$8,556,591	\$158,539	1.89%	\$8,477,067	\$79,015	0.94%
Union (HU)	\$401,796	\$371,529	(\$30,267)	-7.53%	\$401,796	\$0	0.00%
Union Beach	\$6,216,411	\$6,427,450	\$211,039	3.39%	\$6,322,155	\$105,744	1.70%
Union City	\$46,290,952	\$50,574,487	\$4,283,535	9.25%	\$48,969,018	\$2,678,066	5.79%
Union Reg	\$2,894,993	\$2,621,225	(\$273,768)	-9.46%	\$2,894,993	\$0	0.00%
Union Voc	\$1,130,931	\$1,146,072	\$15,141	1.34%	\$1,138,501	\$7,570	0.67%
Upper Deerfield	\$3,691,332	\$3,810,543	\$119,211	3.23%	\$3,751,372	\$60,040	1.63%
Upper Freehold	\$2,413,943	\$2,490,126	\$76,183	3.16%	\$2,448,236	\$34,293	1.42%
Upper Pittsgrove	\$2,843,343	\$2,946,053	\$102,710	3.61%	\$2,890,733	\$47,390	1.67%
Upper Saddle Riv	\$542,003	\$510,536	(\$31,467)	-5.81%	\$542,003	\$0	0.00%
Upper Twp	\$8,035,823	\$8,313,537	\$277,714	3.46%	\$8,167,516	\$131,693	1.64%
Ventnor City	\$917,944	\$909,347	(\$8,597)	-0.94%	\$928,412	\$10,468	1.14%
Vernon	\$18,430,560	\$19,088,108	\$657,548	3.57%	\$18,738,358	\$307,798	1.67%
Verona	\$1,250,578	\$1,142,717	(\$107,861)	-8.62%	\$1,250,578	\$0	0.00%
Victory Gardens	\$881,713	\$910,461	\$28,748	3.26%	\$893,909	\$12,196	1.38%
Vineland	\$49,844,971	\$54,512,495	\$4,667,524	9.36%	\$51,901,910	\$2,056,939	4.13%
Voorhees	\$5,470,070	\$5,639,367	\$169,297	3.09%	\$5,548,788	\$78,718	1.44%
W Wind-Plains	\$6,119,200	\$6,285,505	\$166,305	2.72%	\$6,168,501	\$49,301	0.81%
Waldwick	\$1,454,512	\$1,467,516	\$13,004	0.89%	\$1,465,403	\$10,891	0.75%
Wall	\$4,059,596	\$4,139,903	\$80,307	1.98%	\$4,111,764	\$52,168	1.29%
Wallington	\$988,892	\$902,158	(\$86,734)	-8.77%	\$996,157	\$7,265	0.73%
Wallkill Val Reg	\$3,301,255	\$3,418,769	\$117,514	3.56%	\$3,355,120	\$53,865	1.63%

## Comparing Aid Distribution Under NJAPS Proposal and PSRA Proposal

	92-93 Prog aid	NJAPS Prog Aid	\$ change	% change	PSRA Prog Aid	\$ change	% change
Wanaque	\$2,350,003	\$2,419,032	\$69,029	2.94%	\$2,383,707	\$33,704	1.43%
Warren	\$1,080,552	\$1,085,263	\$4,711	0.44%	\$1,059,073	(\$21,479)	-1.99%
Warren Hills Reg	\$6,883,321	\$7,119,167	\$235,846	3.43%	\$6,993,975	\$110,654	1.61%
Warren Sp Ser	\$501,877	\$505,168	\$3,291	0.66%	\$501,877	\$0	0.00%
Warren Voc	\$1,872,398	\$1,910,266	\$37,868	2.02%	\$1,890,581	\$18,183	0.97%
Wash Boro (W)	\$1,696,185	\$1,745,501	\$49,316	2.91%	\$1,721,650	\$25,465	1.50%
Wash Twp (W)	\$1,508,896	\$1,559,837	\$50,941	3.38%	\$1,535,065	\$26,169	1.73%
Washington (BU)	\$409,789	\$423,421	\$13,632	3.33%	\$415,594	\$5,805	1.42%
Washington (G)	\$35,690,078	\$36,965,476	\$1,275,398	3.57%	\$37,058,772	\$1,368,694	3.83%
Washington (ME)	\$757,077	\$730,057	(\$27,020)	-3.57%	\$757,077	\$0	0.00%
Washington MOR	\$7,592,739	\$7,852,527	\$259,788	3.42%	\$7,688,348	\$95,609	1.26%
Watch Hills Reg	\$1,005,874	\$980,319	(\$25,555)	-2.54%	\$1,028,713	\$22,839	2.27%
Watchung	\$251,035	\$256,958	\$5,923	2.36%	\$251,291	\$256	0.10%
Waterford	\$5,072,128	\$5,246,299	\$174,171	3.43%	\$5,153,000	\$80,872	1.59%
Wayne	\$5,038,472	\$4,941,761	(\$96,711)	-1.92%	\$5,029,235	(\$9,237)	-0.18%
Weehawken	\$1,734,404	\$1,737,772	\$3,368	0.19%	\$1,979,078	\$244,674	14.11%
Wenonah	\$476,189	\$486,742	\$10,553	2.22%	\$483,580	\$7,391	1.55%
West Almwell	\$175,728	\$173,899	(\$1,829)	-1.04%	\$176,247	\$519	0.30%
West Cape May	\$53,513	\$52,498	(\$1,015)	-1.90%	\$53,513	\$0	0.00%
West Deptford	\$8,190,724	\$8,447,685	\$256,961	3.14%	\$8,190,724	\$0	0.00%
West Essex Reg	\$1,268,224	\$1,225,725	(\$42,499)	-3.35%	\$1,268,224	\$0	0.00%
West Long Brnch	\$420,705	\$372,426	(\$48,279)	-11.48%	\$424,457	\$3,752	0.89%
West Milford	\$12,403,142	\$12,825,981	\$422,839	3.41%	\$12,581,407	\$178,265	1.44%
West Morris Reg	\$5,355,540	\$5,541,111	\$185,571	3.47%	\$5,430,211	\$74,671	1.39%
West New York	\$29,131,904	\$31,953,470	\$2,821,566	9.69%	\$31,272,911	\$2,141,007	7.35%
West Orange	\$4,967,724	\$4,701,666	(\$266,058)	-5.36%	\$4,997,779	\$30,055	0.61%
West Paterson	\$551,092	\$554,124	\$3,032	0.55%	\$578,820	\$27,728	5.03%
West Wildwood	\$23,844	\$19,192	(\$4,652)	-19.51%	\$23,844	\$0	0.00%
Westfield	\$3,576,578	\$3,226,378	(\$350,200)	-9.79%	\$3,602,198	\$25,620	0.72%
Westhampton	\$1,930,724	\$1,996,633	\$65,909	3.41%	\$1,970,213	\$39,489	2.05%
Westville	\$1,139,671	\$1,174,456	\$34,785	3.05%	\$1,158,124	\$18,453	1.62%
Westwood Reg	\$1,833,611	\$1,703,079	(\$130,532)	-7.12%	\$1,833,591	(\$20)	0.00%
Weymouth	\$1,517,574	\$1,566,630	\$49,056	3.23%	\$1,540,267	\$22,693	1.50%
Wharton	\$1,531,928	\$1,574,188	\$42,260	2.76%	\$1,553,250	\$21,322	1.39%
White	\$1,453,309	\$1,497,122	\$43,813	3.01%	\$1,453,309	\$0	0.00%
Wildwood City	\$1,212,868	\$1,216,695	\$3,827	0.32%	\$1,212,868	\$0	0.00%
Wildwood Crest	\$281,898	\$282,994	\$1,096	0.39%	\$283,343	\$1,445	0.51%
Willingboro	\$31,127,443	\$32,143,260	\$1,015,817	3.26%	\$31,664,862	\$537,419	1.73%
Winfield	\$1,152,588	\$1,176,679	\$24,091	2.09%	\$1,172,181	\$19,593	1.70%
Winslow	\$12,259,583	\$12,656,416	\$396,833	3.24%	\$12,446,951	\$187,368	1.53%
Wood Ridge	\$747,252	\$705,366	(\$41,886)	-5.61%	\$747,252	\$0	0.00%
Woodbine	\$2,320,698	\$2,394,364	\$73,666	3.17%	\$2,349,923	\$29,225	1.26%
Woodbridge	\$12,495,782	\$12,655,694	\$159,912	1.28%	\$12,591,558	\$95,776	0.77%
Woodbury	\$5,900,879	\$6,087,427	\$186,548	3.16%	\$6,002,133	\$101,254	1.72%
Woodbury Hts	\$774,461	\$792,828	\$18,367	2.37%	\$774,461	\$0	0.00%
Woodcliff Lake	\$310,221	\$300,317	(\$9,904)	-3.19%	\$311,464	\$1,243	0.40%
Woodland	\$923,812	\$955,053	\$31,241	3.38%	\$924,094	\$282	0.03%
Woodlynne	\$2,840,916	\$2,933,293	\$92,377	3.25%	\$2,887,832	\$46,916	1.65%
Woods Piles Reg	\$4,387,794	\$4,542,504	\$154,710	3.53%	\$4,461,546	\$73,752	1.68%
Wyckoff	\$1,052,186	\$983,130	(\$69,056)	-6.56%	\$1,052,186	\$0	0.00%

**Testimony of  
Marilyn J. Morheuser  
on the proposed  
Public School Reform Act  
A-3; S-1370**



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November 23, 1992

As noted by earlier speakers, Education Law Center has been integrally involved with the New Jersey Associations for the Public Schools in the formulation of the proposal for an interim one-year school financing plan, and we associate ourselves with this proposal. We are heartened by this significant movement towards unity and away from the destructive racial and economic divisions over school financing which have plagued the State for more than two years.

Today I wish to apprise committee members of the serious constitutional flaws in A-3, the bill before you. As you know ELC is representing 272,000 children in the special needs districts in a constitutional challenge to the QEA. So I am not here to defend the QEA. I am here to advise you that in three significant ways, the PSRA deviates even further from the constitutional mandate than does the QEA. On its face it so departs from the Supreme Court order that, should it be enacted into law, I would have no alternative but to return to court to seek an injunction to stop its implementation because of the irreparable harm poor children would suffer under this bill.

This bill would forever deny special needs districts funding for regular education which is substantially equal to average per pupil funding in I and J districts, the measure of spending parity specifically mandated by the Court. By changing the parity measure

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from I and J districts to H, I and J districts, this bill would reduce the current *Abbott* parity goal by at least \$125 per pupil. As a result of this reduction, a K-8 school enrolling 800 children in a special needs districts would lose \$100,000, the cost of hiring three full-time kindergarten teachers, as required in 1993-94 by this bill.

Secondly, the Supreme Court has specifically required that over and above assuring funding parity for regular education, the State must assure additional aid which is adequate to provide special programs needed by disadvantaged children. In the words of the *Abbott* Court, "the educational needs of poor urban children vastly exceed those of others."

Under the QEA, at-risk aid is targeted to this purpose. A-3 plays a shell game with at-risk aid. Now you see it, now you don't. Although it is held harmless for four years, it is no longer at-risk aid. That is, it is now considered part of funding for regular education, not funding for special programs needed by disadvantaged children.

Let me demonstrate a measure of the harm this change imposes. This year at-risk aid for special needs districts totalled \$183 million. In the current *Abbott* trial, Dr. Elena Scambio testified that because of the long years of inadequate funding for poor children, at least for several years substantially more at risk aid is needed. Under A-3, the only additional, categorical-type funding available for special needs districts is base program aid of \$300 per child. This will go to these districts in 93-94 only if their base program aid plus their base equalized aid represents an increase of no more than 2% over 92-93. Thus, even assuming all of the special needs districts qualify to receive the full \$300 per



child, they will receive a total of only \$81.6 million -- less than half of the inadequate at-risk aid they are receiving in 92-93.

The best measure of the harm to poor urban children under these two deviations from the *Abbott* mandate is seen in the drop in increased State aid under A-3. To comply with the Constitution in the third year of the phase-in, special needs districts should receive an increase of well over \$210 million in 93-94 to insure sufficient foundation and to increase at-risk aid. This would keep them on track to phase in parity by 95-96 and provide sufficient aid for the special programs they need. Under the QEA, at-risk districts would have received an additional \$150 million. Under A-3, they will receive an increase of only \$78 million, less than one-third of what the Constitution requires.

A third Supreme Court mandate is violated by A-3. The Court found minimum aid unconstitutional and ordered that it be phased out. Under the QEA, transition aid, which for affluent districts, represents primarily minimum aid, was to be phased out by 95-96. A-3, by contrast, retains 75% of the transition aid through 1996-97, and provides \$100 or \$200 per child in base program aid -- seven years after the Supreme Court ordered that minimum aid be halted.

Add to these violations the extension of the phase in to parity from five to seven years. This change seems to dismiss the Supreme Court's admonition that "these children have already waited too long for a remedy."

One other issue remains under the *Abbott* decision, which A-3, like the QEA, has not addressed. The Supreme Court ordered that "funding must be certain, every year."

It "cannot depend on local budgeting and taxing decisions." Through this order, it seems clear that the Court has banned as unconstitutional the local vote on special needs district budgets which can reject a spending level the districts need in order to reach parity. Budgets were defeated in 12 special needs districts this year. I will be arguing this issue before the Supreme Court.

I submit that these committees should seriously re-examine the propriety of the budget vote for all districts, a vote now participated in by only about 5% of NJ voters. As I know you recognize, constitutional rights are absolute. They are not subject to erosion by the majority will. Yet last spring we permitted a tiny number of voters to defeat budgets in almost one-third of our school districts. Certainly, we adults would never tolerate an annual vote on the exercise of our first amendment right of free speech. Yet we subject public school children's constitutional rights to a thorough and efficient education to the jeopardy of voters' whims each year.

Finally, ELC has prepared some data for your review. We have set out, district by district, a comparison of aid distribution under the bill before you and under the NJAPS proposal. You will note some differences in the first and last columns between these data and the data used by OLS in producing the PSRA district by district printout. We do not know the source of the 92-93 OLS data. The Department of Education source we have used for total 92-93 program aid is QEATOTAID, dated June 25, 1992. These are the adjusted aid data, representing the final State aid figures. The PSRA program aid per district is taken directly from the OLS printout. The NJAPS program aid per

district tracks the specifics of the proposal for a one year interim aid distribution structure.

Overall, the pattern of difference which can be seen in this printout shows a more generous allocation of resources to poor and middle wealth districts under the NJAPS proposal than under the bill that is before you. As to the special needs districts, the NJAPS proposal does not provide what the Constitution requires for a phase-in of parity as ordered by the Supreme Court.

That proposal, however, is much better than the bill before you. This bill, A-3, constitutes a flagrant rejection of the rule of law, a rejection of the very structure of the remedy ordered by the Supreme Court. It would do irreparable harm to children in special needs districts. I believe that the Court, as well as many New Jersey citizens would reject such legislative action. As you consider the bill before you, I urge you to listen to the following words of the Court, which more and more people in our state are coming to understand:

The fact is that a large part of our society is disintegrating, so large a part that it cannot help but affect the rest. Everyone's future is at stake, not just the poor's. Certainly the urban poor need more than education, but it is hard to believe that their isolation and society's divisions can be reversed without it.

In conclusion, I urge you to move toward healing society's divisions by rejecting the bill before you and by moving toward the interim one-year NJAPS plan and a future, well-thought-out funding formula which does justice to the educational needs of all New Jersey children.

# **NJAPS**.....*The New Jersey Associations for Public Schools*

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- New Jersey Association of School Administrators
  - New Jersey Association of School Business Officials
  - New Jersey Congress of Parents and Teachers
  - New Jersey Education Association
  - New Jersey Principals and Supervisors Association
  - New Jersey School Boards Association
- 

**TESTIMONY BEFORE ASSEMBLY AND SENATE EDUCATION COMMITTEES  
ON THE PUBLIC SCHOOL REFORM ACT OF 1992 (A-3/S-1370)**

**Dolores Corona  
Director of Government Relations  
New Jersey Education Association  
November 23, 1992**

Good afternoon. My name is Dolores Corona. I am Director of Government Relations for New Jersey Education Association. As I review specific provisions of the Public School Reform Act, I cannot overemphasize the importance of comments made by Bob Boose. Let me reinforce them. Our overall goal is to develop a one year interim school aid program and to create a school funding commission charged with resolving New Jersey's school financing crisis.

I know you agree that we need a sound and workable long-term public school funding plan. I hope you will agree that timing is everything if we are to reach that goal. Frankly, we believe more time is needed if we are to build a consensus around these controversial issues.

Thank you for the opportunity to speak to you today. Let me say that we recognize and appreciate the readiness you've always shown to work with us to protect and advance public education in New Jersey. As we have with critical issues such as pension revaluation, we look forward to working with you on this legislation.

First, we vigorously support the legislation's provision for returning the employers' share of Teachers Pension and Annuity Fund/Social Security to the State. It's imperative that this shift occur. Unless the current law is changed, pension costs will be imposed on local districts, creating an unbearable burden. If we are to maintain the quality of schools, if we are to avoid cutbacks in programs and staff, if we are to avoid new property tax burdens, this shift must occur. Given its importance to our schools, we appreciate your including this provision in the bill.

Second, we support the intent of provisions that would require disadvantaged districts to provide full day kindergarten and pre-kindergarten for all four-year-olds and some three-year-olds; to create the Community Alliance for Reform of Education, or CARE Program, in order to provide health, nutrition, social and family programs; and to create social service resource centers.

We also support the creation of a Task Force on Technology, which would adopt a five year plan for the efficient use of educational technology.

These goals are educationally sound. In fact, we would like to see all districts offer full-day kindergarten and preschool programs. The positive influences of kindergarten and preschool programs such as Headstart have been documented for years.

Likewise, the CARE Program and social service resource centers are much needed in our schools. Teachers see an ever-increasing number of children with increasingly serious social, medical and family problems. Recognizing the dramatic changes that have occurred in society, NJEA recently proposed transforming some schools into Community Learning Centers, which might have social service resource centers. So, we applaud the bill's concern with these problems.

Making an efficient use of educational technology is also a laudable goal. New forms of technology enter the classroom every day. Unless we explore and analyze this phenomenon, we are vulnerable to exploitive programs. Presumably the Task Force could help us make the case for distinguishing between good and bad technology.

While the coalition supports these five goals -- all-day kindergarten, preschool, CARE, social service resource centers and a technology taskforce -- we believe adequate funding must be in place and appropriate school facilities available if these goals are to be realized.

Consider kindergarten, for example. The Department of Education has rated one in five public schools in New Jersey inadequate. Thirty-five schools are more than 100 years old. Many urban districts would like to offer full-day kindergarten--they just don't have the classroom space or the required auxiliary facilities to do it.

There have been legislative efforts to address the building and rebuilding of school facilities; however, no bill has materialized. Let's rebuild our school facilities and get on with the job of offering preschool!

Our next concern is with the bill's provision to tie each district's base budget to the county average. I think we understand and appreciate the intent of this provision: to recognize and address broad cost-of-living differences among New Jersey counties.

However, we have serious reservations about the adoption of county averages as a basis for distribution of state equalized aid. This innovation apparently attempts to address regional cost variations, but it may cause significant dislocations in aid entitlements.

For example, an above average spending district in a county with a very high overall expenditure level will appear more deserving

than if it were being compared to a state average expenditure level and will thus secure additional aid. A poor district in a low spending county will be compared with a lower standard and suffer a loss of aid. The moderately well off will benefit at the expense of the less well off who do not qualify as special needs districts.

We are similarly concerned that the proposed bill permits base equalized aid to be reduced if the State Gross Income (SGI) measure shows that gross income in the state has declined. We believe this connection is arbitrary. But frankly, we have no up-to-date data to evaluate. The most recent State Gross Income data is from 1990. We are also concerned that this provision places the Department of Treasury in a conflict-of-interest, since it must both levy the specified revenues and calculate their measurement.

Using either the SGI or the county averages to determine school district state aid entitlements is a new and untried approach. This element of the proposal needs real study, which bolsters the rationale for the creation of a task force. Such a task force would have the resources, including personnel and time, to gather recent data and evaluate their impact. Otherwise, we risk repeating the mistakes of the QEA.

Next, we are concerned that the Public School Reform Act eliminates two important categories of state aid -- funding for



compensatory education and for at-risk students. We believe in the compensatory education concept and feel that a categorical funding provision for compensatory education support should be reestablished on a permanent basis. Children eligible for such funding have critical needs. While code requirements may require appropriate programs, the state should make clear its determination to provide adequate compensatory programs by establishing a specific category of funding targeted at children who qualify.

In support of this goal, the compensatory education/at-risk category should be maintained until a school funding commission can consider this issue.

Concerning another important fiscal provision: All money available for schools should be used for public education. Any funding legislation for 1993-94 should include a maintenance of effort provision to prevent significant reductions in the local tax effort. NJAPS feels that all districts should be required to maintain their school property tax rate at a level not lower than in 1992-93. Provision should be included to make adjustments for districts that have carried out property revaluations.

That concludes my comments on behalf of the coalition on the specific provisions of this legislation. We look forward to working with you on these issues and feel confident we'll find compromises and solutions that achieve our shared goal. We believe it is imperative that an interim funding plan be found and a commission empowered to develop a long-term constitutional public school funding plan.

With the Chairman's permission, I'd like to introduce Marilyn Morheuser who will specifically speak to the issues of constitutionality and the impact of the funding formula on specific districts. Thank you.

**Statement Presented to Joint Meeting of  
Senate and Assembly Education Committees**

**November 23, 1992**

**by**

**Mark Smith, President  
Garden State Coalition of Schools**

**My name is Mark Smith and I am speaking today as President of the Garden State Coalition of Schools and as Superintendent of Schools in Westfield, New Jersey.**

**The Garden State Coalition of Schools is a formal organization of 82 school districts. Each district is represented by both the superintendent and the board president. The President of the Westfield Board of Education, Susan H. Pepper, is with me this afternoon.**

**The Garden State Coalition was formed by school districts committed to the dual and interrelated goals of quality and equity in public education. Our concern has focused on the need to improve the quality of education in all districts and not to seek equity by levelling down successful programs.**

**A copy of our Statement of Purpose and list of member districts is attached to my testimony.**

**I want to thank the Committees for the opportunity to speak today. I also want to express the Coalition's appreciation for the open process that Senator Ewing and members of the two Committees have followed in preparing this legislation. We appreciate the multiple opportunities for input and the fact that suggestions from our organization and member districts have been incorporated in the current version of the Public School Reform Act of 1992.**

**The schedule of four public meetings on this bill is evidence of your willingness to receive more input and to consider further changes before action to adopt new legislation in this important area.**

**We also recognize the efforts which have been made by legislators from both parties to sustain and improve the funding of public education in New Jersey during difficult economic times.**

**The Garden State Coalition of Schools joined with urban districts, foundation districts, the Education Law Center and all major education groups in New Jersey to develop a one-year compromise funding plan for 1993-94 and a process for generating a more permanent formula. We support that compromise plan as offering the best hope for a short and long term answer to the challenge of developing a school-funding plan which furthers the interrelated goals of equity and excellence. We hope that your deliberations will include examination of that plan.**

I recognize, however, that the purpose today is to discuss the Public School Reform Act of 1992.

The Garden State Coalition of Schools has six initial priorities for legislation on school funding. These are:

1. Promotion of equity while continuing support for existing quality school programs.
2. Return of the State's share of pension and social security costs to the State.
3. A cap law which allows local districts to continue quality programs and provides flexibility for difficult to control fixed costs.
4. The principle that all children in New Jersey's public schools should receive some state fiscal support for education.
5. Incorporation of both income and assessed valuation in the determination of local ability to pay for education.
6. Reform of the local budget election law.

The Public School Reform Act of 1992 addresses some of our concerns and falls short on others.

First, and perhaps most significantly, we concur with representatives of urban districts that the Public School Reform Act of 1992 does not adequately address the court - directed goal of fiscal equity among school districts in New Jersey. It is in the self-interest of all school districts in New Jersey that more substantial and timely steps be taken to provide our urban communities with the resources necessary to address clear, established educational inequities.

The Act's focus on program equity and the relationship between family and socioeconomic issues and educational success are very promising. Both, however, are sweeping changes and deserve further discussion before being written into law. The concept of program equity, in particular, requires more deliberation than the schedule for adoption of this legislation provides.

The Garden State Coalition strongly supports the provision to return the State's share of pension and social security payments to the State. The transfer of these payments to local property taxes would have devastated many suburban school districts.

The flexibility provided for the cap in 1993-94 is very positive. That flexibility, however, should be permanent. The formula to be used after 1993-94 is overly restrictive, particularly for districts with high fixed costs and/or rapidly increasing enrollments.

We question the use of a four-year average if enrollment increases are to be a factor in the cap formula. Many districts are facing sharp increases in elementary enrollments and the related increased costs. Earlier this month, the Westfield Board of Education voted to build four new elementary classrooms to accomodate current and projected enrollment increases.

The Coalition believes that income is the best measure of ability to pay for education at the local level. An income measure should be included in any formula for determining local wealth.

Reform of the local election law to bring the school budget process into line with all other New Jersey governmental budget processes is overdue. It should be included in any new funding plan.

The establishment of the Education Reform Commission and the Technology Task Force are both positive ideas and should be included in whatever final form the Act takes.

We also welcome and strongly support the establishment of a process for local boards of education to seek waivers of State laws and regulations. This is a long overdue reform in New Jersey.

The Act includes two substantial new mandates for special needs districts. One involves preschool, kindergarten and before and after school child care. The second establishes a Community Alliance for Reform of Education. Both have merit. Only a single coordinator of CARE is funded. The establishment of costly new State mandates without adequate State financial support is not wise public policy.

The preschool and kindergarten mandate could not be enacted in my district without diverting substantial dollars from existing, successful programs.

In conclusion, the Garden State Coalition of Schools supports the *one year* compromise plan for 1993-94 proposed by NJAPS, the Education Law Center and representatives of urban, foundation and transition districts. We hope that the two committees will give that plan serious consideration.

The compromise plan will result in less money for Westfield and many Coalition member districts. We believe, however, that the self-interest of our districts is better understood in terms of the needs for all districts in the State. It is imperative that New Jersey school districts -- urban and suburban -- and the State government work together constructively to establish an approach to school funding that best serves all students and brings school districts and communities together. This is also the thrust of our input on the Public School Reform Act of 1992.

Thank you for your time and attention. I will be happy to respond to any questions the Committee may have.

## **GARDEN STATE COALITION OF SCHOOLS STATEMENT OF PURPOSE**

The Garden State Coalition of Schools is an association of public school districts whose tradition of quality education and whose commitment to further that tradition was threatened by enactment of the Quality Education Act of 1990.

The purpose of the Garden State Coalition of Schools is to promote educational practices, state regulations and state laws which further high academic achievement for all children. The Coalition's primary focus will be on the interrelated issues of excellence and equity in academic achievement, educational practices and school finance.

The Garden State Coalition of Schools supports all reasonable efforts toward more equitable educational opportunities for all school children. Wise public policy includes a permanent commitment to both quality and equity. We believe that equity should be achieved by improving education and not by diminishing quality and eliminating school programs which have led to high student achievement.

Member districts in the Garden State Coalition are represented by both the chief school administrator and the president of the board of education. The goals of the coalition will be achieved through the development and sharing of information concerning legislation, regulations and educational programs and their effects on Coalition districts. Information will be shared with the member districts, with the public and with elected and appointed government officials.

# GARDEN STATE COALITION OF SCHOOLS

## District Membership List

(as of 11/3/92)

Absecon  
Allendale  
Bergen County Special Services  
Berkeley Heights  
Bernards Township  
Bernardsville  
Boonton Township  
Cedar Grove  
Chatham  
Cherry Hill  
Chester Township  
Clark  
Closter  
Colts Neck Township  
Cranbury  
Cranford  
Fair Lawn  
Fort Lee  
Franklin Lakes  
Glen Ridge  
Green Brook Township  
Hackensack  
Haddon Township  
Haddonfield  
Hanover Park Regional  
Hanover Township  
Hillsdale  
Holmdel  
Ho-Ho-Kus  
Hopewell Valley Regional  
Kenilworth  
Kinnelon  
Lafayette/Augusta  
Lawrenceville (Lawrence Township)  
Little Ferry  
Livingston  
Lincoln Park  
Madison  
Maywood  
Medford Lakes  
Mendham Borough

Millburn Township  
Monroe Township  
Montclair  
Montville Township  
Moorestown Township  
Morris  
Mountain Lakes  
New Milford  
North Haledon  
Northern Highlands  
Northern Valley Regional  
Old Tappan  
Oradell  
Paramus  
Park Ridge  
Parsippany/Troy Hills  
Pascack Valley Regional  
Passaic Township/Stirling  
Ramsey  
Ridgefield Park  
Ridgewood Township  
River Edge  
Rochelle Park  
Rumson  
Saddle Brook  
Saddle River  
Shrewsbury  
South Brunswick  
South Orange/Maplewood  
Summit  
Tenafly  
Upper Saddle River Boro  
Union County Regional HS District  
Union Township  
Voorhees Township  
Wayne  
West Essex Regional  
Westfield  
Westwood  
Woodcliff Lake  
Wyckoff