

# Committee Meeting

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of

SENATE EDUCATION COMMITTEE

and the

ASSEMBLY EDUCATION COMMITTEE

SENATE BILL No. 1370 and ASSEMBLY BILL No. 3

(The "Public School Reform Act of 1992")

**LOCATION:** Somerset County Vo-Tech  
Auditorium  
Bridgewater, New Jersey

**DATE:** December 1, 1992  
4:00 p.m.

## MEMBERS OF SENATE COMMITTEE PRESENT:

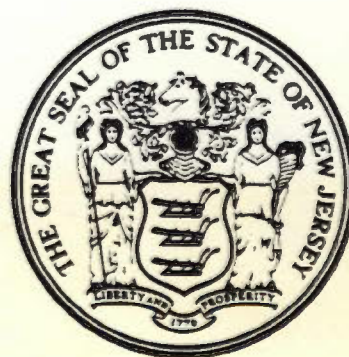
Senator John H. Ewing, Chairman

## MEMBERS OF ASSEMBLY COMMITTEE PRESENT:

Assemblyman Louis A. Romano

## ALSO PRESENT:

Darby Cannon, III  
Office of Legislative Services  
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





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*CHAIRMAN*  
Joseph A. Palaia  
*VICE-CHAIRMAN*  
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**New Jersey State Legislature**  
**SENATE EDUCATION COMMITTEE**  
**ASSEMBLY EDUCATION COMMITTEE**  
TRENTON, NEW JERSEY 08625-0068  
(609) 984-6843

JOHN A. ROCCO  
*Chairman*  
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DAVID W. WOLFE  
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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**





[FIRST REPRINT]

SENATE, No. 1370

## 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 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:

Revised and 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

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

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

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

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

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

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

The commission shall organize as soon as may be practicable after the appointment of its members and shall select a chairman 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 <sup>1</sup>nonoperating 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 <sup>1</sup>the following  
35 percentage:

36 (1)<sup>1</sup> two percent <sup>1</sup>for 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>

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

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

$$30 \quad SA = ((TB \times BU) - (BA + LS)) \times F$$

31  
 32 where

33  
 34 SA is the district's supplemental aid;

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

38 BU is the base units for the special needs district;

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

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

43 F is the supplemental aid factor, which shall equal .20 in  
 44 1993-94, .40 in 1994-95, .60 in 1995-96, .80 in 1996-97, and 1.00  
 45 in 1997-98 and thereafter;

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

49 b. The minimum tax levy for current expense and capital  
 50 outlay in a special needs district shall equal its local share  
 51 pursuant to subsection a. of this section. For those districts  
 52 below their local share, the commissioner shall develop a plan for  
 53 the district's tax levy for current expense and capital outlay to  
 54 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

50 based on the number  
 51 of pupils actually  
 52 receiving such  
 53 instruction in  
 54 the prior  
 55 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

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

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

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

where

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

DB is the district's net debt service budget;

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

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

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

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

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

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

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

19. (New section) The amounts payable to each school district 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 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)

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

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

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

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

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

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

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

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

48     2. Beginning in the 1993-94 school year and in each subsequent  
49 year, the maximum amount of nonpublic school transportation  
50 costs per pupil provided for in N.J.S.18A:39-1 shall be increased  
51 or decreased in direct proportion to the increase or decrease in  
52 the State transportation aid per pupil in the year prior to the  
53 prebudget year compared to the amount for the prebudget  
54 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  
6 37. N.J.S.18A:39-1.1 is amended to read as follows:

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

13 Districts shall not receive State transportation aid pursuant to  
14 [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  
15 transportation of pupils pursuant to this section.

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

17  
18 38. N.J.S.18A:39-15 is amended to read as follows:

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

27 (cf: P.L.1990, c.52, s.53)

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

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

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

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

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>1</sup>53. (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>1</sup>54. (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>1</sup>55. (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.] 56.<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] 80<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.

SENATE EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 1370

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 10, 1993

The Senate Education Committee reports favorably Senate Bill No. 1370 with committee amendments.

The "Public School Reform Act of 1992," as amended, establishes a new system for providing State aid to school districts beginning with the 1993-94 school year and repeals the "Quality Education Act."

The bill provides for an "Education Reform Commission," consisting of executive, legislative and public members to develop goals and objectives for education in the State, to determine which educational programs are necessary to fulfill these goals and objectives and to identify those programs which are necessary to meet the special problems present in special needs districts. The bill also establishes a "Task Force on Technology" which is charged with developing a plan for the use of technology in the learning process and in the operation of the schools. Any plan submitted by the commission or task force must be tied to existing State revenues.

The "Public School Reform Act of 1992" provides base aid to school districts for regular education programs and is comprised of base equalized aid and base program aid.

Base equalized aid is distributed according to a district's property wealth and base program aid is distributed to each school district to fund programs which will encourage educational creativity and initiative and enhance student learning. For the 1993-94 school year the base program aid will range from \$100 to \$300 per pupil depending on a district's district factor group.

The bill also provides supplemental aid to special needs districts which will bring them to substantial parity in regular education expenditures with the wealthier districts in the State by the 1997-98 school year and will provide relief to special needs districts with tax rates above the State average. However, each special needs district will receive at least 4% more regular education aid in the 1993-94 school year than it received in the 1992-93 school year.

The bill provides that the districts identified as special needs districts under the current school funding plan will comprise the special needs districts under the "Public School Reform Act of 1992" until the Commissioner of Education develops specific criteria to identify which districts are special needs districts.

The bill also provides aid for special education pupils, bilingual pupils and pupils in vocational education programs through the categorical support formula and also aid for pupil transportation. However, for the 1993-94 school year each school district will receive the same amount for these aid programs as it did in the 1992-93 school year.

The bill also provides debt service aid to school districts to meet payments on bonds for school facilities.

The bill also provides aid to school districts in municipalities with high concentrations of senior citizens and provides aid to school districts which had entered into a lease purchase agreement prior to or during the 1990-91 school year at which time these agreements were aidable through the school funding formula.

A limitation on increases in the regular education budget of certain districts is also provided under the bill. No district may increase its regular education budget in any year by more than the growth in the State gross income plus a factor for districts with enrollment increases, low spending districts and for districts opening a new or improved facility. In addition, the voters of each district may authorize additional expenditures in the regular education budget over the budget limitation. However, the bill provides for an alternate spending cap in the 1993-94 school year which permits districts to increase their budgets by at least 6% plus an amount for health insurance and special education cost increases.

The bill also requires each special needs district to establish comprehensive full day kindergarten and prekindergarten programs as well as any educational program required by the Education Reform Commission. In addition, the special needs districts must implement a CARE program (Community Alliance for Reform of Education) which will facilitate the provision of health, nutrition, social and family programs to pupils and their families. A CARE coordinator in each of these districts will identify available programs and facilitate access to them.

The bill provides for the State to reassume the responsibility for paying the employer's share of teacher pension and social security contributions beginning in the 1993-94 school year. The bill will also smooth out the acceleration of funding for pension adjustment and post-retirement medical benefits. The full liability for these benefits for active employees will be fully recognized and included in the funding formula by 2003, one year earlier than under the original law. The bill also addresses concerns with the membership of the various pension boards and commissions appointed by the Governor.

Finally the bill appropriates \$100,000 to the Legislature for the purpose of providing funding to the commission and task force established under the act.

The committee amendments modify the reporting requirements and charge of the commission and task force, provide State aid for certain lease purchase agreements and districts with high senior citizen concentrations, adjust the base aid cap for high tax districts, modify the spending cap formula, freeze special education aid for the 1993-94 school year, modify the pension revaluation law and pension board membership, provide an appropriation for funding the commission and task force, and make a number of technical changes to the bill language.

A representative of the American Federation of Teachers testified in opposition to the bill.

[FIRST REPRINT]

ASSEMBLY, No. 3

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:

1. 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 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 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 1nonoperating 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 1the following percentage:

(1)<sup>1</sup> two percent 1for 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

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

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

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

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

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

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

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

<sup>1</sup>The district's maximum permitted regular education budget for the budget year shall be increased by the amount of any items 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	Weight
19		
20		
21	Bilingual.....	0.18
22	County vocational secondary.....	0.26
23	County vocational post-secondary.....	0.13
24		
25	Special Education	
26		
27	Educable.....	0.60
28	Trainable.....	0.99
29	Orthopedically handicapped.....	1.70
30	Neurologically impaired.....	0.42
31	Perceptually impaired.....	0.12
32	Visually handicapped.....	2.79
33	Auditorily handicapped.....	1.63
34	Communication handicapped.....	0.84
35	Emotionally disturbed.....	1.09
36	Socially maladjusted.....	0.67
37	Chronically ill.....	2.23
38	Multiply handicapped.....	1.05
39	Resource room.....	0.45
40	Autistic.....	1.84
41	Preschool Handicapped, half day.....	0.30
42	Preschool Handicapped, full day.....	0.60
43	County special services school district	1.38
44	Regional Day schools.....	1.38
45	County Vocational School, Special	
46	Education Services.....	0.59
47	Residential facility for the retarded.....	1.72
48	Day training center.....	2.37
49	Residential youth center.....	1.39
50	Training school or correctional facility...	0.56
51	Child treatment center or psychiatric	
52	hospital.....	1.03
53	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;

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

$$16 \quad A = DB \times (BB - LS) / BB$$

17

18 where

19

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

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

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

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

26 b. A county vocational school district and a county special  
 27 services school district shall be eligible to receive State aid for  
 28 debt service.

29 17. (New section) Each school district's maximum general  
 30 fund free balance shall not exceed 7.5 percent of its current  
 31 expense budget. If a district's general fund free balance exceeds  
 32 that amount, the district shall file a plan with the commissioner  
 33 to ensure that the district's general fund free balance shall be no  
 34 greater than 7.5 percent of its current expense budget in the  
 35 1994-95 school year.

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

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

51 <sup>1</sup>18. (New section) A district, which was in district factor  
 52 group A, B, or C in the 1990-91 school year as determined by the  
 53 Department of Education based upon 1980 census data, shall  
 54 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

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.  
23 (C. ....)(now 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  $SA = REA93 \times 1.04 - (BA + SA13)$

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

1 charge upon such other fund or trust and only secondarily on the  
2 assets set aside under [subsection (h) of section 401 of the federal  
3 Internal Revenue Code of 1986, 26 U.S.C. § 401] the section 401(h)  
4 trust. The pension adjustment [benefits] and [premiums for]  
5 health care benefits for qualified retirees shall be funded as  
6 employer obligations [in a similar manner to that] by the same  
7 method provided by law for the funding of employer obligations  
8 for the basic retirement benefits provided by the retirement  
9 system. [The funding] Normal and accrued liability contribution  
10 rates for these benefits for active employees shall be determined  
11 for the 1990 valuation year and shall be phased in [as determined  
12 by the board of trustees after consultation with the Director of  
13 the Division of Pensions and the actuary, except that: a. any  
14 reduction in contributions from recognition of the full market  
15 value of the assets as of March 31, 1990 over the adjusted book  
16 value of the assets written up by 60% of the excess of market  
17 value over adjusted book value as of March 31, 1990 in a fashion  
18 similar to that presented in the draft revision of the annual  
19 actuarial reports for the valuation periods ending March 31, 1990  
20 and March 31, 1991 submitted by the actuary on April 27, 1992  
21 shall be used to accelerate the funding of the liabilities for  
22 pension adjustment and health care benefits as follows: 70% of  
23 the State's portion of that amount shall be used to fund pension  
24 adjustment benefits and 30% to fund health care benefits and  
25 100% of the other employers' portion of that amount shall be  
26 used to fund pension adjustment benefits, and b. (1) so that the  
27 level of [funding] recognition of the full normal and accrued  
28 liability [contributions] contribution rates for the State [to cover  
29 the pension adjustment and health care benefits for current  
30 active employees upon their retirement] shall be [at least 48%]  
31 25.30% for valuation year 1990, 25.30% for valuation year 1991,  
32 and 34.50% for valuation year 1992, and for the other employers  
33 shall be 82.50% for valuation year 1990, 93% for valuation year  
34 1991, and 93% for valuation year 1992 [and 56% for valuation  
35 year 1993], and [(2) thereafter,] the [funding of the pension  
36 adjustment and health care benefits for active employees shall be  
37 phased in in a uniform manner which fully recognizes those  
38 liabilities within 11 years commencing with valuation year 1994]  
39 level of recognition shall be increased by 6% for each valuation  
40 year thereafter until the full normal and accrued liability  
41 contributions rates are fully recognized. The board of trustees  
42 shall determine the assumed percentage rate of increase applied  
43 to the cost of providing paid health benefits for retirees. The  
44 liability for pension adjustment benefits and for premiums or  
45 periodic charges for health care benefits for retired State  
46 employees and their dependents shall be included as a liability of  
47 the retirement system as of April 1, 1988.<sup>1</sup>  
48 (cf: P.L.1992, c.41, s.16)

49 <sup>1</sup>52. Section 35 of P.L.1992, c.41 is amended to read as follows:  
50 35. The [service] terms of the trustees appointed by the  
51 Governor to the board of trustees of the Police and Firemen's  
52 Retirement System, the Public Employees' Retirement System,  
53 the State Police Retirement System, and the Teachers' Pension  
54 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.] <sup>56.</sup><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] <sup>80</sup><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).

5 157. 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 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.



ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 10, 1993

The Assembly Education Committee reports favorably Assembly Bill No. 3 with committee amendments.

The "Public School Reform Act of 1992," as amended, establishes a new system for providing State aid to school districts beginning with the 1993-94 school year and repeals the "Quality Education Act."

The bill provides for an "Education Reform Commission," consisting of executive, legislative and public members to develop goals and objectives for education in the State, to determine which educational programs are necessary to fulfill these goals and objectives and to identify those programs which are necessary to meet the special problems present in special needs districts. The bill also establishes a "Task Force on Technology" which is charged with developing a plan for the use of technology in the learning process and in the operation of the schools. Any plan submitted by the commission or task force must be tied to existing State revenues.

The "Public School Reform Act of 1992" provides base aid to school districts for regular education programs and is comprised of base equalized aid and base program aid.

Base equalized aid is distributed according to a district's property wealth and base program aid is distributed to each school district to fund programs which will encourage educational creativity and initiative and enhance student learning. For the 1993-94 school year the base program aid will range from \$100 to \$300 per pupil depending on a district's district factor group.

The bill also provides supplemental aid to special needs districts which will bring them to substantial parity in regular education expenditures with the wealthier districts in the State by the 1997-98 school year and will provide relief to special needs districts with tax rates above the State average. However, each special needs district will receive at least 4% more regular education aid in the 1993-94 school year than it received in the 1992-93 school year.

The bill provides that the districts identified as special needs districts under the current school funding plan will comprise the special needs districts under the "Public School Reform Act of 1992" until the Commissioner of Education develops specific criteria to identify which districts are special needs districts.

The bill also provides aid for special education pupils, bilingual pupils and pupils in vocational education programs through the categorical support formula and also aid for pupil transportation. However, for the 1993-94 school year each school district will receive the same amount for these aid programs as it did in the 1992-93 school year.

The bill also provides debt service aid to school districts to meet payments on bonds for school facilities.

The bill also provides aid to school districts in municipalities with high concentrations of senior citizens and provides aid to school districts which had entered into a lease purchase agreement prior to or during the 1990-91 school year at which time these agreements were aidable through the school funding formula.

A limitation on increases in the regular education budget of certain districts is also provided under the bill. No district may increase its regular education budget in any year by more than the growth in the State gross income plus a factor for districts with enrollment increases, low spending districts and for districts opening a new or improved facility. In addition, the voters of each district may authorize additional expenditures in the regular education budget over the budget limitation. However, the bill provides for an alternate spending cap in the 1993-94 school year which permits districts to increase their budgets by at least 6% plus an amount for health insurance and special education cost increases.

The bill also requires each special needs district to establish comprehensive full day kindergarten and prekindergarten programs as well as any educational program required by the Education Reform Commission. In addition, the special needs districts must implement a CARE program (Community Alliance for Reform of Education) which will facilitate the provision of health, nutrition, social and family programs to pupils and their families. A CARE coordinator in each of these districts will identify available programs and facilitate access to them.

The bill provides for the State to reassume the responsibility for paying the employer's share of teacher pension and social security contributions beginning in the 1993-94 school year. The bill will also smooth out the acceleration of funding for pension adjustment and post-retirement medical benefits. The full liability for these benefits for active employees will be fully recognized and included in the funding formula by 2003, one year earlier than under the original law. The bill also addresses concerns with the membership of the various pension boards and commissions appointed by the Governor.

Finally the bill appropriates \$100,000 to the Legislature for the purpose of providing funding to the commission and task force established under the act.

The committee amendments modify the reporting requirements and charge of the commission and task force, provide State aid for certain lease purchase agreements and districts with high senior citizen concentrations, adjust the base aid cap for high tax districts, modify the spending cap formula, freeze special education aid for the 1993-94 school year, modify the pension revaluation law and pension board membership, provide an appropriation for funding the commission and task force, and make a number of technical changes to the bill language.

A representative of the American Federation of Teachers testified in opposition to the bill.

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bgc: 1-93

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**SENATOR JOHN H. EWING (Chairman):** I'm Senator Ewing, Chairman of the Senate Education Committee. We have with us today Assemblyman Lou Romano from Hudson County who came way down here, and who has been very active in our hearings. We have Darby Cannon here from the OLS staff, and Judy Peoples from the Senate Majority staff.

Can you hear all right? (negative response) No? Dick, Mr. Mester out there? Dick, can we get more volume? They can't hear me.

**ASSEMBLYMAN ROMANO:** He is the man that will fix it.

**SENATOR EWING:** Is that better now? (affirmative response) I apologize for being late. I just left a meeting down in the Governor's Office. We're working with the Governor's staff now on seeing where we can come to an agreement on the legislation that we have put in, and also the other suggestions that have been given to us. Naturally, it's better we have the administration working with us in developing or passing the legislation, which we hope to do by the middle of the month. 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 of the children 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, and puts the best interests of the children of this State above everything else.

The legislation we're 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 the classroom, and the deterioration of our aging school buildings.

Perhaps the legislation is not perfect, and we don't expect to have everyone's ardent support. But we are here in Bridgewater today, following our meetings last month in Trenton

and Toms River. We expect to be in Saddle Brook next, 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 in education in New Jersey, the flawed Quality Education Act, then our middle-class school districts will be devastated.

Currently, the QEA would take millions of dollars from middle-class school districts, leaving these systems with a lose/lose choice: sky-high property taxes to pay for education, or dramatic cuts in school programs.

In the current economic atmosphere, I think we all know what option 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 havoc in the education community, or going ahead with what some lawmakers are urging, a freeze on all school aid.

During the course of our travels -- and I do mean travels -- we have been to Egg Harbor Township, to Whippany, to Cherry Hill, and to Toms River, to name a few districts. We've had discussions with school superintendents from Cape May to Sussex County; we talked to teachers, to parents, and to education officials. We've learned a lot, and from the discussions we have had, we 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, maintenance of State aid at no less than current levels, and greater accountability. Our plan for educational excellence calls for establishment of an Education Reform Commission that will develop goals and objectives for schools. Additionally,

the Commission would be charged with developing programs that will address the unique problems of children in the special needs districts.

The bill also calls for the establishing of a task force on technology. They 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 bill also 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 will have to establish a CARE program, which stands for Community Alliance for Reform of Education. These would be centers in each school 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 benchmarks to ensure every pupil a thorough and efficient education. One of the most important things we have learned in the past year is that 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 find the money to fund them. Our proposal emphasizes the importance of programmatic changes, community and family involvement, and preparing children for the demands of the twenty-first century. We have 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.

For anybody wishing to talk, there is a form over here -- on both sides -- which we would like you to fill in with your name and what organization you are with. Then it can be handed to the ladies over here who are transcribing the proceedings, and then we'll start with the people.

Malcolm Adler?

Mr. Adler, yes, if you would please come forward. Mr. Adler comes all the way from Camden City School District. Why didn't you come over to Toms River?

**M A L C O L M   A D L E R:** Yes. I wasn't aware of the date.

**SENATOR EWING:** Oh, I'm sorry. That's too bad.

**MR. ADLER:** I called here for directions this morning, and someone gave me excellent directions.

**SENATOR EWING:** We're pretty smart here in Somerset County.

**MR. ADLER:** We're very smart in Camden County.

**SENATOR EWING:** I'm sorry you had to come way up here.

**MR. ADLER:** That's quite all right. No problem.

**SENATOR EWING:** We appreciate you coming up here because this is what we need, the ideas and thoughts of people. Please proceed.

**MR. ADLER:** Senator Ewing and members of your staff, I would like to thank you for the opportunity to address you.

**SENATOR EWING:** Excuse me for interrupting you.

Each person, when you talk, would you please give your name, who you are affiliated with, and your position so the transcribers will have it. Thank you.

**MR. ADLER:** My name is Malcolm--

**ASSEMBLYMAN ROMANO:** Excuse me, Mr. Adler.

Can you hear him? I have a problem; I'm moving to the other side of the table. I think the volume--

**MR. ADLER:** I hear my voice.

**MR. CANNON:** Is that mike on?

**ASSEMBLYMAN ROMANO:** That's better.

MR. ADLER: My name is Malcolm Adler, and I am the Principal of the John G. Whittier School in the Camden City School District. I am also the President of the American Federation of School Administrators, Local No.39, which represents 140 Administrators in the Camden School District. I've been in the Camden School District for 24 years, and I am proud of it as a teacher, assistant to the principal, and principal.

I have always been an advocate of all children -- children growing up in affluent suburbs or children growing up in the urban cities. I believe that education is a basic fundamental foundation to many of society's problems. If we do a better job educating the youth, they will do a better job as an adult making sound decisions for their youths.

Everything in society is related to good education. We need high expectations for all students. Our students need high goals and should not just accept satisfactory or mediocrity. We need to expose students to many educational experiences that cause students to think for themselves and become independent. It is not enough to accept the average. We must encourage the best with everything for our students, whether it's urban or suburbs.

I resent the terms for the urban school district as a "special needs district" or "disadvantaged district." Students are students. As an urban district, our students are the same as in a suburban district, but we as adults try to make them different. Students are students no matter where they sleep, live, or go to school.

Our school district has always made sure that our students had the bare essentials: books, paper, pencils. No matter how many budget cuts, no matter how many budgets were defeated, our students always had the bare essentials. The books were never always new, but we had the books. In May and June, we usually had to call other schools to get supplies, but we had the bare essentials.

Whittier Elementary School is located at Eighth and Chestnut Street in Camden, right off of 676. It was opened in 1910, with an addition -- the gymnasium was added in 1926. When I was first assigned to Whittier School, I found the principal's office with holes in the carpet that were there because the carpet was so worn out from at least 25 years of being in the office. A first-grade teacher at Whittier School remembers coming to her assigned classroom 27 years ago and finding old furniture in the room. Ninety percent of the student furniture is more than 27 years old. The nine-by-nine asbestos floor tiles throughout the school were installed many years before 1965.

Our guidance counselor was assigned to Whittier School two days a week. The outside brick was just this year pointed for the very first time. Where we had window shades, they were so old that the staff could not remember the last time we either had replacements or shades for every window. Since the enactment of the Quality Education Act in 1990, Whittier School now has new floor tiles. New furniture is in the process of being delivered for our students. The office is soon to receive new carpet. Our computer lab of eight Macintosh computers was just hooked up today in our library so the children can be networked through the computers -- through the librarian's computer -- to enable the students to use the computer with their card catalog and do research.

Many of our teachers have been able to attend Macintosh training classes from an office of staff development that presents various workshops, as well as have computers in the classroom. We were recently able to order a brand new set of reading books. Some students, before 1990, went home to empty homes after school. Many students did not have someone in the home to help them with homework even when someone did come home. We now have a homework center three days a week.

Three teachers and three instructional assistants help students with their homework after school until 5:00, when their parents pick them up.

Our student population includes some medically sick children: six students suffer from seizure disorders and have seizures on a regular basis; one student with a tracheotomy that requires a dressing change every day and an occasional nebulizer treatment; approximately eight to ten asthmatics; several students with cerebral palsy, with moderate to severe coordination problems; several students with rare diseases needing physical, occupational, and speech therapies; and several students who require medication during the school hours. We just hired a part-time nurse, in addition to the full-time nurse. Our district has made plans for Whittier School to have an elevator to help the medically sick children to get to the library on the third floor, and participate in auditorium activities and assemblies on the second floor.

Whittier School participates in the New Jersey School Development Program, more commonly known as the Comer Project. As a result, we have light refreshments for our morning, weekly parent meetings, and when parents come to work and volunteer in the classrooms. Part of the Comer Project causes me to visit other sites for observation and networking. I am now able to be reimbursed for the mileage to and from these visitations. One of the components of the Comer Project is to bring about more community involvement with the education decision-making in a collaborative arena.

Our parent and community involvement has increased since the inception of the Comer Project. Our students are achieving more with the increase of parent visibility in classrooms and hallways. We are now better able to provide our school facility to our community for recreation programs and community meetings. We have been able to hire, this past August of 1992, a parent community coordinator, whose job calls

for more personal interaction with other parents. This helps with more involved parents, which is directly responsible for better student attendance and better achievement.

Our guidance counselor is now here five days a week, as if the problems of the children were only good enough for a guidance counselor two days. We have, as recently as last week, been able to hire for three days a week a social worker to work with groups of students and/or families in therapy.

I believe that education has been a scapegoat for many, many years. Depending upon which political party had control of the Legislature, was dependent upon how much money the urban districts received versus the suburban districts. There should not be any partisan advantage when it comes to education for the welfare of all students. The Legislature and the Governor should come together and close the door. When the door is opened, there should be one idea on how best to provide the necessary dollars to all districts.

I invite you, Senator Ewing, and members of your staff and Committee to visit Whittier School and see for yourself. In closing, I will leave you with the Comer Project's four basic guiding principles. They are:

- 1) no fault thinking;
- 2) decision by consensus;
- 3) collaborative participation and maximized utilization of resources;
- 4) learn it, use it, and live it.

Thank you for the opportunity.

SENATOR EWING: Excuse me, do you have a suggestion for a name other than special needs? We took out disadvantaged because we realized--

MR. ADLER: Yes, I do. On the blue piece of paper I read where you have something called other foundation districts, or nonfoundation districts? Why don't you have main foundation districts?

SENATOR EWING: Sorry?



MR. ADLER: Main, M-A-I-N, because the 30 districts are no different than the other districts.

SENATOR EWING: Do you think people resent being called "special needs"? Because there are very special needs in those 30 districts, and in other districts which eventually will be put in that category.

MR. ADLER: I do. Doesn't Lawrence Township School District have special needs?

SENATOR EWING: Not to the degree that I would say Paterson, or Newark, or places such as that have.

MR. ADLER: That's correct. But why special? That has a connotation -- a negative connotation. When I attend principal workshops throughout the State and they hear I'm from Camden, they say, "Oh, you're one of the special districts." I understand that the legislation now calls us disadvantaged.

SENATOR EWING: I just said to you that we have taken out the word "disadvantaged."

MR. ADLER: Oh, okay.

SENATOR EWING: We're not going to use that. We were using that in our original concept when we first started going around to get input, but we changed it back to special needs, which is what the administration put in when they developed QEA. They called them "special needs districts."

MR. ADLER: What about main foundation districts?

SENATOR EWING: We'll discuss that and see. Okay?

MR. ADLER: I really mean it.

SENATOR EWING: No, I understand.

MR. ADLER: I really mean it. I invite you, from the bottom of my heart, to visit Whittier School in the Camden School District.

SENATOR EWING: Oh, I'll be down sometime to Camden. I've been to Pemberton, and I've been to Jersey City. I've got a lot more to go see.

MR. ADLER: Well, I intend to send you a personal invitation.

SENATOR EWING: Okay. Thank you very much, and thank you for coming way up here. I appreciate it.

MR. ADLER: Thank you.

SENATOR EWING: George Corwell?

G E O R G E C O R W E L L Ed.D.: Thank you, Senator. For the record, my name is Dr. George Corwell. I am the Director of Education for the New Jersey Catholic Conference. I represent the views of the nonpublic school community about the Public School Reform Act. I would like to introduce, if--

SENATOR EWING: Can everybody hear Dr. Corwell?  
(affirmative response)

DR. CORWELL: If I may, I would like to introduce some of the people that I have with me: Dr. Leonard Defiore, the Superintendent of Schools for the Diocese of Metuchen; Sister Patrice Hughes, the Associate Superintendent of Schools for the Diocese of Metuchen; Mrs. Kathleen Tanskey, the Legislative Chairperson for the Home School Association for the Diocese of Metuchen; Mr. James Foerst, Treasurer and Legislative Chairperson for the Home School Association of the Archdiocese of Newark; and finally, Mr. Tony DeGatano, who is representing Independent Child Study Teams, which is a service provider for nonpublic school services.

The New Jersey Catholic Conference, which represents over 480 Catholic schools in the State of New Jersey, is grateful for the opportunity to offer some comments on the Public School Reform Act of 1992. As the Chairman of the Advisory Committee for Nonpublic Schools of the Department of Education, I also represent the interests of other nonpublic school constituencies, including: the New Jersey Association of Lutheran Schools; the New Jersey Christian Schools Association; the New Jersey Association of Independent Schools; the New Jersey Association of Christian Schools International; the Agudath Israel of New Jersey; the Garden State Association of Christian Schools; and the New Jersey Conference of

Seventh-Day Adventist Schools. These organizations represent over 750 nonpublic schools in New Jersey, with a student population of over 180,000 pupils.

The Public School Reform Act addresses some of the major issues surrounding public education in the State of New Jersey. As one of its recommendations, the bill establishes an Education Reform Commission. We believe that such a group is necessary in order to provide sufficient time to study the issues, with appropriate input from all interested parties.

Many of the issues that are being discussed in public education have been present in the nonpublic school community for some time. For example, nonpublic schools are classic models of site-based management. Central administration of these schools occurs regionally, extending well beyond county boundaries.

Recently, when the Governor's Quality Education Commission was formed to recommend revisions to the Quality Education Act, staff members spent many hours discussing educational issues with members of the nonpublic school community. Since we bring many relevant educational experiences to any educational forum, we believe that the members of the nonpublic school community deserve a seat on the proposed Education Reform Commission. Based on additional observations in my testimony, I believe it is clear that changes in nonpublic school funding formulas have a direct impact -- pardon me, changes in public school funding formulas have a direct impact on nonpublic school programs. Finally, we believe that any program of reform will work more efficiently when all members of the educational community have the opportunity to dialogue with one another.

As I have mentioned, several issues specific to nonpublic schools are addressed by this piece of legislation. In regard to transportation, we note that the nonpublic school community recently developed a good-faith agreement with

Senator Ewing to maintain a freeze on the funding level of nonpublic school transportation services for the 1992-93 school year. As part of that agreement, we were involved in a complete study of the issue of nonpublic school transportation, so that more cost-effective and efficient methods of transporting nonpublic school students might be developed.

To our knowledge, however, such a study has not yet taken place by the Department of Education. We reiterate our position that the issue in nonpublic school transportation is not reimbursement, known as "aid in lieu of transportation." Our goal would be to have all nonpublic school pupils in New Jersey receive transportation instead of aid in lieu of. Historically, the concept of "aid in lieu of transportation" was merely a limited solution provided by the Legislature to address instances where the public school district could not provide busing for the statutory amount of State aid.

Nonpublic school transportation is a more complex problem than transportation services in public education. In the majority of cases, third-party providers -- that is, private bus companies -- bid for these services because many districts limit the use of their own fleet of buses to public school students. Therefore, by its nature, nonpublic school transportation becomes more costly, and thus should be given special study when the Legislature contemplates freezing funding levels. We ask that some consideration be given to our ongoing proposal to study countywide busing models. Such a program is currently working in Morris County, and we believe that a similar model may be applicable in Bergen County, where transportation costs remain extremely high and many nonpublic school pupils are denied transportation. Please note that any moratorium on cost-of-living increases for "aid in lieu of transportation" really has the net effect of denying more nonpublic school students actual transportation services.

In regard to other nonpublic school issues addressed in this bill, we note that compensatory education services will receive a modest increase this year, while other services to handicapped students, such as home instruction, bilingual education, and speech remediation, will remain at current funding levels. We acknowledge the need to maintain parity with similar programs in public education. However, we also recognize that the delivery systems for providing such services to nonpublic school students will always be more costly than similar services to public school students as a result of guidelines created by various Supreme Court decisions.

Furthermore, local districts have additional local resources if State funding is not available for their own programs. Therefore, we ask that such distinctions always be kept in mind when future funding levels are discussed for maintaining parallel services to nonpublic school students.

In summation, we applaud the efforts of the members of the Senate and Assembly Education Committees for taking the time to consider all views on the Public School Reform Act. The inclusion of the nonpublic school community in the debate on this legislation emphasizes your understanding of the success of nonpublic schools, which continue to save the taxpayers of New Jersey over \$1.4 billion annually. We believe that our continued formal representation on the panels and committees charged with educational reform will ensure the equity traditionally rendered to nonpublic school students and their parents by members of the New Jersey Legislature.

I thank you for the opportunity to bring those views to your attention. I ask, if possible, if Mrs. Tanskey may make a brief statement also?

**KATHLEEN TANSKEY:** Good afternoon. My name is Kathleen Tanskey. I am the Legislative Chairperson for the Metuchen Diocese Home School Association.

Members of the Senate and Assembly Education Committee, I represent the 16,000 students, their parents, and teachers in the parochial schools of Warren, Somerset and Middlesex Counties. As the Legislative Chairperson of the Diocesan Home and School Association, it is my responsibility to study legislation which affects the nonpublic school education, and to inform the membership -- your constituents -- as to the impact.

I am happy to report that generally speaking this Reform Act holds promise for educational improvement statewide. As Dr. Corwell stated, the Education Reform Commission should include representatives from the private sector. However, the freeze on the funding level for transportation presents serious problems for the nonpublic school community. With the recent passage of mandatory seat belts in school buses, the cost will escalate. Our Association recommends that consideration be given to county and cross-county systems, which would prove to be more effective and cost-efficient.

We-- I'm sorry, I lost my spot. I urge you to study the issues carefully and to make decisions which are equitable.

I thank you for the opportunity to bring the concerns of the nonpublic school community to this table. I look forward to the enactment of legislation which considers the needs of all children in this State.

Thank you

SENATOR EWING: Thank you very much.

MS. TANSKEY: You're welcome.

SENATOR EWING: The transportation problem situation, we turned over to a body called the Commission on Business Efficiency in the Public Schools. They are going to be studying all parts of all the transportation bills that are in. They will certainly be covering this part of the

nonpublic, and also see what they do in Morris and those coordinated places already. The Commission on Business Efficiency has been very helpful in the past to come up with some very useful legislation, and that it is made up mostly of citizen members -- the Business Efficiency. So this will be worked on. It will not be done quickly, though. I'll tell you that.

DR. CORWELL: Nothing is. Thank you.

SENATOR EWING: Thank you very much.

MS. TANSKEY: Thank you.

SENATOR EWING: James Swalms, Superintendent of the Flemington/Raritan Schools. (no response)

Jim Caulfield. Is Jim here? Oh, there he is.

**J A M E S M. C A U L F I E L D** Ed.D.: Senator Ewing, Assemblyman Romano, Judy, and Darby, thank you for this opportunity to say a few words about the issue of State aid to the public schools for 1993, '94, and beyond.

I am indebted to the members of the Senate and Assembly Education Committees for conducting the first round of hearings earlier this fall, and for incorporating a number of suggestions in the current proposals, A-3 and S-1370 -- the Public School Reform Act of 1992; recognizing greater flexibility in the cap limit, and accommodating those cost increases such as health insurance and special education over which a board has no control -- or meritorious adjustments.

I would ask, however, that you take the time to consider the interim funding proposal drafted by the educational group known as the New Jersey Association for Public Schools. The proposal incorporates many of those elements which your legislation recommends, but one which, only moderately more costly, incorporates an element never before witnessed. It has the support of every distinct, independent, and often opposing member of the educational community, including not only the New Jersey Education Association, the

School Board Association, the Association of School Administrators, and the School Business Administrators, but also the Congress of Parents and Teachers, foundation districts, and transition districts.

We all know that the aid bill that you propose must be addressed for funding by the Joint Appropriations Committee, and ultimately by the full Legislature later in the year. It would be of no little comfort to know that a completely united education community is behind you, and the bill only slightly modified from that which you have proposed.

There is an old adage, possibly coming out of Hudson County or someplace like that, which says when one is facing a difficult challenge, look for partners. You will have the partners, but next to modified proposal of the coalition, most significant is that it was forged by all associations and all groups of districts, some of whom will receive less aid in order that justice may be served in the long run. The greater good for the greater number prevails in this proposal. It is a one year's duration, thus allowing for an even more studied and more comprehensive long-term funding and educational plan. Such an important issue deserves time.

I must now speak again for the 28 districts that have State-mandated desegregation plans, especially for those fewer districts like Union whose comprehensive implementation costs will approach \$1.5 million in 1993-94, including the transportation of over 1500 students daily, and the continued racial balance of every classroom and school in this, the 30th largest district in the State.

I must implore you to continue our desegregation aid in 1993-94. Last year the desegregation aid -- the first we received in over 20 years of integration -- played a significant role in preserving positions and allowing us to continue to offer programs such as prekindergarten and full-day kindergarten, programs proposed in your legislation, but



already in place in Union for over 15 years. Regardless of the outcome of your deliberation, and whatever the form of the school aid legislation, we will still have a struggle: you with the State budget, and we with the local budget.

Payrolls must be shrunk if we are to survive intact. A retirement incentive bill, such as Assemblyman Kramer's bill -- A-1710 -- attractive to districts and individuals, would help in significant ways. In Union approximately 100, or 20 percent of our workforce are 50 years of age or older. If even 25 of our most senior people found retirement an attractive option, the district would realize a \$1 million reduction in its payroll.

Following the difficult decisions to be made on the distribution of education aid, please give serious consideration to retirement incentive legislation. I do not ask this for myself, since I am now only at mid-career, just hitting my stride after 40 years in education, and eagerly seeking new ways to ready our children for the next century.

Thank you.

SENATOR EWING: Jim, I'm glad to be able to join you in that last statement, too.

DR. CAULFIELD: Yes.

SENATOR EWING: Jim, You certainly run a great operation up there, but also you failed to mention, so the public will know, that in the group that the NJAPS made up that he is talking about, is none other than Marilyn Morheuser, who's bringing the case against the State. Also, I know that NJAPS wants a one-year fix, but this bill that we have is, you know-- There are going to be changes made in the proposed bill, but the bill that we have does away with QEA and starts something new, not just a one year. Maybe we will end up just doing it for one year.

DR. CAULFIELD: You are to be applauded for this new piece of legislation.

SENATOR EWING: Thank you. Also, on the integration money--

DR. CAULFIELD: Yes?

SENATOR EWING: That is a straight budget item. It has nothing to do with the school funding formula. That will be up to the Appropriations Committee to decide whether they are going to keep that in or not.

DR. CAULFIELD: I know that. I just could not fail to mention it once more, as long as you don't throw anything at me. Thank you.

SENATOR EWING: You better speak to Bobby Littell and Rodney Frelinghuysen about that deseg money.

DR. CAULFIELD: I will. I will.

SENATOR EWING: For the public's knowledge here, one of the problems with the NJAPS-- They've got a lot of good suggestions in there, which we are carefully studying. No question of that. But it calls for about, I think, somewhere between \$70 million and \$80 million more than the plan that we have proposed here in our bill. So I can tell you right now, money is extremely scarce in the State -- all over. So, it's not just a question that it's not a good plan. It's a question of, where are the dollars coming from and where are they going to go?

Thank you.

Dr. Frank Heelan, from Manville? Oh, there he is.

F R A N C I S X. H E E L A N Ed.D.: How are you doing? Chairman Ewing, Assemblyman Romano, and members of the Committee, I am Francis X. Heelan, Superintendent of Schools in the Manville School District. I am here on behalf of the majority of some 300 foundation aid school districts 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 special needs and transition aid districts. An additional blow was dealt to the middle-income districts with the shift of \$360 million from foundation aid to fund the Supplemental Tax Act for the municipalities, 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 is obvious that the most wealthy school districts and municipalities were the 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 have 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 18A:7A-2.

The Public School Reform 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 burdens and inequities by showing what districts would receive if the statewide equalized school tax rate does not exceed a dollar. However, if capped districts' base State aid is at 2 percent, then it would be disallowing aid adjustments for some of the most needy foundation aid districts.

Without going into detail regarding the various aspects of the Public School Reform Act of 1992, the Foundation Aid Districts Association is in support of a bridge agreement put forward by the coalition, which includes: the New Jersey Association for Public Schools -- the NJAPS; the Foundation Aid Districts Association; the Garden State School Districts; and the Education Law Center, representing the 30 special needs districts.

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 equity problem. Under the coalition formula, many of the foundation aid districts will still have to continue to cut staff, 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 needs school districts should be increased so as to avoid possible court sanctions. Certainly those school districts need it. There is no question about that.

Also, the transition aid school districts have been helped enormously by the cap relief in the proposed legislation. The Garden State School District group has agreed to a 25 percent cut in transition aid, and therefore, some of these moneys can be shifted to foundation aid districts and special needs districts.

The proposed legislation deals with some of our concerns. There are things that are not addressed, such as providing some sort of a circuit breaker for senior citizens and others who might be on fixed income and whose income is below a prescribed level, something that is not unusual in New York and Pennsylvania. I don't know why we're so slow in doing so for senior citizens in the State of New Jersey.

It is also critical that the Legislature establish a task force of competent and unbiased experts in the field of school aid funding so to begin to create a funding formula that will be consistent with our statutes and State Constitution. Students in New Jersey are certainly entitled to a thorough and efficient education for all of our children, that does not depend on the wealth of the school district in which the child lives.

Thank you very much.

SENATOR EWING: Thank you. We called for a commission in the bill, and it will be made up, I think, of a broad section of people -- educators, businesspeople, etc. -- very definitely. Here again, it comes down to a question of what money there is available to be able to be put out. One of the other interesting parts is that the superintendents and people are all saying that they are perfectly willing to take a 25 percent cut in transition aid for those who are in transition aid districts. But what is also interesting is, we have not had any of the mayors coming to us and saying, "Please cut our aid by 25 percent." I think it would be a help to us if those districts that feel they could take a 25 percent cut in transition aid, would go to their local councilmen people and get them to write to us and say, "Sure, put that through. We would be delighted to have 25 percent less aid."

One thing we all have to keep in mind is that the bill we're proposing puts the pensions and Social Security back on the State's back. They would continue to pay for it. If QEA stays in effect, if we don't get any bill through -- regardless of what compromises are made -- if we don't get any bill through, QEA would stay in effect, and all districts would then be responsible for paying the pensions and Social Security. That's a real whammy, I'll tell you that, when you see what the figures are.

Gene Campbell, Gene from Newark? He's the Superintendent of Newark. (no response)

Jack DeTalvo? Dr. DeTalvo?

J A C K D e T A L V O, Ed.D: Good afternoon. Thanks for the opportunity to come to see you, as always, Senator Ewing, and welcome to you, Assemblyman Romano. Gene Campbell will be here tomorrow. Today, I'm here on behalf of--

SENATOR EWING: Tomorrow we are going to be in Saddle Brook.

DR. DeTALVO: Oh, yes. Gene will be there.

SENATOR EWING: We have directions here to go to Saddle Brook, if anybody wants to come up here.

DR. DeTALVO: Gene will be up in Saddle Brook tomorrow for that particular session.

SENATOR EWING: We'll keep your slip for tomorrow so you won't have to sign in again.

DR. DeTALVO: I'm here on behalf of the Perth Amboy School District and the Urban Superintendents Association. I'm not going to go through a laundry list of objections that I have to the Public School Reform Act. I think you have heard them all before. I do want to take a minute, though, just to try to bring you to the local level as to what the impact of the Public School Reform Act might be on one particular district, that district being Perth Amboy.

The Public School Reform Act would generate \$2 million in additional State aid to the City of Perth Amboy School District. Our salaries for next year will go up at least \$2 million in the City of Perth Amboy, in the school district. So we are immediately in a situation where just with salary increases, providing there are no decreases in the budget, we have already eaten up every bit of additional State aid that's allocated under the Public School Reform Act. In addition to that, we have embarked upon a massive building program that Senator Ewing supported after he saw our schools that were

built in 1851. He told me I was doing the right thing to try to straighten out the buildings in Perth Amboy, many of which have no corridors, and we have embarked on a massive building program.

SENATOR EWING: You might just tell them that to go to a classroom, you have to go through one classroom into this one, go through that one to get to the next one. There are no corridors.

DR. DeTALVO: That's right. We have several schools in Perth Amboy that do not have corridors, and the youngsters have to walk from classroom to classroom to reach a stairwell, and then go down three flights of stairs to go to the bathroom. We have at least three building in operation today in Perth Amboy like that, that were built between 1851 and 1900.

Anyway, embarking upon that building program will necessitate that we have to find at least another \$1 million of additional new money to cover our lease/purchase payment on the first part of that building program. So now I'm up to \$3 million without costs in utilities, without increased costs in transportation, without increased costs in health benefits. I have already earmarked \$3 million in new money that I need just between salaries and an increase in the fixed cost for a lease/purchase payment. Now, if the Public School Reform Act provides \$2 million in new money right off the top, I am \$1 million shy.

I can't raise taxes in Perth Amboy, and I'm going to tell you why I can't. First of all, we are already taxing at the equalized statewide school tax rate of \$1.08, which means that the citizens of Perth Amboy are paying the statewide average in school property taxes in the City. I don't think you have to do anymore than drive through to see that the City really should not be paying at the average, or even close to it, because the ratables just aren't there.

So, what that's going to mean in Perth Amboy is that we are going to have to cut programs, because we're not going to receive enough additional State aid to balance our budget. The programs we're going to cut, I think you might want to really listen to since they're contained in your bill. We're going to have to cut our preschool program. We're going to have to cut our full-day kindergarten program. We're going to have to eliminate positions like elementary guidance counselors, who have been a fantastic help in terms of bridging the gap with some of these kids, in terms of some of the problems that they run into at home that carry over into school. A lot of the other good ideas listed in the Public School Reform Act that we have implemented in Perth Amboy, we're probably going to have to do away with as a result of the Public School Reform Act.

So that's the impact for this school district, for the City of Perth Amboy. You have a better proposal in front of you. It's been endorsed by the Urban Superintendents Association. It is the NJAPS proposal. It provides slightly more dollars to special needs districts, and I think it's important for us. It also provides slightly more in dollars for many foundation aid districts, and it's important for them.

I know you are going to say, "Where are we going to get the \$62 million?" I know that's been your question right along. Well, I can probably name a couple of places where you could go looking in the State budget, but, oh sure, the money that goes to municipal tax relief that came off the original QEA -- that \$80 million that goes into high density impact aid or, \$33 million that goes up to Bergen County-- Those guys never got reelected anyway. Take that money out of there.

SENATOR EWING: Now, our guys are there.

DR. DeTALVO: But, see, your guys didn't get that deal. The Democrats got that deal when they were there. So, I mean, I don't think the Republicans that are there now really



have any, you know, stake to that \$33 million that's up there. I think there is another \$80 million that went out to municipalities in tax relief that have lower than the statewide average equalized municipal tax rate. It went out in dribs and drabs. It went out in \$200,000 and \$300,000 parcels, which really didn't lower the tax rate for any of those communities anyway. Nobody noticed that money in the tax bill. So, if you're looking for money, there's lots of money floating around.

You know what my Board would say to me, Jack? I've got a \$70 million budget in Perth Amboy, and I know compared to, you know, what the State budget is, \$65 million-- It will be \$70 million. Don't worry, I'll get there. But compared to the State budget, I realize that \$65 million or \$70 million is only a drop in the bucket. You know my Board of Education has people come before it all the time -- twice a month -- saying "We need this program," and, "We need that program," and, "We need this," and, "We need that." You know, sometimes it gets into \$50,000, \$60,000 that we need to find in the budget. You know what the Board says to me, Jack? They say you know, if you can't find that kind of money in a \$65 million budget, we should get a new Superintendent. So I'm going to say to you, if you can't find \$62 million for the NJAPS proposal, we should get a new Legislature. (applause)

SENATOR EWING: Don't say that in my district. Say it in other districts. No, we are looking. Actually, you don't have it, Jack. You don't have any lease/purchase.

DR. DeTALVO: Yes, I do.

SENATOR EWING: We're looking. We're trying to get some data now on what of the special needs districts only--

DR. DeTALVO: If you count my lease payments as debt, I'll go away.

SENATOR EWING: No, we're not doing that, but we're looking--

DR. DeTALVO: No deals.

SENATOR EWING: We're looking for all the special needs districts who have lease/purchases, to see what the cost is in each district, and whether we can give some relief there. We also are looking to see if we can do something regarding senior citizens, trying to come up with some equitable formula on that throughout the State. Those are certainly being looked at. We will have to take a look at the impact aid. I don't know whether it is still going to be in the budget this year or not; whether that \$33 million is there or whether they are using it elsewhere.

DR. DeTALVO: Thank you.

SENATOR EWING: Thank you, Jack.

Mary Reece, from Skillman?

M A R Y M. R E E C E: Senator Ewing, Assemblyman Romano, Ms. Peoples and Mr. Cannon, my name is Mary Reece. I live in Montgomery Township, Somerset County. I am a Principal at the Menlo Park School in Edison. I'm here to talk very briefly about just two issues. One you have heard already, and that's the desegregation fund, and secondly, I would like to talk a little bit about inclusive education.

I work in a school system in Edison Township where we've gone through a lot of what you are experiencing now about three or four years ago. We had taxpayers who said, "Enough is enough. It's time to cut the budget." It really had a tremendous impact upon the school system. This year for our 11,700 students, we have a budget of about \$96 million. This particular budget is \$2.3 million below cap. Last year's budget was \$6 million below cap.

In order to do that, we have had to eliminate many positions. We had an increase of approximately 450 students this year. We only hired 4.5 teachers. I have an elementary school of 670 children where it's myself, the nurse, the secretary, and no guidance counselors. The librarian I see a few days a week, and we have absolutely no ancillary services.

I think that our district has cut as much as we can cut in order to maintain the standards that we have supported for years.

If you look at our test scores, as people often do, you will find that they are exceptional. Part of our budget is \$1.8 million in desegregation funds. As a transition district, we were given this and, as you know, it's certainly not something that's included in this proposal.

On the other hand, you have said on several occasions that you are going to make sure that nobody gets less State aid next year than they got this year. I understand that it's not part of the proposal, but I certainly hope that in some way that \$1.8 million for us, and the other moneys for the other deseg districts, are put in place somehow; whether you call it something else; whether you call it hold harmless for the amount of money that we have received this year. But I hope that you do seriously consider giving us that money in some way, shape, or form.

As I have tried to demonstrate, we have cut back as much as we can cut back. I mean, our principals, supervisors, and vice principals agreed to a 10-and-a-half-month contract, whereas we used to work 12 months. I think that we have looked at every aspect of the budget to find that we have done the best we can in listening to the taxpayers and cutting costs.

The second is inclusion, a special ed program that we have talked about in the past. We have started in our district-- We have a child who is in a regular mainstream class, and he receives no special ed services, yet he does receive speech therapy, occupational therapy, physical therapy, and adaptive phys ed. He has a full-time aide. He has his own computer. He has a bus aide, etc., etc. I support this program 100 percent. My staff and I are working as best we can to make sure it's successful, and it really is for this child.

The unfortunate thing, though, is that we do not receive any additional funding for this program. We don't even receive the designation that we would for his neurological impairment because he is included in a regular classroom situation. That is true. I verified it yesterday. If he received any special ed programs, such as resource room or a self-contained program, we would receive special ed funds. Because he is a mainstream student, we receive nothing other than we would receive.

SENATOR EWING: Excuse me for interrupting you.

MS. REECE: Sure.

SENATOR EWING: Jeff Osowski -- Dr. Osowski, who runs Special Ed, has told us that that is not meant to be. So we will have to look into that and see, because I think we have heard of a couple of other instances along those lines.

MS. REECE: When you look at your weights for special education in your current piece of legislation, it mentions the resource room as a category. It's a program that's provided for these children. What we really would like to see is inclusion included as a program in that category also, and give it a weight, because if we want--

SENATOR EWING: Provided that they've been passed by the child study team.

MS. REECE: Oh, without a doubt, without a doubt. Under all those circumstances that one would receive funding for all these other special ed categories, yes, by all means. But I hope that you will consider it, because it's such a positive thing for a child. But in order to do it well, it is a costly program, and to not receive any reimbursement, I think is unfair.

I do appreciate the opportunity to speak to you as we have in the past. I think it's a very healthy, positive sign to see so many of you working out in the State, and listening to the practitioners. I really appreciate it very much. Thanks.

SENATOR EWING: You're down in the trenches. You know. We certainly don't know.

ASSEMBLYMAN ROMANO: May I ask one question, if you allow me? Before, when you said your total budget, could you repeat that number?

MS. REECE: Our school system's budget is \$96 million. That includes the cost of TPAF, Social Security, etc.

ASSEMBLYMAN ROMANO: Ninety six?

MS. REECE: Yes.

SENATOR EWING: In Menlo Park?

ASSEMBLYMAN ROMANO: How many students?

MS. REECE: Eleven thousand, seven hundred, Edison Township.

SENATOR EWING: Oh, Edison.

MS. REECE: Menlo Park in Edison Township. Menlo Park is my school. Edison Township is the school system.

Thank you.

SENATOR EWING: Mary Starita?

M A R Y S T A R I T A: I'm Mary Starita. I'm President of the ARC of Somerset, which was formally the Association for Retarded Citizens. Today I'm representing our State Association which is the ARC of New Jersey. Senator Ewing, Assemblyman Romano, and staff, thank you for the opportunity to be here today. I really appreciate you doing this in my backyard, so to speak.

The ARC of New Jersey applauds your legislative efforts to address the disparity in quality and scope of educational services provided to children in our State. In most education reform efforts, however, there is a group of pupils for whom "reform" has little impact; a group of children who comprise nearly 17 percent of the school population, more in urban areas and poor areas, of course; children who are classified as educationally handicapped. New Jersey has yet to address some of the fundamental problems in funding services for this group of youngsters.

State aid to local districts for special education services has been, and would continue under this bill to be "nondedicated" aid. This means that it is possible for school districts to receive more State aid for special education than it actually spends. While the proposed act has a number of provisions with potential for positive impact on these disadvantaged students, the bills make no substantive changes in special education funding, programs, or services, and do not address the fundamental problems in our State aid structure for special education.

There are elements of the bill with potential positive impacts on students with disabilities. I'll just address some of them. I will not go into all of them. For instance, Section 5 of the bill establishes an Education Reform Commission, which has been referred to earlier today. What the ARC of New Jersey recommends is that language be added to this section to include a role for a member with expertise in education reform initiatives for students with disabilities. Section 6 of the bill establishes a task force on technology. While the focus of the task force is on the needs of students without disabilities, the task force could address assisted technology for students with disabilities. The ARC believes that such a reference in the text of the bill should be added.

Sections 8 and 9 of the bill refocuses on the role of schools in the development of social supports in special needs districts. The ARC also supports the requirement in Section 9 establishing a Community Alliance for Reform of Education, also known as CARE, to develop effective strategies to improve the entire environment of a child, including health, nutritional, social, and family services. There is an emphasis on the Department of Human Services working with the Department of Education in meeting these needs.

Section 39 of the bill establishes a substance awareness coordinator in certain districts. The ARC supports

this effort to reduce the likelihood that babies are born with disabilities due to prenatal exposure to drugs and alcohol. We refer to that as Fetal Alcohol Syndrome, or FAS, which the ARCs throughout the State of New Jersey are doing a lot of public education on.

However, there are some elements of the bill that have potential negative impact on students with disabilities. The most noted is the outdated terminology. The bill uses outdated language to refer to students with disabilities, such as the "retarded" and the "handicapped." The ARC suggests changes to the bill to refer to students with disabilities as people first. Such a change would make the bills consistent with the Federal law in reference to students with disabilities, students with mental retardation, and so on.

In Section 5b there is emphasis on regionalization of some services. While the ARC believes regionalization could allow districts to use resources more effectively, current practice in New Jersey in regionalization, county-based services, and jointure commissions has resulted in the segregation of students with disabilities. An emphasis on the regionalization of some services could promote the continued expansion of public "disability only" schools, which the ARC would then oppose. What was just referred to with the last speaker, I believe, is placement of these students in the least restrictive environment. Section 40 of the bill fails to clarify that students with disabilities can be educated in a regular classroom, with the necessary support.

The ARC of New Jersey strongly recommends that the bills be amended in this section to reflect the Federal law P.L. 94-142, which specifically states that a regular classroom with supports must be one of the placement options considered for students with disabilities. This should be addressed by adding "regular classroom with support services" to the list of facilities and programs of education required under the

chapter. The bill also fails to provide any categorical aid to districts placing students in the least restrictive environment. Support and education: The ARC cannot support an Education Reform Bill which fails to address this problem.

The ARC seeks an amendment to the bill which would establish categorical programs support for placement in regular classrooms with supports, thus allowing districts to receive aid for complying with Federal law -- Public Law 94-142. The bill also maintains a categorical aid factor of 2.37 for children classified eligible for day training. The ARC of New Jersey recommends an aid factor of 3.08, as suggested by the Division of Special Education for eligible day training. Those are just some of the specific areas.

I will place this paper in your hands.

Thank you for your consideration, and I appreciate the opportunity of being here today. Thank you.

SENATOR EWING: Thank you, Mary, very much. Now, your going to give us a copy of that, please.

MS. STARITA: Yes, I am.

ASSEMBLYMAN ROMANO: Ms. Starita, just let me say--

MS. STARITA: Yes, sir?

ASSEMBLYMAN ROMANO: Senator Ewing has been on the cutting edge of every topic that you have mentioned here, one being Human Services becoming responsible for the preschool handicapped. Many of the things you say, though, don't have to be spelled out in this particular bill -- it's not my bill, by the way -- because of Federal law which is standing out there watching everyone and everything that we do. This will take a long time. It will also take its time in the development of the State Plan, where it has to be interwoven into funding to go along with it.

I agree wholeheartedly with everything that you say, but, in all due deference to Senator Ewing -- and we don't play good guy, bad guy, but when he's right, he's right -- he has



been after Human Services to pick up many of the costs that are paid for under educational funds. He is developing an ongoing interest in it, and more and more things are coming about, such as physiotherapy in special education. Who should pay? Should the school pay for the physiotherapy? Is this a responsibility for the ordinary health insurance? If no health insurance, does it become under Medicaid? All those sorts of situations. We're all here in education, and I think we all understand there are many of the costs that go beyond the classroom which we are asked to bear.

I'd like a copy of your speech, as well.

MS. STARITA: Thank you very much.

ASSEMBLYMAN ROMANO: Thank you.

SENATOR EWING: You can give it to her (referring to Aide) and she'll make copies for all of us.

Dr. Roy Dawson, Camden Board?

R O Y J. D A W S O N Ed.D.: Good afternoon, honorable legislators. My name is Dr. Roy J. Dawson, Assistant Superintendent in the Camden City Schools, and President of the New Jersey Alliance of Black Educators. I'm wearing two hats this evening. I have served some 28 years in the Camden City public schools and over 12 years in the central office. On behalf of the Camden City Board of Education and the Superintendent of Schools, Dr. Arnold Webster, let me thank you for the opportunity to speak to you in regards to the Public School Reform Act of 1992 that you are proposing.

This new legislation establishes a new system for providing State aid to school districts, beginning with the 1993-'94 school year, and repeals the Quality Education Act. There appears to be several positive issues in this new legislation that should be helpful to all school districts, and particularly the special needs districts. I want to cite some of those things we see that are very positive. They are the following: the incentives for school districts to regionalize

services should be beneficial; the expanded purchasing power should bring more cost-effective services and reduce costs for needed supplies and equipment.

This is good. This bill will establish a task force on technology, which is charged with developing a plan for the use of technology in the learning process in the operation of the schools. This is an excellent idea, and you are to be commended for the foresight to do this. This should assist the special needs and rural districts with needed technology and instructional program, as well as operational procedures. The bill requires a Community Alliance for Reform of Education. You're calling it -- referring to it as CARE. This will help schools coordinate all the necessary human services for students and their families, and thus improve the quality of education to be received. This definitely is a step in the right direction. In Camden City we are already moving in that direction, and we're happy to see that that is part of the proposed legislation.

Let me share with you, though, some of the concerns that we have regarding this new legislation. I'll be brief. The following statements will be our concerns:

The new Education Reform Commission tends to be paternalistic in nature, in that it will determine the programs that the 30 special needs districts will implement. This provision seems to imply that local boards of education and their educators cannot determine and implement those programs based on need and educational research. This provision seems to take away authority from the State Department of Education and/or the county offices. The county offices have worked very closely with school districts like Camden. They know us; they visit us; they monitor us; and we feel that they are in a much better position to say the types of programs that we should implement in our school district. We're recommending that there be further study in this particular area. We're suggesting that to you.

Two, the Public School Reform Act of 1992 provides five categories of State aid to school districts. They are base aid, the categorical aid, and all of those that you talked about.

The question we have, though, is what happened to the at-risk funds? In this new legislation we don't see any reference to that. That's a real concern. Maybe you're calling it something else, but to us in Camden City -- and I assume in many of the other school districts, and particular by the other special 30 -- if this particular money is removed from the budget, we see some of the following things taking place. We have studied this very clearly and for some time: elimination and a reduction in our homework centers.

You heard Mr. Adler talk about the homework centers and how that is helping the children that we serve -- how that is helping that will affect almost 4000 pupils in our schools; elimination and a reduction in extended day programs for 3000 pupils -- that's going to happen -- further expansion of what we refer to as the "family school" and the "Comer model." You heard him talk about the Comer model and how beneficial that is. It's making use of existing resources, but there are also funds needed to make that particular model work. That's going to be hampered.

We talk so much about restructuring today, site base planning. That's going to be affected in our 33 schools. Expansion of our computer centers would be curtailed. We have been moving in the right direction, spending the money wisely. We have dedicated educators, and we feel that if we destroy what we are attempting to do now, that will set us back tremendously.

In the summertime, when you recognize the student population that we serve, we provide for 6000 students -- at-risk students -- a number of services. You can only appreciate that if you're there and you see how this type of

program benefits those children. If you're going to reduce the amount of aid that we are anticipating receiving, that's going to have a tremendous effect on that particular program.

We have an alternative education program for at-risk pupils. We have that program because there are some students that just cannot make it in the traditional mold. The additional dollars -- the at-risk dollars -- have helped us to design programs to meet those particular needs, and guidance services for our students at the elementary grades. You're talking about eliminating services to almost 8000 pupils.

You heard Mr. Adler talk about training of principals, training of teachers, and training for parents. That's going to be affected drastically. Library services for many students will be reduced. Enrichment and cultural activities for the types of students that we serve would be curtailed. I am sure that there are other districts that will be affected similarly.

It is imperative-- Please listen to this statement here. It is imperative that you reconsider the elimination of at-risk funds for pupils. If you call it something else, that's all right. But presently I'm not sure you are aware of the fact that in the State of New Jersey during the 1993-'94 school year, because of population shifts in the State of New Jersey, we will receive a substantial reduction in Chapter I Federal dollars. That has been borne out in conversation with State department and Federal officials. That will have a devastating effect on not only special needs districts, but other districts which have similar problems. For that reason, Senator, we hope you will look at that very closely.

While the new legislation will require full-day kindergarten and preschool programs-- I have no problem with that; we are moving in that direction already. Our concern, though, is the facility question. Our concern is the provision regarding transportation of those preschoolers in '94-'95. That's a real concern. If you're going to mandate those

programs, we're hoping that sufficient dollars will be provided to implement them. We have a concern about the holding on the transportation aid. I've heard others speak about that as a problem for their school districts. That will be a concern of ours.

There is a big question about distributing aid based on county spending averages, and we believe that's going to lead to wealthy districts benefiting at the expense of the less well-off who may not qualify as special needs districts. We need further study, in my opinion -- in our opinion -- in this particular area. This new legislation seems to talk about equity in '97-'98, and that just lengthens the time for students in some districts to be treated fairly. I hope that you will give some consideration to that particular concern. There are others who have spoken about that today.

We're requesting that you study these concerns and don't make the mistake of rushing through legislation that may hurt our children. Let's take our time and devise a system of distributing funds that will help all children in New Jersey. Let's adhere to what the courts have said about funding. For once -- for once -- let's do the right thing. Let's not rush. More time is needed if we are to build a consensus around these controversial issues.

I'll take this opportunity to thank you once again, Senator, for allowing me to speak this afternoon.

SENATOR EWING: Let me just ask you a question: Would you like to see QEA continue? You say, "Take time." Should we just let QEA stay, and you pay the pensions and Social Security?

DR. DAWSON: I say this, that--

SENATOR EWING: No, I'm asking you that particular question.

DR. DAWSON: And I am going to try to answer that particular question. I think anything that we do that's going to rush is not wise. Whatever we do, let's take our time. I

do hear that there is a great deal of discussion about groups wanting to sit down and deliberate and talk with you. I believe that is the best way.

You're giving us an opportunity to speak today. Yes, that's good. But, no. I would say no, not to follow all provisions of QEA. Obviously, there are some problems with that, so let's not get buried into that. Let's not throw out the baby with the bathwater, too. There are some good things about it.

SENATOR EWING: But we started this process a long, long time ago.

DR. DAWSON: Absolutely.

SENATOR EWING: We went around and asked people. We had seven meetings with the regional groups that are set up by the business administrators, the principals, and the superintendents.

DR. DAWSON: Right, right.

SENATOR EWING: We saw and heard people from every county there, and asked them what their complaints were with QEA. From that, we developed the concept. In addition, we met with the various groups of superintendents--

DR. DAWSON: Sure.

SENATOR EWING: --the NJEA, the school boards, the NAACP, and the PTA. We then developed the concept, and then went around again and got more input. In the meantime, we also asked the superintendents of the special needs districts to send us a list of what they felt were not educational costs that they were responsible for; such as, security in the playgrounds and security in the hallways; those particular funds for meal programs which were not funded by the Federal government; for those programs where they had a day-care center for infants of girls who were attending that particular school, things of this nature which are not known or used in many, many other districts. Of the 30 superintendents, maybe we got 15

answers back so far. One of them had the nerve to send us, I guess, most of his budget, and said that we were to pick it out ourselves. I don't think that is very good cooperation.

DR. DAWSON: Sir, I would--

SENATOR EWING: Please, wait just a minute. Please don't tell me about taking our time. We have been very deliberate about this process. We're making changes as we go along. As far as the at-risk money, it's there. It's not termed as such. You can use the money the way you wish on it, but the funds are in there. They have just been melded into everything else, but there is a separate category for at-risk. The funds are there.

In addition, the county offices-- We feel very strongly that they should be beefed up because, as you realize, they have been cut down. They are not able to do the monitoring job that we would like them to do. The Department of Education, in its great wisdom, eliminated fiscal auditors from their staff. They came to us several weeks ago and asked for half-a-million dollars to put five more fiscal auditors on, who would produce at least a million dollars apiece, they say, from going over budgets throughout the State -- in addition to the few they already have there.

We're working on legislation which would take that money as it comes in to pay back the General Fund -- the half-million dollars to pay them and the additional funding I'm trying to work out would then go toward staffing the county superintendent's office. Because in going around, by and large, certainly the people said the county superintendent's office is very, very important, and they do depend on it. There are a few superintendents-- We don't use them or something, but by and large, they do. So we want to see that that office is built up. This is what we are attempting to do through getting more money brought in.

But we certainly will keep taking a look at the use of countywide equalized valuations. This question has been brought up before, and we've got to make sure. Looking at the figures that we have here, right now I believe you're getting around \$150 million.

DR. DAWSON: That's about right

SENATOR EWING: And the NJAPS proposal will be \$165 million. Our proposal will be \$156 million. So it would be at least \$6 million more if this program goes through without any changes in it.

DR. DAWSON: Yes. We recognize the positive nature of what you have there, but I also want you to understand-- I'm sure you heard me when I said that the Federal dollars are going to be reduced -- which I don't have any control over and neither do you -- but that is something we need to consider when we make our final decision.

Once again, I want to thank you for the opportunity to speak today.

SENATOR EWING: It might be interesting if you would send us for your particular case -- and maybe we should get a hold on the audit of the special needs districts. Judy can get a letter out, but let's send it to the presidents of the boards, because the superintendents either can't read or they don't get their mail. Ask them--

DR. DAWSON: Oh, they read very well.

SENATOR EWING: What?

DR. DAWSON: They read very well.

SENATOR EWING: Well, it doesn't seem that way, anyway.

DR. DAWSON: Uh-huh.

SENATOR EWING: Well when 15 don't bother to answer something--

DR. DAWSON: They didn't answer because they thought the information was going to be used against them.



SENATOR EWING: You know, do you think they could have called me, or somebody, and said, "What do you want this for?" I didn't get one bloody call from one single superintendent.

DR. DAWSON: And I'm sharing with you why.

SENATOR EWING: Yes, but don't you think-- Forget about it. I'm not going to argue with you. I think they were very sloppy and inattentive to the job they were meant to be doing, frankly.

DR. DAWSON: I think they are very dedicated individuals who work very hard.

SENATOR EWING: So anyway, as they say, let's go right to the presidents of the boards and ask them as to what reduction they're going to get in Federal funding, and get that to us as soon as possible so we can take a look at that. But, in all our meetings, nobody has ever brought that up until you brought it up today.

DR. DAWSON: I just found out two days ago.

SENATOR EWING: What?

DR. DAWSON: I just found this out two days ago.

SENATOR EWING: Good. I'm glad you came up all the way from Camden.

DR. DAWSON: Camden City.

SENATOR EWING: I'm sorry-- Didn't you know about the hearing over in Toms River?

DR. DAWSON: Yes, we did, but we were working very hard and we could not change our direction and plans.

SENATOR EWING: Okay. I hope the rest of the individuals will not mind--

DR. DAWSON: We do have about seven other individuals from Camden City here.

SENATOR EWING: That's what I was going to say. I was going to call more people from Camden because you've got a long trip home. Are they going to have different stories, or the same?

DR. DAWSON: They are principals in buildings, and some who are perhaps closer to the teaching profession, there in the trenches.

SENATOR EWING: Lynn Johnson?

DR. DAWSON: Yes.

ASSEMBLYMAN ROMANO: Dr. Dawson, would you be so kind-- You said several days ago that you found out that the Federal dollars are going to diminish. Was this at a Federal convention or meeting or--

DR. DAWSON: State Department of Education.

ASSEMBLYMAN ROMANO: State Department of Ed.

DR. DAWSON: Yes.

ASSEMBLYMAN ROMANO: Could you tell us what meeting that was? See, it will short-circuit a lot of this other work. She can contact right to the State department.

DR. DAWSON: I was in a meeting with the Director of, I assume, Basic Skills -- the Director of Basic Skills.

ASSEMBLYMAN ROMANO: Who? Who was it, the name?

DR. DAWSON: I'll share that with you.

SENATOR EWING: Okay, we'll--

ASSEMBLYMAN ROMANO: Okay, nothing bad, just that, you know, Ms. Peoples can contact--

DR. DAWSON: This is due to the census -- to the census change -- the change in the census.

ASSEMBLYMAN ROMANO: The change in the census, okay.

DR. DAWSON: Right. Okay.

SENATOR EWING: We'll get her to contact the Department, then, rather than the superintendents, because they will have it in their fingertips.

Yes, Ms. Johnson?

L Y N N S. J O H N S O N: Good afternoon, Senator Ewing, and members of the Committee. My name is Lynn Johnson, and I'm Principal of the Bonsall Family School in Camden City. As my coworker, Mr. Adler, indicated, I, too, have been in the Camden

City public school system for practically all of my life. I am a product of the Camden City public schools and chose to return there to work shortly after marriage. I have been in the district as a teacher, an assistant principal, and currently as a principal for over 24 years.

My school, Bonsall Family School, has approximately 900 children. We are housed in a building that was built in 1924, with an addition in 1929. I have 35 classrooms in the main building and 6 classrooms in portable units in the school yard. My concern is that any cuts in funding will make it necessary for those six portable classes, and the four additional classes that I have requested for portables in September, to be a constant and not a variable.

You indicated, Senator Ewing, that the Public School Reform Act of 1992 was written with the best interest of children. I question that. As Dr. Dawson has indicated, there are some portions of QEA that are very good, and some portions that are not quite accurate or on target. The same can be said for the Public School Reform Act of 1992. You have indicated that without change-- One of the speakers indicated that without a change in the formula for the QEA, there will be a resulting high tax rate in certain districts, and program cuts in certain middle-income districts.

I again contend that the QEA funding that we have received in Camden City has afforded us a beginning of an opportunity just to catch up. We are still a "no frills" district. No, our schools do not have swimming pools. No, our schools do not have many of the facilities that the more affluent middle- and upper-income districts have. We are still working with a bare-bones budget in an attempt to bring our children the basic needs that are required. Senator Ewing remarked that educational excellence does not equal the amount of money that's spent. You said something to the effect that dollars do not equate to educational excellence.

SENATOR EWING: Not alone, right.

MS. JOHNSON: I am also indicating to you that there can be no educational excellence without dollars. We, as a district, have been able to make do with what we've had, even something as basic as writing textbooks -- handwriting books. You get them for most districts yearly. They are consumable items. Children use them. They write in them to practice their cursive and manuscript letters. In our district, prior to QEA, we had workbooks that the children could not write in -- copy from them, yes; write in them, no -- because there was not enough funds for yearly purchases.

We were hoping that the formula in QEA would remain constant to afford us the opportunity just to catch up. Once all of those special needs districts, as they have been identified, are able to catch up, then let's begin to talk about equalization aid and equalized cost. But we need the opportunity to catch up. My school has embarked on a program that would be seriously hindered by a cut in funds.

I am a family school. That means my children begin with me in preschool. They go with me and stay with me to grade 8. That gives us an opportunity to learn the children, and to provide certain services for them as preventive measures. We are including in our school program a parent center to incorporate parents and families. We are including health care services so that our building is accessible to students and staff. There is someone in my building, and in the buildings of the five other family schools, from 7:00 in the morning to 6:00 each and every night in order to give the children the services that they need. As Mr. Adler indicated, the homework and the extended day-care center are a good part of that. Any cut in funding would seriously hamper our effectiveness in those areas.

He also indicated a concern with being called "special." If being special means going to a school in the

city, then we are special. If being special means going to schools where teachers care, then we are special. If being special means working in a district which has been able to make something from nothing, then I say we are special. If being special means being a minority, then we are special, and in my case, doubly so. If your definition of special matches mine, then we have no problem. If, however, special has any other interpretation, then a change does seem to, indeed, be in order.

I'm leaving with you some brochures that I have brought from my school that describe the family school program in the City of Camden, and the hopes that we attempt to achieve as far as providing our children with a learning, nurturing environment. I'm also including some brochures that describe our guidance counselor's program. This will be the first time that we have been able, at our school level, to have a guidance counselor full time.

Because of the nature of our family school program, because of all we hope to include in it this year and in the coming years, I would ask that you do as Dr. Dawson suggested, and look at the good parts of the Public School Reform Act and QEA before determining that one is negligible and one is utopic.

Thank you.

SENATOR EWING: Thank you very much, Ms. Johnson.

It comes down again to the dollars and cents, and certainly as I said earlier, Camden will be getting more money. It's just less of what they were hoping to get out of QEA, but the funds are just not there. There might be some additional increases coming through. As I say, we're reviewing it right now again. There is no question in my mind, and I would say in the minds of the majority of the legislators, that those districts called "main foundation," for a want of a better word, need the extra dollars. That's very, very true -- very, very definitely. But we cannot let the other districts sink down. We need lighthouse districts and things.

MS. JOHNSON: But again, just keep in mind, we do need the other districts to sink down. We need the other districts to sink down to where we are coming from. With their sinking down and our rising up, at some point in time we're going to match. When we get to that matching point, then let's look at what we can do for all the children. (applause)

SENATOR EWING: Thank you.

ASSEMBLYMAN ROMANO: Ms. Johnson, I wonder if you could just help me with something. I don't know if Dr. Dawson has left already; I can't see. He mentioned about a census change.

Are you here, Dr. Dawson?

MS. JOHNSON: Yes, he's here. The census change?

ASSEMBLYMAN ROMANO: What's happening in Camden City? I took the liberty of looking through, you know, when we were talking about-- Six million on 150, it's not that great. But, what's happening in Camden now? Is it that the AFDC numbers are changing?

DR. DAWSON: (speaking from audience) Absolutely.

ASSEMBLYMAN ROMANO: Is it the census of the population going down?

DR. DAWSON: In the State of New Jersey.

MS. JOHNSON: He is saying that in the State of New Jersey, the AFDC numbers are going down.

ASSEMBLYMAN ROMANO: How is Camden directly affected beyond the total picture, because when I look at some of the other special needs districts, your percentage of increase for next year under this bill was \$6 million. But it was something like -- if I can find it--

SENATOR EWING: The percent change.

ASSEMBLYMAN ROMANO: Yes, the percent change was--

SENATOR EWING: It's 3.5 percent.

DR. DAWSON: The AFDC count has no influence on that particular figure there.

ASSEMBLYMAN ROMANO: The change was 3.54 percent.

DR. DAWSON: That's right.

ASSEMBLYMAN ROMANO: When I look at some of the other special needs districts, some of them are up to 6, 7, you know, and I just wonder why your change is reflected by a big number? Do you know what I'm saying here? What's happening in Camden City?

DR. DAWSON: In the State of New Jersey, there are AFDC shifts, and I refer you to the State Department of Education.

SENATOR EWING: Do you want to come up so we can get it on the transcription, please? (witness complies)

ASSEMBLYMAN ROMANO: Are you losing AFDC?

DR. DAWSON: Let me repeat, I was informed that there are population shifts in the State of New Jersey, okay, which means then, obviously due to some census changes, that the AFDC counts are probably moving in other directions. Therefore, the Federal Chapter I dollars that are allocated to the State of New Jersey will be less in '93-'94.

ASSEMBLYMAN ROMANO: The total dollars?

DR. DAWSON: The total dollars in the State of New Jersey.

ASSEMBLYMAN ROMANO: Not the number of AFDC students?

DR. DAWSON: Absolutely. Right.

ASSEMBLYMAN ROMANO: Not that number?

DR. DAWSON: Not necessarily in Camden -- not necessarily. But it's the total number of dollars that would be coming into the State of New Jersey, so obviously we would be impacted upon.

SENATOR EWING: Do you know what you get now?

DR. DAWSON: In Chapter I dollars?

SENATOR EWING: Yes.

DR. DAWSON: We're close to about \$10 million.

SENATOR EWING: And those are for specific programs?

DR. DAWSON: Absolutely.

SENATOR EWING: Oh, yes.

DR. DAWSON: Very categorical, very categorical.

SENATOR EWING: They do not know yet what that will be cut to. Does the Department know that, or are they just--

DR. DAWSON: We are being told to plan on 85 percent of what we received last year.

SENATOR EWING: I see.

ASSEMBLYMAN ROMANO: But that's coming.

DR. DAWSON: As of today, we are being told to plan on 85 percent.

ASSEMBLYMAN ROMANO: But that 85 percent is common every year. You only put into the budget 85 percent as save harmless, because the real number doesn't generate until April.

DR. DAWSON: Absolutely, that's correct.

ASSEMBLYMAN ROMANO: So they really haven't said much.

DR. DAWSON: No, other than that they said there would be a tremendous difference in the State of New Jersey next year.

SENATOR EWING: They are alerting you to the fact?

DR. DAWSON: They are alerting us to that fact.

ASSEMBLYMAN ROMANO: Thank you, Mr. Dawson.

DR. DAWSON: And I wanted to bring it to your attention, in light of the fact that we are taking the at-risk dollars -- or changing them or reducing them, so I wanted to make you aware of that. Okay?

SENATOR EWING: Thank you.

Barbara Jackson, Camden Board of Education?

**B A R B A R A J A C K S O N:** Good afternoon to you, Senator Ewing, Assemblyman Romano, and the rest of the group here. I thank you for the opportunity to come and speak to you today. I represent the Camden Board of Education, but I represent it in a multiple way. I am a parent of students who came through the school system, and for 20-some years I have worked with



parents in the City of Camden to do what we can to make the educational system better for our students, while working within the system.

Children are one of our most important promised and precious resources. For some reason it always seems to be-- Education seems to be the area that gets shuffled to the back burner, and gets shuffled around when dollars are involved. Education is the only thing that's going to keep our country from sinking further behind the other countries that are coming out with all of the things that we said we used to be good at, at one time. We've got to make sure that our districts -- the districts that are just now beginning to get the technology in our classrooms that has been there all the time for the middle- and upper-class districts-- We're just beginning to get them. Our children are just beginning to reach the point where they can go into these technological colleges and do things, and not have to sit back and go back to another college. These are the kinds of things that we, as parents, are concerned about.

We know, as educators, that you are interested in doing the best that you can for all districts. But we ask you to realize, a City like Camden, we're paying about the highest in our area for tax dollars per person. What happens is, we do not have the ratables. You keep paying taxes like that to deal with school taxes and the other things that are lost, and you lose all of your ratables. Therefore, we don't have money to raise to do some of the things that these other districts can go out and do. We have to depend on the people we give our money to. We pay our State taxes. We pay our Federal taxes. So it's not like, hey, we're sitting down and asking for something.

We are putting in the pot, and all we ask is that you remember these are the children who are going to be our future. You're just beginning to give them a chance to step into some of the things that they have seen around them for

years. You take the kids and take them to Moorestown or some of the other things. They see what's going on and they come back and say, "Hey, why can't we have this in our schools?" These are the kinds of things that we feel are important. We have never been fully funded, either under the Federal programs, QEA, or anything else.

The students and the parents are made to feel that, "Hey, our kids are going to get someplace. They're going to get the things." Next thing we knew, it wasn't there. Well, wait awhile, it's coming; wait awhile, it's coming." All this time you're losing more students who are saying, "It's not going to happen for us." Then you're saying, "Okay, the funding will come along, but it's going to be done gradually," and then down the line, if I read it correctly, a Commissioner will have the right to decide how the funding goes. Who knows where that Commissioner will be coming from, how he will feel, what his ideas are as to whether the North or the South, the rich, the poor, or the middle should get what's going?

That's our concern. We don't like being bucketed up against the rich, the middle. The middle-class districts feel that we are taking from them. We're only asking that we get a chance to have some of the things they have. We're not asking for them to lose. But somewhere along the line, if you could see the faces of the children and the parents when they get a chance to go into these new technological things they have--

The programs for training the parents: I have worked with parents, and somebody came into our district to monitor us. The nicest thing that ever happened to me, I had two parents walk in there who had not been expected, and they said how much the parent involvement programs had meant to them. They had stayed with us from the time their children came into school, and now they are in college, getting ready to graduate from college and set up their own businesses in the City of Camden.

So parent involvement and parent training is one of the areas that may be affected if dollars are lost. Parent involvement is one of the most important things that you can have in school. When parents are there children see it. When parents are learning with their children, they learn how they can help. When parents walk into the school, then teachers can tell them what's going on. They don't have to wait to be called in. We've got to keep parents involved. We've got to keep our children involved.

With our center we have a district center, and we have bilingual and our special education. All three of us work together, and we see the concerns of the parents on a three-way level of wanting their children to succeed, whether they're bilingual, whether they are special education children or not. As we found out, there are very few parents somewhere along the line who have not had either a child in special education, bilingual, or the Chapter I programs, or whatever in the City. But as I have told a lot of them, I have seen children that go through Chapter I basic skills and at-risk, and come out to be the top of their class.

My daughters came out of Camden, and I am proud to say that one is working on her doctorate at the University of Southern Cal; the other is working and has been working on the same job and going to school for education since she came out of there. So Camden has something good to offer. It has something that we're asking you, please, do not take away. Let these other districts realize -- middle districts -- we're not trying to take from you. We just want to get where our children can have the same opportunities that your's do.

I thank you very much for this opportunity, and please think about our students and what they could mean to you in the future.

SENATOR EWING: Thank you very much. There is no question-- There are so many children out there, once they

are given an opportunity they could really move ahead, but they have to be given that opportunity. We realize that, very definitely.

Annie Rubin, please.

**A N N I E R U B I N:** Good evening, Senator, and panel. My name is Annie Rubin. I am the Principal of Cooper's Poynt Professional Development, a K-8 family achool in Camden, New Jersey. Thank you for allowing me to speak on behalf of 875 children and their parents in that neighborhood. We are located at Third and State in the heart of a low economic area, and we house 875 students. There are 34 classroom teachers, 11 special area teachers, 22 instructional assistants, and 5 helpers.

I want to talk to you a little bit about what the QEA money has done for us, and what we hope continues to help us along. Without the QEA moneys we would not have those 11 special area teachers that represent art, music, phys ed, music, writing, library, and so forth. Our school day is divided into three parts: extended day, instructional day, and extended day/evenings. Our extended day mornings begin at 7:00 a.m. and extend to 8:30 a.m. There we hire 10 staff members to serve 300 students breakfast, and we provide lots of other activities that are educational activities. If we eliminate our extended day morning, parents will not have a place for their students to be while they're going to work in the wee hours of the morning.

Our instructional day includes five all-day kindergartens, three full-day pre-K classes, and two transitional classes. We also have a writing-to-read lab for our kindergarten students. If we would eliminate or reduce our funds, we would not be able to do that. We are utilizing the whole language approach in reading in grades K-6. All materials and training is done with the extra money that we receive.

Our school is currently in Phase II of pre-K to 8 family school. Instead of our sixth to eighth graders going to a middle school, they remain with us. They are provided citywide curriculum and lots of other things in typing, computers, and so forth. As part of the family school concept, we are concerned about building student self-esteem. We have a full-day counselor that we did not have before. We also use funds to provide monthly incentives for excellent attendance, for good scholarship, for rewards for good grades, for good conduct, for refreshments, for student council, for contests in math, spelling, and all the basic skills. We provide funds for volunteers for lunch and the transportation to come in and assist our students.

We have educational field trips, and in order to house our eighth graders next year, our funds will provide additional rooms and also for a gym, a cafeteria -- things that other people already have -- computer labs, and so forth. The extended day runs from 3:00 to 6:00 p.m., five days a week. We service approximately 500 students from 3:00 to 6:00 in the evening. We have homework centers, arts and crafts, cheerleading, science club, computer club, basketball, cooking, and GED classes for our students.

We are also in Phase I of our professional development school. We are in collaboration with Rowan College. We are training students for Rowan College to teach in the urban areas, and we're also training our staff and providing extra things for our students.

This just gives you a birds-eye view of our school; to inform you that we are desperately in need of continuous funding at the same level, or a higher level. We are not talking about other districts, but about whatever you can do for us. We are interested in the students in Camden City, and we hope you will take them into consideration when you are funding.

Thank you

SENATOR EWING: Thank you very much.

ASSEMBLYMAN ROMANO: Ms. Rubin if I might ask, you said transitional classrooms?

MS. RUBIN: Yes, there--

ASSEMBLYMAN ROMANO: What are transitional classrooms?

MS. RUBIN: Transitional classrooms are students-- We have a transitional first grade and a transitional second grade. These are students in the first grade who have not been to a kindergarten class at all. They have not been to preschools or anything. They are coming straight from home and they are behind the other students. So, you cannot put a child back-- If he is six years old, you have to put him in first grade. So he goes into a transitional first. The second graders are students that did not do well in the first grade. Instead of repeating them at the first grade, we put them in a transitional second grade class.

ASSEMBLYMAN ROMANO: Thank you very much.

MS. RUBIN: You are perfectly welcome, sir. Thank you.

SENATOR EWING: Carol Conger.

C A R O L R. C O N G E R, Ed.D.: Good afternoon. My name is Carol Conger, and I am Superintendent of the School District of the Chathams. I am here today representing the Garden State Coalition of Schools. The Garden State Coalition is a formal organization of 82 transition school districts, each represented by a superintendent and a board president. The primary purpose of the Coalition is to seek to improve the quality of education in all districts without leveling down successful programs in order to achieve equity. We believe that a solution to the yearly debate over school funding can be found if we all continue to work together.

A beginning was made in this area when the Garden State Coalition of Schools joined with urban and foundation districts, Marilyn Morheuser and the Education Law Center, and

all major education groups in New Jersey to develop a one-year compromise funding plan for 1993-'94, as well as a process for generating a more permanent funding formula.

We hope that you will examine this compromise plan closely. This interim plan was presented by NJAPS, was developed by urban, foundation, and transition districts, and is supported by the urban, foundation, and transition districts. The unity achieved by diverse districts throughout the State in working on the compromise proposal presents a unique opportunity for both short-term and long-term solutions to the funding issue.

Even though under the compromise plan our Transition districts would receive less money in 1993-'94, we nevertheless support the NJAPS compromise. We believe that the compromise one-year interim plan, combined with further study of the long-term provisions of the Public School Reform Act, represents the wisest course of action for all districts.

Your new Act contains many positives. However, we're concerned with some areas which either do not address, or which are in conflict with the Coalition's basic tenets of improving the quality of education for all children. Our concerns are:

- 1) It does not adequately address the physical equity needs which are spelled out in Abbott v. Burke.

- 2) The special provisions for 1993-'94 make it very difficult to tell whether the impact of the -- what the impact of the Act will be over the long term. More analysis of the law's financial impact beyond '93-'94 is needed.

- 3) By calling for program equity, the law proposes a sweeping and radical change in the way school programs are developed, adopted, and regulated throughout this State. This also needs more discussion. Will it, for example, lead to a mandated curriculum determined at the State level and imposed from that level?

4) The cap provision for '93-'94 is a very positive feature of the bill. That provision, however, should continue beyond next year. The importance of exempting fixed costs, which are difficult to control, is a critical element in the ability of all districts to maintain strong programs of study. The cap formula beyond '93-'94 is too restrictive.

5) Income continues to be a better determinant of the ability to pay for education than property wealth. If State aid is going to be related to the ability of communities to pay for education, income should be an ingredient in the formula used to determine local wealth.

6) The Public School Reform Act is silent on the need to reform the local budget process. That process should be revised and brought into line with every other government budget in New Jersey.

If dollars are the issue, we urge the Committee to sit down with NJAPS, the Education Law Center, and leaders of urban, foundation, and transition districts to address that issue, or simply to take Jack DeTalvo's suggestions that he had for you.

Thank you very much.

SENATOR EWING: Ms. Conger, it's interesting on the income issue. It certainly would be better to be able to get it, but not this year that we're spending money from, but from previous years-- There's on the State tax -- income tax form-- There's a box you are meant to fill in.

DR. CONGER: Right, and I know that that's, you know--

SENATOR EWING: Only 40 percent of the people filled that in. This year we are waiting to hear from Leslie Thompson as to what percentage filled in. So it is very difficult, because you take many communities which don't even have a post office, but they have five or six zip codes that people do--

DR. CONGER: Right.

SENATOR EWING: So to get a handle on the income from a district is extremely difficult--



DR. CONGER: Yes, and I know we had discussed that before--

SENATOR EWING: --and it's something we've got to try to work towards if we can, certainly. Also, on the budget format, what are you planning on that? Nobody has given us any idea. They never said anything about it whatsoever. Also, it is very interesting that NJAPS waited until -- what was it, last Monday -- to suddenly spring this idea, when we have been going around asking all the groups for input and everything. Then they suddenly come up at the last minute, when the bill has been put in -- in the Committee, anyway -- with their suggestions. I don't know whether you all were hibernating--

DR. CONGER: Well, we have met with you over the last several months.

SENATOR EWING: Oh, yes, but you hadn't come up with this overall plan. I'm saying that it's interesting that you wait till the last minute to do it.

DR. CONGER: We shared many of our components with you, which are in the NJAPS paper. I think it took that long for all these groups to decide we'd better work together to move anywhere.

SENATOR EWING: For everybody to get a little piece of the pie, right?

DR. CONGER: Okay, thank you.

SENATOR EWING: But what is your idea of the budget format? Are you saying it should be more like--

DR. CONGER: No, it wasn't the budget format. It was the issue of voting on the local budget, that we would like schools to be treated as all other aspects of New Jersey budget--

SENATOR EWING: Oh, and not have a vote on the budget.

DR. CONGER: Exactly.

SENATOR EWING: Oh, okay. That is something--

DR. CONGER: Just a simple little thing that would really help. Thank you.

SENATOR EWING: Have you checked with the people? What town do you come from? Chatham?

DR. CONGER: Yes.

SENATOR EWING: Have you run a survey up there to see what your citizens want, not just the education individuals?

DR. CONGER: No, we haven't run a survey, but it's a--

SENATOR EWING: I think it would be very interesting to see--

DR. CONGER: --community that obviously tends to support education. Really, with the regulations of the State cap, the community understands that we are spending less than we normally spend, which is probably a good thing, and they will be supportive of it.

SENATOR EWING: I think it would be a good idea. I don't think it's going to come about very shortly, though--

DR. CONGER: No, I think it will be a very difficult one.

SENATOR EWING: --because the public out there wants to zap the school budget. They would have something to zap, and--

DR. CONGER: Right, yes. It's the only thing you can say no to these days.

ASSEMBLYMAN ROMANO: Excuse me, Superintendent. Excuse me, I apologize. You're a good benchmark district. Under the plan submitted by Senator Ewing, will you expect a tax increase?

DR. CONGER: I would think we would expect a minimal tax increase under the plan submitted. We would have less of an increase--

ASSEMBLYMAN ROMANO: No, no, I'm saying, which plan -- Senator Ewing's or the NJAPS?

DR. CONGER: With Senator Ewing's, we would have a slight increase, and with the plan that NJAPS is putting forward, which I believe is \$62 million, in addition-- If that

plan went forward as such, there would be an even greater tax impact. But we believe there are some compromises that could be worked out between your plan and NJAPS plan. To look for that \$62 million--

ASSEMBLYMAN ROMANO: He raised an excellent question, though, when he said, how do the voters and taxpayers feel about your plan, let's say, in Chatham.

DR. CONGER: We have discussed this at all of our public board meetings, to say that in fairness or-- First of all, we say we can't afford, in Chatham, just to look out for ourselves. We need to look out for all the students in New Jersey, and if that means our districts, which are the wealthier districts, take a 25 percent reduction in State aid for a transition money this year, so be it.

ASSEMBLYMAN ROMANO: I think that's an admirable posture.

DR. CONGER: Thank you.

SENATOR EWING: Thank you very much.

Kathleen Johnson, Trenton Board of Education.

KATHLEEN SMALLWOOD - JOHNSON, ESQ.: Good evening, Senator Ewing, and panel. My name is Kathleen Smallwood-Johnson. I am the Laborer Relations Counsel for the Trenton Board of Education. I bring you greetings from Ms. Marlene Lao-Collins, our Board President; and from Dr. Bernice Venable, our Superintendent, whom I know you know very well, Senator Ewing. I know you would not want to paint her with the broad brush that she does not pay attention to details.

SENATOR EWING: No, she did.

MS. SMALLWOOD-JOHNSON: In point of fact, our superintendent is in our schools every day. In point of fact, under her tenure as the superintendent in Trenton, she was able to utilize QEA money to have the Trenton Central High School painted for the first time in over 20 years. Under her leadership we are attempting to have in the Trenton public

school's Project EXCEL, where urban children would have the same kind of opportunities that suburban children have, in terms of being able to graduate from high school in three years. You have school districts such as the Montclair public schools that have been doing that since 1974. Trenton is attempting to do that within the next year. So, again, Senator, we would hope that you would not paint us with a broad brush.

Secondly, before I move into my written comments, I would like the panel to be aware that in Montclair, approximately three or four weeks ago, there was a meeting held, hosted by Dr. Mary Lee Fitzgerald, whom I believe is the Commissioner-designee, if I believe the newspapers and whatnot. There we talked about the Chapter I money, and how there was going to be a loss of money in the State of New Jersey.

It appears that there was a commission study done down in Washington, D.C. looking at the reauthorization of Chapter I, and it would appear as though they considered that New Jersey, New York, and, I think, parts of Connecticut and Pennsylvania received a windfall of money through the '80s because there was a loss in population shift. They are stating that there's more population growth in Texas and in California, so there will be a shift of that Chapter I money to those areas. I'm sure that, as has been previously stated, the Department of Education can provide you with more information. Whatever material I have at the Trenton Board of Education, I will be glad to forward to you on the commission study itself. There is a group made up of New York and New Jersey individuals who are looking at attempting to testify in terms of how that was going to impact on our New Jersey schools, because we do rely pretty heavily on Chapter I money.

But moving on to my written comments-- Most of this you have heard before; most of this you have read within the

Abbott v. Burke case. But I have been asked tonight to rehash some of that that's in the Supreme Court decision, some of which you have heard before from Marilyn Morheuser, and indeed, even Dr. Venable in her testimony before this Committee.

To quote the Abbott v. Burke case, "Thorough and efficient means more than teaching the skills needed to compete in the labor market. As critically important as that may be, it means being able to fulfill one's role as a citizen, a role that encompasses far more than merely registering to vote. It means the ability to participate fully in society, in the like of one's community; the ability to appreciate music, art, and literature; and the ability to share all of that with friends". If the claim is that additional funding will not enable the poorer urban districts to satisfy the thorough and efficient tests, the constitutional answer is that they are entitled to pass or fail with at least the same amount of money as their competitors.

If the claim is that these students simply cannot make it, the constitutional answer is give them a chance. The students of Newark, the students of Trenton, I daresay, Jersey City, Paterson, all the special urban districts, are no less citizens than their friends in Millburn and Princeton. In order to achieve the constitutional standard for students from these poorer urban districts; the ability to function in that society entered by their relatively advantaged peers, the totality of the district's educational offering must contain elements over and above those found in affluent suburban districts. That is from the Abbott v. Burke case.

Despite the mandates of the New Jersey Supreme Court in the Abbott case, Senator Ewing, and your cohorts, Senator Palaia and Assemblyman Rocco, are seeking to legislatively condemn urban youth to systems that are neither funded nor programmed to the equivalent level of their suburban

counterparts. This bill in its current form is returning us to the Plessy v. Ferguson days, when there was a myth about separate but equal.

Today, urban districts are indeed separate and, unfortunately, physically unequal to adequately compete in the global marketplace without the requisite tools and resources. Please do not misinterpret my remarks. I do not believe that suburban students, teachers, or administrators are brighter or work harder than those of us in the urban districts. Every day there are success stories of urban youngsters achieving against the odds to become doctors, lawyers, teachers, yes, even legislators. QEA II, and the Abbott decision proclaim the necessity for all urban youngsters to indeed have an equal educational opportunity. These mandates dictated that success stories would become the rule, and not the exception.

Today, I wish to address some of the constitutional flaws that you have heard of previously from Marilyn Morheuser, in A-3. There are three significant ways that this Act deviates even further from the constitutional mandates, more so than QEA. On its face, this Act would cause irreparable harm to poor children. This bill will forever deny special needs districts funding for regular education, which is substantially equal to the average per pupil funding in I and J districts, the measure of spending parities specifically mandated by the court. By changing the parity measure from I and J districts to H and 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 approximately 800 children in a special needs district would lose approximately \$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. Again, in the words of the Abbott court, the educational needs of urban children vastly exceed those of others.

Under the QEA, at-risk aid is targeted for this purpose. A-3 plays a smoke screen and mirrors game with you, because what you see is not what you get. Although it is to be 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 students. The clearest example of harm to 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 districts should receive an increase of well over \$210 million in '93-'94. In point of fact, this year was supposed to be the bubble year for urban school districts. This was supposed to be the year when districts like Trenton, like Jersey City, like East Orange would be able to have that money that would be able to have us at the same level as the suburban counterparts.

In closing, let me say this: The needs that we have in urban districts do far exceed those in the suburban districts. We have to deal with security issues. We have, in Trenton, four middle schools that have within one school 117 different doors. There is no way that we can hire enough security to deal with those doors. Even if we have handheld metal detectors, there are shootings that occur in urban districts all over this country -- one in Philadelphia just last night, and in Chicago three weeks ago -- even where they have the metal detectors.

We're trying to bring our youngsters up to the same reading level as their suburban counterparts. We need additional money to complete the technology program that we

have begun in Trenton by having our students computer literate. We have, unfortunately, the highest dropout rate in the country, but it takes that additional money to hire the staff to be able to reach the youngsters.

This year we were able to add helping teachers to actually put teachers in the classroom, because that's where the metal must hit the road, as you know, Senator Ewing. If we can't get those test scores up, then our students are not going to be able to compete. We would ask that you carefully look at the legislation; that you carefully look at the funding, so that our students in Trenton will not be deprived the promise of Abbott v. Burke.

Thank you so much.

SENATOR EWING: Ms. Johnson?

MS. SMALLWOOD-JOHNSON: Yes.

SENATOR EWING: What was your last teachers' contract settled for? You're very eloquent and very firm. I was wondering how you did with the teachers' union?

MS. SMALLWOOD-JOHNSON: I did not negotiate that particular contract.

SENATOR EWING: Well, I can hardly wait for the next one to come up, because I'm sure you will get about a 2 percent increase over three or four years.

MS. SMALLWOOD-JOHNSON: We're trying to, Senator.

SENATOR EWING: It will cut the cost down.

ASSEMBLYMAN ROMANO: Excuse me, are you the Board attorney?

MS. SMALLWOOD-JOHNSON: No, I'm not the Board attorney. The Board attorney is Mr. Thomas Sumners. In the Superintendent's reorganization of the district, she looked at the fact that approximately \$8 million was paid out in litigation over labor disputes back in the '80s. That's money coming out of our young people's classroom. So therefore, they brought me on. I used to work for Dr. Elena Scambio with the State takeover district as the Assistant General Counsel.



Dr. Venable wanted to bring some of those same things that the State-operated district has been able to do within Trenton. We're trying to cut down on the grievances, cut down on the litigation, so I'm there as the Labor Relations Counsel in-house. My meter doesn't tick; it has a cap to it.

ASSEMBLYMAN ROMANO: What is your name again?

MS. SMALLWOOD-JOHNSON: Kathleen Smallwood-Johnson.

SENATOR EWING: But I might say, also, we use Bernice as a example of how a superintendent should act. We don't paint her whatsoever with a broad brush. She's doing an outstanding job like Elena is, and we certainly want to give the support where we can.

MS. SMALLWOOD-JOHNSON: And I might also say, in talking with Dr. Scambio, she does say that she, too, does not support this particular legislation, but I know you spent some time about two weeks ago all day in Jersey City.

SENATOR EWING: We need more. We would certainly like to see more. At one point earlier this year, Elena said she needed \$60 million more this year.

MS. SMALLWOOD-JOHNSON: That's right. Just in terms of the facilities alone, as the gentleman said from Perth Amboy, and as you heard from Camden, you're dealing with facilities that are just so old.

SENATOR EWING: But Bernice had a worse problem than you. Some of her buildings hadn't been painted in 33 years. You're only 23, so that's pretty new.

MS. SMALLWOOD-JOHNSON: Well, all things considered, we're still trying to get light bulbs in so the kids can read.

SENATOR EWING: I know; that's incredible.

ASSEMBLYMAN ROMANO: Were you with Dr. Scambio in Jersey City?

MS. SMALLWOOD-JOHNSON: Yes, I was. I was there for two years, and then Dr. Venable stole me to Trenton, and so--

SENATOR EWING: Sold you?

MS. SMALLWOOD-JOHNSON: Stole, stole, stole me to Trenton. I might also add, if you really want to do some changing in legislation, one thing I would ask you to consider is to look at the impact that the collective bargaining agreements, indeed, have on the districts, but also look at the monitoring process and the assessment of the various administrators that you have. See, in the takeover district of Jersey City, you went through a principal's assessment process. Yet, in the City of Trenton, we are not able to just carte blanche go through an assessment process because of the contract that the administrators are under.

SENATOR EWING: Well then, why don't you give us some suggestions as to legislation? I'll put it in.

MS. SMALLWOOD-JOHNSON: Oh, I will be glad to, Senator.

SENATOR EWING: I mean, this is what we needed from you people who are out there in the field.

MS. SMALLWOOD-JOHNSON: Oh, now my mama told me to watch out when they say "you people," but we'll make sure we will get the legislation to you.

SENATOR EWING: All of you males and females, or whatever you want to call yourselves, I could care less.

MS. SMALLWOOD-JOHNSON: Thank you, sir. Okay, sir.

SENATOR EWING: We all put our pants on the same way, and all you ladies put your dresses on the same way.

MS. SMALLWOOD-JOHNSON: Yes, sir.

SENATOR EWING: And one thing that we're interested in, no matter what we call you, is the child, so remember that. Give us some ideas of things that should be changed.

MS. SMALLWOOD-JOHNSON: We will be more than glad to, sir.

SENATOR EWING: You, as a lawyer -- as an individual out in the field, then of that makes you happier -- you know what's going on. We're not out in the field at all, unfortunately.

MS. SMALLWOOD-JOHNSON: I would be more than happy to submit to you for your consideration within 10 days, legislation that should be considered.

SENATOR EWING: Well, 10, 12, 14, I don't care how many days it is, just so we can start putting it through the gristmill and see what we can do, and see if we can fight the NJEA on it and people like that. But we've got to try. but we've got to try.

MS. SMALLWOOD-JOHNSON: I'll be glad to take it on with you.

SENATOR EWING: --because that's what we want to learn, what's holding up the system. This is one part of it.

MS. SMALLWOOD-JOHNSON: It is.

SENATOR EWING: The Business Efficiency Commission, I think, will also be studying the format on how many administrators there are, to see if we can get a handle on that.

MS. SMALLWOOD-JOHNSON: And as you know, again, Dr. Venable cut down her administrators and is going through Level II of reorganization

SENATOR EWING: Oh, she did, too? That's right.

MS. SMALLWOOD-JOHNSON: Okay. Thank you, sir.

SENATOR EWING: More power to her. Give her my best.

Dwayne Williams, from Camden. (no response) Joe Bellan.

J O S E P H B E L L A N: Senator Ewing, I'm Joseph Bellan. I appreciate the opportunity of coming before this public hearing. Actually, this is my first time coming before it. My name is Joseph Bellan, B-E-L-L-A-N. I am a member of the Sayreville Board of Education, and I don't know if I'm in the wrong place here, with what I've been hearing here now. I was on the Board in 1962 for one term. At that time, I was questioning the T&E -- the thorough education. The educators have taken care of that, but the efficiency of the school system, I believe, has not been taken care of.

The questions came up here about voting on the budget. I can say for a fact that in Sayreville, for approximately 20 years, the budget has been defeated, and all this time they never ran out of money. I can cite to you the '91-'92 budget which ended on June 30, 1992. A \$33 million budget was presented to the people. It was voted down by the people and it went to the Council. The Council cut \$1.25 million from that budget. As of now, on the June 30th audit report, there was \$3.2 million in free balance. So I believe that tells something that they should look into as to the present budget.

I have some suggestions on reforming the budget as it presently stands, that Senator Ewing had questioned. Their restrictions on the budget should be-- Transfers between accounts should be the same as municipalities -- November, December, January, and February and the free balance. The use and abuse of the free balance that the school boards are doing today is outrageous. They are spending the free balance money to do projects that were not even in the budget.

I do not have the things in writing here, but I have some notes. Now, as long as the budget is certified by the Board of Taxation in New Brunswick, the amount of money to be raised-- I believe that the School Board does anything it wants to within the budget. There should be budget restrictions the same as the municipalities and counties go through. All I've been hearing about is money, money, money, but try to get the most out of education for the money that we are spending at the present time -- more for less.

I can state categorically the '91-'92 budget, the way that it was presented; the final disposition of it; the balance; and what's in it-- Now they are spending the money, free balance, on projects that are not in the budget. I know in municipalities free balance has to go into the amount to be

raised by taxes in the following year. But the budget process today and the Board of Education are loose as a goose. So I think that there's one area in which they can--

I know there have been proposals -- bills, before the Legislature, and the NJEA said there are enough budget restrictions there. I do not believe-- I believe there are a lot of board members out there that have this opinion, and that when it comes time for election, all these educator groups and all that try to defeat the budget -- defeat the members so he doesn't get on the board and get disgusted and leave. But me, for one, I'm retired, and I've been trying to do this all my life. I will put my heart and soul into it to try to get the accountability to the people and the taxpayers, so that they get a dollar's worth of service for every dollar spent.

Thank you.

SENATOR EWING: Thank you very much.

Ms. McQueen.

R U T H M C Q U E E N: I will give in to my Superintendent.

SENATOR EWING: Excuse me?

MS. MCQUEEN: I will give in to my Superintendent because the hour has grown so late. I will give to my Superintendent my space, because the hour has grown so late.

SENATOR EWING: Yes.

MS. MCQUEEN: Thank you.

SENATOR EWING: Are you Ms. McQueen?

A N N E T T E K E A R N E Y P H . D : No, Ms. McQueen is there. She is yielding to me.

MS. MCQUEEN: I'm giving it to her.

SENATOR EWING: Good, fine, and you're--

D R . K E A R N E Y : I'm Dr. Annette Kearney, Superintendent of Schools in Plainfield.

Senator Ewing, I have something on my chest and I must express it first to the panel this evening. There is a program on television called, "Shame on You," and I think I need to

refer you for the award. You took great license tonight to make comments about the character of a group of urban superintendents. It shows contempt and disdain for all of us, and I take great exception to that.

SENATOR EWING: Not all of them, the 15 that didn't bother to reply.

DR. KEARNEY: This was not the forum to do that, sir, and--

SENATOR EWING: Thank you.

DR. KEARNEY: --I take great exception to that. The legislators criticized Governor Florio for his marshaling of QEA through the Legislature, and now it seems as though the same process is being done again, except with a little sprinkling of sugar on it by having some hearings around the State. I'm really concerned about where the hearings are being held, because we have had to travel to some great distances to get to the hearings. The last time we took a bus to Cherry Hill, so we traveled a great distance to get to that one, and it was on a holiday weekend. I think you might remember that, Senator Ewing.

SENATOR EWING: I was down there.

DR. KEARNEY: Yes, of course you were there, and we were there, too. Not many people. Here we are again. We traveled here, but we have to make our voices heard because we represent 6700 children in Plainfield, and their futures are our great concern. So we consider that quite a lethal flaw when we talk about hearing from the people, because I don't think the people are always heard because we're talking about no hearings were held in the State's largest cities: Newark, Camden, Jersey City, Passaic, Paterson, and Elizabeth. What about all these places? But I guess maybe that's neither here nor there.

I am part of the Urban Superintendents and part of the NJASA. We support the interim measure that we need sometimes.

If we're saying that our children are important -- and I do believe that, and I believe that this is such a critical subject, funding education in New Jersey -- we need the time to think about it. There are some folks who have the expertise in talking about educational funding. Bring them together and allow them the opportunity to dialogue about funding.

In Plainfield we have downsized for the last five years that I've been Superintendent. We take two steps forward and someone assaults us, and then we have to take 10 steps back. Then they continue to say improve, improve, improve. They throw another code on and say, "Now, be compliant and make sure you don't make any mistakes." Then we jump to the tune and do a couple of tap dances to be compliant. There is a time when you have to say enough is enough, because if we believe in children, then the focus ought to be on children.

In 25 years I've seen this over and over. We saw it in the '70s, and here we are again in the '90s looking at the same games being played. There ought not to be a rush to judgment to do this if there is an interim plan and we're serious about educating all children. We need to say that when we looked at the proposals coming from the Legislature, I smell the EIPs -- the Educational Improvement Plans -- because those are the items in our EIPs: preschool, all-day kindergarten, guidance counselors, the CARE program, which is a school-based youth-- Those are the EIPs, so many of those things we are putting together with some of the money that we got under funding.

We're having difficulty with some of it because facilities are a problem. We're not getting any money for facilities and we're going about it-- Some of us are attempting to borrow moneys from our utilities authorities and so forth, so that we can look at the issue of facilities. We're looking at bond issues and the like. But you need to

reconsider, gentlemen and ladies, the whole issue of funding in New Jersey, because we're not talking about something that's going to go away tomorrow.

If we're serious about children, we have some time, and we should take some time to consider this. We're worn out now. We're worn out with this patchwork for our children. Working in an urban area is the spice of life. There is great diversity and great flavor. We know how to educate children. We need to stop being assaulted left and right, and being told we have to meet the criteria that's happening in lighthouse districts, because we think we're a great lighthouse in Plainfield.

You need to visit and see what's going on. I challenge anyone to come to Plainfield and match some of the things that we're doing. When I hear some of the Mickey Mouse stuff that is going on in the suburban districts, I know they are Mickey Mouse compared to what we're doing in Plainfield.

ASSEMBLYMAN ROMANO: Thank you, Doctor.

SENATOR EWING: Thank you, Dr. Kearney.

Debbie Myers. Don't run, don't run. (said to witness hurrying toward microphone)

**D E B B I E M Y E R S:** Good evening. I bring you greetings from the greatest school district in the State of New Jersey, and that is the Plainfield Board of Education. I am President of the Board of Education. First, let me say that I know that you guys are tired of hearing this stuff. Okay? You go all around, and what disturbs me is that you stated in your opening statement, Senator Ewing, that you've been to Cape May and Egg Harbor to hear these sessions.

SENATOR EWING: Do you want to talk into the microphone?

MS. MYERS: Okay.

SENATOR EWING: Thank you.



MS. MYERS: I'm a little woman. But you didn't mention that you had been to Newark or Paterson or Plainfield to really get the urban perspective. Instead of you coming to us-- You see, Jesus went to the multitude when the multitude didn't come to him. Okay? You can come to us in Plainfield -- it's a very safe community; it's a beautiful community -- then you can get a broader perspective. That's the first thing that disturbed me.

Second thing that disturbed me was, you said that you felt that dollars do not ensure excellence and quality of education. Okay. I would just like to say to you: How many members do you have on your staff, Mr. Ewing?

SENATOR EWING: On which staff? This is the Office of Legislative Services, which works for the Republicans and the Democrats and can have no--

MS. MYERS: And you're the Chair?

SENATOR EWING: What?

MS. MYERS: And you're the Chairman, right?

SENATOR EWING: I'm the Chairman of the Senate Education Committee, and OLS staffs the Education Committee for the Senate and the Assembly.

MS. MYERS: And it takes dollars to run?

SENATOR EWING: Deena Schorr heads up the Education Section in OLS and then, in turn, I guess there are about five other staff people working for her in drafting all the bills that we ask for, or other people ask for.

MS. MYERS: Okay, and it takes dollars to run that department.

SENATOR EWING: What?

MS. MYERS: It takes money, dollars, funds to keep you well-oiled and smooth, and everything running correctly.

SENATOR EWING: And well fed and everything like that

MS. MYERS: Yes, right. If you were to cut some of those dollars, could you run that same smooth organization? Could you?

ASSEMBLYMAN ROMANO: We have been cut.

SENATOR EWING: We have been cut.

MS. MYERS: But are you as smooth as you were when you had all that money?

SENATOR EWING: We're not cutting you--

MS. MYERS: No, no, I'm just asking you-- Just a general question: Could you run as smooth by? Are you running as smoothly?

SENATOR EWING: They have been cut and they are running.

MS. MYERS: Okay, but if they give you more money, wouldn't you run a little better?

SENATOR EWING: No, not necessarily.

MS. MYERS: Okay, all right. I see we are going to play--

SENATOR EWING: I think the special needs districts do need more money. There is no question about that.

MS. MYERS: I've been a Board President for a year. I've been on the Board of Education for two years, and we're having a difficult time trying to tell the people in our community what our budget is going to be, because we really don't know. So we're trying to shuffle money here and shuffle money there. We did receive some QEA money, and it has helped us do many things. But what it hasn't helped us do is reduce class sizes, like suburban districts have. We have a 1 to 28 class ratio in most of our schools.

We have older buildings -- sound foundations but they are in need of repair, okay. We weren't able to get state-of-the-art labs in reading, math, and science, okay. We don't have the technological programs that many of the suburban districts have, especially in our vocation department. We cannot give the type of staff development training with the cultural differences in our community, and we can't have an all-day kindergarten because we really don't have the space.

And we can't have a preschool. So we're considering a concept of RFP, trying to farm out to the preschool programs around here to bring them into us. So we are doing all these creative things to try to make sure that our young people get a quality education.

Now, I'm only 33 years old, and I know that it's a shame that in 1990 we're still fighting for quality education. Okay? That's what happened with Brown v. Topeka, Kansas. They said you can't be separate and equal. But I see what you are doing here is separating. I don't want you to take money out of any middle classroom, because all kids are kids.

We have adults fighting about kids. See kids, if you don't blind them and put colors on them-- If you give them blinds, they see young people as young people. It's the adults that do it to young people, make them racist and prejudice and everything.

This is my first opportunity speaking to you because we have another Board member who comes and speaks most of the time. When she comes back to our meetings and reports to the Board, she says that this whole process is a joke; that they are a bunch of racist people that don't want young minority children to get education. And I say to her, "That's impossible. I know in this State of New Jersey that the people in this union do not elect racist people to the Board. They do not put racist people on the Education Commission." So I think that's very unfair. By sitting here today I can say that. That's an unfair judgement of you, but that's her opinion.

But I have also learned in my 33 years that things are not always what they appear to be. Okay? So I'm just saying to you that I oppose your bill. I like my Superintendent. Let me say, too, that I don't think you should broad base my Superintendent either, because I think we have a very fine Superintendent who is trying to do things without money, without -- adequate money. We commend her for what she is doing without the money that we need to run the district.

I oppose your bill. I like what this coalition-- See, that's the great thing about America. People can come from different veins, get together, and come up with something to solve a problem. It may not be right; it may not be the best answer to everything, but at least different people got together and tried to say, "Okay, urban, foundation, and transition aid districts--" They got together and tried to do something positive to make education equitable in New Jersey. So I say to you, hold on. You have been going around the State for awhile getting a study, getting a study, getting study, asking questions, asking questions. Just hold on for a little bit.

I'm sure you can find in this State of New Jersey a group of people who can come up with some good parts of QEA, good parts of your bill, good parts of NJAPS, or whatever it is, and come up with a plan that will fund education for all young people in New Jersey. I'm confident you can do this.

Since you haven't held a hearing in any urban city, I invite you to Plainfield, okay. I invite you to my high school -- a beautiful high school, but it hasn't been painted in 20 years. We need new seats in the auditorium.

Our capital outlay budget has been defeated, and we put a budget in under cap this year. People say no, that they don't think it's right to make sure we have safe and clean schools for our young people. Now, maybe you don't have that problem in your community; that's wonderful. But I know as a Board, and a newly elected member of the Board, that we are very conscious on how we spend dollars. We are in the process of redirecting money for direct services to children. But I still can't buy the things that I need to make sure that my young people can compete against the Princetons.

If you give me per dollar the number of what you give to the young people in Princeton, I will assure you that our young people will surpass them. So I say to you today that

it's like the Negro -- the United Negro College Fund slogan: We are not asking for handouts; we're just asking for a hand. We're just asking for our share, but don't give us -- don't rob Peter to pay Paul. Okay? There's a way that you can find the \$62 million. You can find the money for anything else you want. There's a way you can do it. I'm sure you guys are bright up there. I'm confident that you guys can find that money if you are serious about education.

So I would like to thank you. When I go back to my Board member, I'm going to tell her that I think she needs to look at you, put her other glasses on, because the glasses she's looking at you with maybe are not fair.

Thank you for the opportunity to speak to you.

SENATOR EWING: I want to tell you, we did have a hearing in Trenton.

MS. MYERS: I mean, I'm talking about up North you have Newark, you have Paterson, you have Jersey City.

SENATOR EWING: Oh, I know. You don't want to segregate the North from the South. But we did have one in Trenton.

MS. MYERS: Okay, but come on up North with us. I think there are more urban districts up in the northern part of the State than there are in the southern part of the State.

SENATOR EWING: I don't know if there are more special needs districts in the South.

MS. MYERS: I'm not sure. I'm being presumptuous, I'm not sure. But I will ask you-- I invite you to come to Plainfield.

SENATOR EWING: We'll be over there. I'll be over there sometime.

MS. MYERS: Okay, and when you come over, I'll personally show you what we--

SENATOR EWING: But I'm not going to tell you when I'm coming, because I don't want everything mopped up and

everything before I get there. I'm going to suddenly appear one day.

MS. MYERS: No, we won't. No, we want to treat you like a king and make sure you get back home okay. Thank you.

SENATOR EWING: I'm not worried about that at all.

ASSEMBLYMAN ROMANO: President, I didn't catch your name before.

MS. MYERS: My name is Debbie Myers.

ASSEMBLYMAN ROMANO: Myers?

MS. MYERS: Yes, I am the President of the Board.

ASSEMBLYMAN ROMANO: Just allow me this; I want you to understand something: First of all, I don't think I was at that Committee hearing where your fellow Board member came back and said it was racist or whatever the case was, okay? I don't recall. In fact, I haven't been to the two in South Jersey because I'm from North Jersey. I'm from the big city; I'm from West New York by the Lincoln Tunnel, and part of my district is Jersey City. Okay?

Just let me say this about Senator Ewing: We are not from the same political party. In my other world, I'm the Secretary Business Administrator of a special needs school district. Okay? I know where you're coming from, because that's where I come from. But just let me say this: A man more dedicated to give up his time and his effort-- We may not agree, but I have to go along with the fact that Senator Ewing is doing his best. This man has hearings two or three times a week. He is all over the State of New Jersey. Granted, no -- no meetings I know of have been scheduled for Newark, Jersey City, Hackensack, or, as you say, Plainfield. I would be only too happy to arrange for the Interpretive Center at Liberty State Park for it. Okay?

But in any event, you know, let's call it what we should call it. We may not agree -- he and I don't agree on many things, and many things we do agree on -- but I have to

give him his due credit. He does his very best, and it's a pleasure to serve with him on the Committee. I only joined this Committee when Assemblywoman Stephanie Bush became the Commissioner of Community Affairs. I came on to Education, and I have to say this to you: I can't find a man more comfortable to work with, more dedicated to the task, and I have to say I can't even keep up with him.

MS. MYERS: I'm not questioning his character, sir.

ASSEMBLYMAN ROMANO: No, no I'm just saying--

MS. MYERS: I don't even know him to question it.

ASSEMBLYMAN ROMANO: I just don't want there to be any misunderstanding, but I have to say it on his behalf.

MS. MYERS: I'm not questioning his character. I just want him to slow down and take a look at this again, and I ask that you-- I think it's good. There are bad points and good points in every one of these proposals. I think if you just take a little more time-- I oppose your bill, okay, and I am woman enough to say it to your face. But I would hope you would take a look at everything that's in front of us and really come up -- so we can end this. You know people across--

I went to conferences in Washington, D.C., Oregon, and Kentucky, and Illinois. They laugh at New Jersey because they say we are the second per capital income wealthiest State in the nation, and we're still fighting about education. They are moving way ahead of us. Do you know how I feel as a Board member in the State of New Jersey -- the State I really love and believe in -- to be a laughingstock when I go to these national conventions? I say, "Whoa." So we have to do something. We got to change our image, let people know that Jersey is tough; that we're serious about education here. The only way we can do that is by you fine gentlemen taking a tough stand and saying it to everyone. I know you can do it.

Thank you.

SENATOR EWING: Thank you very much, Ms. Myers, for coming.

Marilyn Brown.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Cancel it.

SENATOR EWING: Tom Falocco?

**T H O M A S J. F A L O C C O:** Good evening, Senator Ewing, Assemblyman Romano, Ms. Peoples, Mr. Cannon. My name is Tom Falocco. I am a teacher of the Plainfield School District, and I have been for 25 years. I was born and raised in that City, and I am President of the Plainfield Education Association.

Three years ago, I spent an entire night in the Assembly Chambers while there was a heated debate over QEA. It was no secret that most of the people in the NJAPS group opposed QEA for a whole lot of reasons. Many of those concerns were addressed with QEA II and other various amendments. Now we have the Public School Reform Act, which goes another step further to address some of those major concerns.

You need to be praised on trying to address some of those concerns. Your commitment to moving pensions back to the State where they belong is admirable.

Additionally, as I read through the legislation -- and I did read through the legislation -- it actually appears to be two pieces of legislation in one: a short-term plan and a long-term plan. I just hope that two years from now we're not at some other hearings discussing the next plan coming down the road. Education is too important for us to be changing every other year. I see us trying to attempt in this legislation health care costs that are skyrocketing every day, special education needs, transportation needs, technology, what you call your care centers-- All these are admirable. I heard earlier speakers discuss how QEA funding had impacted on them from an administrative perspective.

I'm here tonight not to talk as the Association President. I'm sure you've heard enough from NJEA that you don't need to hear more of that rhetoric. I'm here to talk to



you as a classroom teacher. I am very pleased with what QEA has done for the City of Plainfield, and I was very vocal in opposition to it. I'm pleased because for the first time in 10 years, I teach history with a history book that has a current U.S. President in it. I'm pleased because I have AV equipment that actually works. There's actually a light bulb in the projector. I'm pleased because my class size is down to 30 -- down to 30.

We start talking about our transition districts. I want to know how many of them are even approaching our 1 to 28 ratio in Plainfield? I'm pleased because my schools are clean, not because our custodians didn't do a good job, but now we have soap. Debbie Myers, our Board President, is one of our former students, and I'm very proud of her. We discussed the fact that 22 years ago we opened up Plainfield High School. It's being painted this year for the first time. How would you like your children to go to a school that hasn't been painted in 20 years?

Libraries, three years ago, were closed. They were dark. No one went in them because of a reduction in force. We didn't have the money to pay for librarians. Now there's light and they're open and children are reading. There are counselors in all of our elementary schools meeting the needs of our children.

You need to get into the inner cities. You need to see what the ravages of the streets are doing to the children every single day. You need to come in and see what it's like to deal with the homeless children and the crack babies. They're in our schools. We deal with them every day. QEA funds have helped us to address their needs. And parents, boy, am I proud of our parent liaison group. Some of them are my former students, as well. Parents are actively in the schools and working to bring other parents in to help meet the needs of

our children. There are all sorts of experimental programs that are designed to meet children's needs. That's what QEA has done for Plainfield.

Previous speakers have spoken to you about the partnerships which are created through the NJAPS group. I am not opposed to your proposal. I'm opposed to the fact that instead of making a step forward next year, we're taking a half a step backward. And as I look at your long-range plan, we may never ever catch up. That's my concern. That's my concern as a classroom teacher; that's my concern as a parent, and as a taxpayer. I am concerned that we may never catch up. We either pay to educate children now, or we pay to incarcerate them later. I prefer to pay for them now.

I am very proud of the young people that I have taught -- my doctor, my lawyer, my accountant, my banker, and, yes, my auto mechanic and my plumber. They're all my former students. I look at us creating walls for them instead of avenues for them.

NJAPS has offered you a proposal. I've heard you discuss that there's no money there -- that there's not enough money there, I should say, to meet their needs. I have to say to you that there are some viable alternatives that I would beseech you not to turn your back on. I would urge you not to make the mistake that was made by the Democratic Majority three years ago by rushing QEA. Go slow. Listen, please, to some of these alternatives. I believe that we need a year to build a bridge to gap from where we are to where we need to go.

There's no doubt that the cost of education is skyrocketing. There's no doubt in my mind that our current economy makes it difficult for us to support public education, as it does the other needs of our State. I believe that what needs to happen is that your special needs districts need to be held harmless for a year while there is a transition until you reformat.

I don't have all the answers. I can tell you this: As long as we continue to use a property tax base to fund education in the State of New Jersey, we will never truly reform education. Until we reach a point in time where we access personal income tax, and not on a town by town basis, but on a statewide basis with a per pupil expenditure, we will never truly reform education. All this paperwork is for naught if we're not going to truly address the crucial issue to education reform.

The crucial issue is, how do we pay for it? When we look at the reform movements of Oregon; when we look at the Kentucky movement -- and I believe there's another one in Indiana -- they have gone to an income tax base to move their states forward. I would urge you to look at those as well. I may have quoted an incorrect state there, but I'm not sure. I think the density aid is an area that we need to look at as a possibility to meeting some of the differences in cost. Also I think there needs to be some cost sharing. I haven't heard anyone speak today about cost sharing.

I understand in your proposals -- I read through it -- that you want to create these CARE centers. It seems to me that some of that servicing right now is being done by social service agencies which are being paid for with tax dollars. It seems to me that we need to look at sharing the expense. If we look at sharing the expense that we are now spending on other social service agencies, to share it with education would diminish the amount of money that would be needed in order to meet the difference between the NJAPS proposal and your PSRA proposal.

You know, folks, if you put a knife in my back and pull it halfway out, that's not progress. That's what QEA did. We have had a knife in our back from public education for all eternity. QEA came along and pulled it half out. That's not progress. Your plan may very well pull the knife all the

way out, but that's still not progress. Until you put a knife in my hands so I can defend myself, we will never have progress. I am asking you to look at the alternatives so that every child has an equal opportunity to defend themselves as citizens in this State.

Thank you.

SENATOR EWING: Mr. Falocco, all special need districts -- using that terminology right now, maybe we will change that -- are all getting more money next year.

MR. FALOCCO: But the amount of money that they're getting is not proportionate to the built-in cost increases that they have to pay.

SENATOR EWING: But the implication I got from you is that they were going to be getting less money than they are getting this year.

MR. FALOCCO: No, absolutely not.

SENATOR EWING: That's all right, then, fine. But also--

MR. FALOCCO: What I'm saying to you is that -- and I don't mean to cut you off-- My concern is that while there is an increase, that increase is not proportionate to the built-in cost factors that we have to face in urban needs. You come into the urban school districts. I heard you talk before about Perth Amboy and the amount of money that's going to be needed to renovate a school.

SENATOR EWING: We're working on a separate bond issue for facilities. There's no question of the need, particularly in the special needs areas, and also there are suburban areas, too, or rural areas that have frightful conditions.

MR. FALOCCO: You know, I was going to address the rural areas. There is another whole area there that we tend to forget. We talk about urban and suburban schools, and we do tend to forget the suburban schools. They have many of the same demographic problems that we have in the urban areas. They are property tax poor.

SENATOR EWING: That's right, and the need out there is around \$4 billion to \$5 billion. We've got to start cracking it, there is no question. There are plans being made now for a small bond issue. I believe the majority of it, if not all of it, would go to the so-called "special needs districts," because we realize that the facilities have to be in much, much better shape. It's very difficult for you as a teacher to come into a place that's not painted. You can't get a light bulb to put in the ceiling, or the fixture doesn't work. Those are not conditions that are conducive to good teaching, and also to learning.

MR. FALOCCHO: No, excuse me, sir. They're not conditions to good learning. I could teach if you stick me in a barn. They are not conditions to good learning.

SENATOR EWING: If you can't read the book because there's no bulb, well, then, it's a little bit different.

MR. FALOCCHO: If you don't have a book is more like it.

SENATOR EWING: Well, that's true, too. But also, the idea behind the CARE program is that those funds would have to come from Human Services and Health. They cannot be part of the educational costs. I don't know if you were here earlier. Maybe I didn't say it today, but I have said it at other meetings. That's why I asked the superintendents. I don't know if we got the list from the Plainfield District -- because it is a special needs district -- as to what your costs are that your Superintendent feels are not educational costs: security, the funds for what the Federal government doesn't reimburse you for the breakfast and lunch programs, things of that nature. They are not an educational cost.

MR. FALOCCHO: No, they're not, and those are the ones that are draining us.

SENATOR EWING: They should not be taken away from it is what I said earlier. Now, I don't know whether I'll ever get the list, but if we don't get the list from the special

needs districts, we're not going to do a damned thing about it, because we don't know what we're talking about. And unless we--

MR. FALOCCO: Well, I'm sure my Superintendent, who is very competent, has done whatever has been asked of us.

SENATOR EWING: Maybe your list is in. As I say, we got about 15 out of the 30 that we requested, and one was in the form of the budget--

MR. FALOCCO: Well, again, what I'm saying--

SENATOR EWING: --which is a big help.

MR. FALOCCO: My request is simply that, before you turn your back and say that the NJAPS proposal is not a proposal that we can deal with--

SENATOR EWING: Nobody has said that. I also stated that earlier. You couldn't have been listening. We're looking at it very carefully -- very carefully.

MR. FALOCCO: Good, that's all I'm asking you to do.

SENATOR EWING: There are parts that we probably will be using, and there are parts we probably won't be using. There are parts of this bill we'll be using, and parts we won't be using. But we are looking very carefully at it, no question about it.

MR. FALOCCO: Thank you, and thank you for at least getting to this area of the State. I got a little tired of driving down to Cherry Hill and Trenton.

SENATOR EWING: I'm sorry you had to come all the way from Plainfield.

MR. FALOCCO: It's not far.

SENATOR EWING: I know it isn't. That's why I said that.

MR. FALOCCO: But, I'll tell you what, it's closer to your house than it is to mine.

SENATOR EWING: Linda Jackson, I gather, is going to be talking for quite of few people. Linda has given me a list of people that she is speaking for, and I guess there must be, what, at least 50 to 70 people on here, right?

L I N D A   J A C K S O N :   Actually, it's 111.

SENATOR EWING:   I'm glad they didn't all come and want to talk.

MS. JACKSON:   Well, see what happened, they were coming, but I didn't--

SENATOR EWING:   Do you want to pull that down a little bit further, please?   (referring to microphone)   Good, thank you.

MS. JACKSON:   Actually, everybody came out. I had an overwhelming response, but I didn't have enough transportation. So I asked everybody, if they could, just sign their name and their address. Okay?

SENATOR EWING:   Fine.

MS. JACKSON:   I'm here in the capacity of the newly hired Parent Coordinator, as an advocate for children, and as a community leader. Also, I'm Mr. Falocco's former student.

Academically and socially, we need an increase in our districtwide school budget to function as well as the suburban areas. This would enable our community to provide a positive parental resource center which will enhance academic and social growth in our children. Presently, we cannot afford any cuts within our budget because there are too many of our children suffering and being labeled as at-risk or special needs children. We are requesting parity and equality for all God's children.

I'm personally requesting each and every one to remember our goal, which is our children, because when we fail -- when our children fail, it doesn't necessarily mean that a parent or our school or our community has failed. It means our budget has failed our community, as well as because I'm a single parent also. In addition, we are here not only to back our Board of Education, our Superintendent, and our teachers. We do have our grandmothers over here, also. We are here to

support their direction as well as their guidance. So united we stand, and, consequently, in the past we definitely have fallen.

Thank you.

SENATOR EWING: Thank you very much.

Alice Rich, from New Brunswick -- East Brunswick. You were over there the other night at East Brunswick.

A L I C E R I C H: That's right.

SENATOR EWING: I was in East Brunswick, too, not with this group, or listening to parents.

MS. RICH: Yes, you were, sir. Good evening. Thank you for allowing me to speak. My name is Alice Rich. I'm a mom from East Brunswick. I think that Senator Ewing's bill is a compromise, and compromise is what we have to do. We all have to do it. We must continue to work together to fine-tune this bill. We cannot allow our present quality of excellence in education to be lowered due to the decreasing of State aid. I am from a suburban district. Our kids are special, and they have needs too.

Thank you.

SENATOR EWING: Is there anyone else who would like to talk who didn't sign a slip?

H A R O L D B R O W N: (speaking from audience) Yes, Senator. I would like to make a comment. I didn't turn my name in, but I'm here, so I might as well make a few comments.

SENATOR EWING: Well, we'll make an exception. Are you from far away Plainfield?

MR. BROWN: Thank you. Yes, I am. My name is Harold Brown, a member of the Plainfield Board of Education.

SENATOR EWING: Good, Mr. Brown.

MR. BROWN: And I would like to make a couple of comments here. Number one, as you said, funds will not be reduced for the coming year, which is good. But I will make a suggestion to the Committee here. Is it possible for the



Committee to make a determination of how much it would cost to renovate the buildings in each district by sending out a team to assess the costs; what it will take to repair the buildings, to renovate the buildings, and bring them up to standards? Is that impossible to do?

SENATOR EWING: Well, I've got to say this: I think it's impossible for the Department to do it. I know they have the staff to do it, but they say the estimates run between \$4 billion and \$5 billion for the State as a whole. Granted, it's a drop in the bucket. The year we're in right now-- There was meant to have been a bond issue on the budget on the ballot this last November -- just the other day -- which, unfortunately, did not pass both Houses. That money would have gone mostly to the special needs -- so-called "special needs districts."

MR. CANNON We're working on it. It's part of the bond proposal, the very idea of assessing every building in New Jersey.

SENATOR EWING: In fact, we were discussing that with the Governor's staff today, about getting a handle on exactly what is needed out there.

MR. BROWN: Right.

SENATOR EWING: And in the bond proposal, which is not-- I don't think it's been made up yet, has it?

MR. CANNON: We're working on it.

SENATOR EWING: It's in the process of being developed by the Office of Legislative Services. It would require that, and also the majority-- I think it's \$345 million. I think the biggest percentage of it right now is being considered to go as grants to municipalities. Part of it would go into a revolving credit fund type of thing. Because I've been down there quite a few years, and quite a few years ago we had two \$90 million bond issues, it was very interesting. By giving a

community maybe \$300,000 or \$400,000 toward a \$4 million or \$5 million bond issue which had been turned down previously; because the State was going to participate, they passed it.

Now, granted, the population has gotten older, and those areas where there are a lot of senior citizens it's more difficult. Maybe they'll have to get grants, but it's something that's got to be done, no question of it.

MR. BROWN: You don't know how long it will take to get this through the Legislature, do you?

SENATOR EWING: No, but Plainfield being in that category of the 30 will certainly be in the group.

MR. BROWN: Okay, yes.

SENATOR EWING: And that group we certainly ought to be able to get a handle on much easier, much quicker, because there are only 30 districts -- you know, providing the superintendents don't see something sinister by asking for some information -- that they'll give it to us.

MR. BROWN: Well, I don't think our Superintendent would think that. But what I'm saying here, Senator, is that as long as we're doing patchwork, we're always going to be behind in bringing our buildings up to standard. I would say that we must take time out and address this problem, by saying, "Let's get it done now."

SENATOR EWING: I agree.

MR. BROWN: And we won't have to worry about it three years from now, five years from now. We're going back rehashing the same old hash and spinning our wheels.

I thank you for your time.

SENATOR EWING: Thank you for coming up here, and thank you for giving us your feelings. Is there anyone else who would like to--

MR. BELLAN: (speaking from audience) I would like to make one comment.

SENATOR EWING: Just one comment then, because we've got to close. These ladies have got to go down to Trenton.

MR. BELLAN: There have been a number of proposals submitted by these different educational groups concerning this Reform Act. Is that public record? Can I get a copy of them?

SENATOR EWING: Oh, yes. If we have your name and address, I'll have them send you a copy of the NJAPS proposal.

MR. BELLAN: Okay, thank you.

SENATOR EWING: There's one other lady.

Yes? Please state your name.

G L O R I A W Y N N: My name is Gloria Wynn. I live here in Somerville, New Jersey, Somerset County. Can you hear me? (affirmative response) Okay. I'd just like to ask -- since everyone has talked about money, and I know that's very important -- if, as somebody else suggested, we could fund some of this money from personal income taxes, rather than homestead taxes -- people who own homes?

SENATOR EWING: Could we fund it?

MS. WYNN: Yes, through taxes or some other resources.

SENATOR EWING: Well, right now the State provides, in rough figures, \$4.5 billion for elementary and secondary education, and the municipalities put in another \$6 billion. So, if the State took over the municipal share, we'd have to produce \$6 billion more in revenue from either increased sales tax or increased income tax, and we know what the income tax produces now.

MS. WYNN: I just think it would be a lot fairer if everybody that works paid their fair share besides homemakers. Because when you work all your life and try to save, you reach a point where you're a senior citizen and you can't even survive. There are just two of us in the home, myself and my husband, and we find it very difficult to live.

SENATOR EWING: That's right. It's a tremendous burden.

MS. WYNN: And so I just think it should be for everybody.

SENATOR EWING: We've looked at proposals, we've looked at ideas-- I had a bill, I don't know how many years ago, to freeze the school tax rate, say, when you reach age 62. But then the burden it puts back on the rest of the property taxpayers within your community -- it amounts up so tremendously for them. But, I mean, it's a intolerable situation for so many of our seniors; there's no question of it. They are nailed against the wall.

MS. WYNN: That certainly is true. I would just like to address the issue of special needs children. I'm not talking about inner-city, I mean handicapped children, neurologically damaged children, who when budgets are cut, seem to be some of the first ones who don't get what they need to.

SENATOR EWING: Oh, but the amount of money that we've given to special education over the last few years has been--

MS. WYNN: My son is--

SENATOR EWING: What?

MS. WYNN: My son is a resident of Woodbridge State School. He's 34 years old, and I know they have that cut -- they have budget cuts quite a bit. They don't even have enough handlers to take care of the children themselves.

SENATOR EWING: But that is in the Human Services area. Is he in a group home or not in a group home?

MS. WYNN: No, no, he's in an institution.

SENATOR EWING: Oh, he's in an institution.

MS. WYNN: Yes, the Woodbridge State School Development School. He is not-- He cannot live in a group home. He is not that adequate.

SENATOR EWING: Okay, but where is he, at Princeton Development Center?

MS. WYNN: No, no, Woodbridge.

SENATOR EWING: Oh, Woodbridge, okay.

MS. WYNN: I think it's like the one that's in Hunterdon County.

SENATOR EWING: One in Hunterdon County?

MS. WYNN: It's like the one that's in Hunterdon County.

SENATOR EWING: Oh, I've been in Woodbridge, and I've been in the Hunterdon County one.

MS. WYNN: Okay, it's not like the one in Princeton. They are autistic children.

Thank you for this opportunity.

SENATOR EWING: Thank you for coming over.

Is there anybody else? (no response) We'll close the meeting, then.

**(MEETING CONCLUDED)**



## APPENDIX





# TESTIMONY

by

**DR. FRANCIS X. HEELAN**  
Superintendent of Schools  
Manville School District  
Member  
Foundation Aid Districts Association

December 1, 1992

Chairman Ewing, Chairman Rocco, and members of the Committees, I am Francis X. Heelan, Superintendent of Schools of the Manville School District. I am here on behalf of the majority of the some 300 Foundation Aid School Districts to testify on the flaws contained in the QEA formula for the distribution of school aid and the devastating effect it has had for 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 Transition Aid Districts. An additional blow was dealt to the middle income districts with the shift of 360 million from Foundation Aid to fund the Supplemental Tax 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 is obvious that many of the most wealthy school districts and municipalities were the 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 have 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" (PSRA) would address the inequities that presently exist and put forward a formula that would be consistent with 18A:7A-2.

The PSRA of 1992 does eliminate the income factor from the formula, and that is a step in the right direction. It also recognizes the tax burdens and inequities by showing what districts would receive if the statewide equalized school tax rate does not exceed \$1.00; however, it caps districts at 2%, thus disallowing aid adjustments for some of the most needy Foundation Aid Districts.

Without going into detail regarding the various aspects of the PSRA of 1992, the Foundation Aid Districts Association is in support of a bridge agreement put forward by the Coalition which includes the New Jersey Associations for Public Schools (NJAPS), the Foundation Aid Districts Association, the Garden State School Districts, and the Education Law Center (representing the 30 Special Needs Districts). This agreement provides for a *minimal* increase of 4% for Foundation Aid Districts to be distributed on an across the board basis. This, however, in no way addresses

the equity problem. Many of the Foundation Aid Districts will still have to continue to cut staff, programs and increase class sizes. These are the districts that are presently having to tax at up to 142% 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 Needs School Districts should be increased so as to avoid possible court sanctions. 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 phased into the group. During this interim period it would be too confusing to attempt this; however, this must be included in a long term plan.

The Transition Aid School Districts have been helped enormously by the cap relief in the proposed legislation. These districts were anticipating a cut of 25% in their Transition Aid. The Garden State School District group has agreed to this; therefore, monies can be shifted to Foundation Aid Districts and Special Needs Districts. While we're on the topic, we should clear up a misnomer. Not all districts that received 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, 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 to 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, it should also have a small allotment of funds in order to bring in State and nationally recognized school finance experts. To do less will lead only to the continued political manipulation of State educational aid, which we should realize by now, will not work.

# **The Arc**

**of New Jersey**

**FRED PATTERSON**  
President

**PAUL A. POTITO**  
Executive Director

## **ISSUE SUMMARY: STATE FUNDING FOR SPECIAL EDUCATION SERVICES An Analysis of "The Public School Reform Act of 1992"**

Prepared by The Advocacy and Legislative Services Department,  
The Arc of New Jersey  
November 1992

On November 16, 1992, "The Public School Reform Act" (S-1370) was introduced in the New Jersey Senate by Jack Ewing (R), chair of the Senate Education Committee. An identical companion bill (A-3) was simultaneously introduced in the New Jersey Assembly by John Rocco (R), chairman of the Assembly Education Committee. The Act is intended to maintain and support a system of free public schools and revise parts of the statutory law.

The Arc of New Jersey applauds legislative leaders for their efforts to address the disparity in quality and scope of educational services provided to children in our state. New Jersey has a long and proud history of providing quality, state-of-the-art education to its children. As times have changed, so too has the role of the school. Schools today have evolved into a community center - a place for all children and their families. Government has looked for ways to support and enhance this role, even in the face of tremendous challenges faced by our state's poorer communities.

In most education reform efforts however, there is a group of pupils for whom "reform" has little impact. A group of children who comprise nearly 17% of all New Jersey school children - more in urban and poor areas: children who are classified as educationally handicapped.

In the early 1980's the Special Education Study Commission undertook a two year study to examine some of the problems facing special education in New Jersey. They produced "Turning Points," a document which recommended changes in the way we provide and fund special education. Sadly, a decade later, NJ has yet to address some of the fundamental problems in funding services for this group of youngsters.

State aid to local districts for special education services has been and would continue under this bill to be "non-dedicated" aid. This means that it is possible for a school district to receive more state aid for special education than it actually spends, thus

Formerly

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allowing the diversion of funds. The Arc is not suggesting that this occurs with great frequency or in every New Jersey school district. What we are suggesting is that we really do not have an accurate idea of what "actual costs" are for educating children with disabilities. And although state aid to districts for special education may increase, the legislature has no way of knowing how much of these dollars ACTUALLY were spent on special education.

While the proposed Act has a number of provisions with the potential for positive impact on "disadvantaged" students, the bills make NO SUBSTANTIVE CHANGES IN SPECIAL EDUCATION FUNDING, PROGRAMS OR SERVICES, and DO NOT ADDRESS THE FUNDAMENTAL PROBLEMS IN OUR STATE AID STRUCTURE FOR SPECIAL EDUCATION.

This analysis focuses on the bills' major provisions as they potentially impact on special education services, and suggested amendments to the bills which The Arc of New Jersey believes would improve the quality of education to children with mental retardation and other disabilities.

**ELEMENTS OF THE BILL WITH POTENTIAL POSITIVE IMPACT  
ON STUDENTS WITH DISABILITIES:**

1. The "Legislative Findings" section of the bills speak to the need for schools to be viewed as part of the communities they serve, and to involve every member of the community in the educational process. Here it states: "It is the obligation of the State to encourage and provide support to school districts in establishing innovative and non-traditional programs which have been proven to be successful in improving achievement of pupils."

2. Section 5 of the bills establishes an "Educational Reform Commission," which must be comprised of at least 10 public members with expertise in "education reform initiatives." This Commission could, therefore, include someone with expertise in the education of students with disabilities in regular settings, or an expert on the transition of students with disabilities from school to work. The Arc of New Jersey recommends that language be added to this section to include a role for a member with expertise in education reform initiatives for students with disabilities.

3. Section 6 of the bills establishes a "Task Force on Technology." While the focus of the task force is on the needs of students without disabilities, the Task Force <sup>could</sup> address assistive technology for students with disabilities. The Arc believes that such a reference in the text of the bill should be added.

4. Sections 8 & 9 of the bills focus on the role of schools in the development of social supports in special needs districts. The Arc supports the requirement that each special needs district establish

a full day kindergarten for all children by 1993-94, and a "pre-kindergarten" program by 1994-95. School districts would be required to provide transportation. The Arc also supports the requirement that these programs "address the full day child care needs of the child's working parents," and, provide for the "identification and remediation of developmental delays which could adversely affect future school performance." The Arc also supports the requirement in Section 9 establishing a "Community Alliance for Reform of Education" (CARE) to develop effective strategies to improve the entire environment of the child, including health, nutritional, social and family services. There is an emphasis on the Department of Human Services working with the Department of Education in meeting these needs.

5. Section 39 of the bills establishes a "Substance Awareness Coordinator" in certain districts. The Arc supports this effort to reduce the likelihood that babies are born with disabilities due to pre-natal exposure to drugs and alcohol. *INCA AS FAS - FETAL ALCOHOL SYNDROME*

**ELEMENTS OF THE BILL WITH POTENTIAL NEGATIVE IMPACT  
ON STUDENTS WITH DISABILITIES:**

**1. Outdated terminology:** The bills use outdated language to refer to students with disabilities, such as "the retarded, "the handicapped". The Arc supports changes to the bill to refer to students with disabilities as "people first." Such a change would make the bills consistent with federal law in reference to "students with disabilities," and "students with mental retardation" etc.

**2. Emphasis on Regionalization of Some Services:** In section 5b, the bills suggest that districts look toward "the potential for the provision of programs and services on a county or regional basis, jointures, shared facilities and the utilization of advanced technologies." While the Arc believes regionalization could allow districts to use resources more effectively, current practice in NJ in regionalization, county based services, and jointure commissions has resulted in the segregation of students with disabilities. An emphasis on the regionalization of some services could promote the continued expansion of public "disability only" schools, which the Arc would oppose.

**3. Placement in the Least Restrictive Environment:** Section 40 FAILS to clarify that students with disabilities can be educated in a regular classroom with necessary support. The bills do not address a fundamental problem with special education in New Jersey: that local districts are unable to get state or federal aid if they educate a child with a disability in the regular classroom

with support services. The Arc of New Jersey strongly recommends that the bills be amended in this section to reflect the Federal law, P.L. 94-142, which specifically states that "a regular classroom with supports" MUST be one of the placement options considered for students with disabilities. This should be addressed by adding "Regular classroom with support service" to the list of facilities and programs of education required under the chapter.

The bill also provides for a continued high rate of categorical aid (1.38) to districts placing children with disabilities in segregated placements, such as special services school districts and Regional Day Schools, but fails to provide ANY categorical aid to districts placing students in the least restrictive environment: a regular classroom with all necessary supports. The Arc can not support an education reform bill which fails to address this problem. The Arc seeks an amendment to the bill which would establish categorical program support for placement in "Regular classroom with supports" **THUS ALLOWING DISTRICTS TO RECEIVE AID FOR COMPLYING WITH FEDERAL LAW, P.L. 94-142** in placing students with disabilities in regular classrooms. The level of categorical program support should be at least equal to that provided for placement in segregated settings (Special Services School Districts, Regional Day Schools), thus "leveling the playing field."

4. The bill maintains a categorical aid factor of 2.37 for children classified "Eligible for Day Training", With the recent passage of legislation which opens placement options for children so classified, it is the stated intent of the Department of Education to increase this aid factor. This cost neutral increase will move funds currently allocated to the Department of Human Services for these programs to the Department of Education for distribution to districts in the form of increased categorical aid. Therefore, The Arc of NJ recommends an aid factor of 3.08, as suggested by the Division of Special Education, for "Eligible for Day Training" should be reflected in this bill.





The New Jersey Center for Outreach and Services for the Autism Community, Inc.

COSAC

COMMENTS

SUBMITTED TO THE

JOINT SENATE AND ASSEMBLY EDUCATION COMMITTEE

ON THE PUBLIC SCHOOL REFORM ACT OF 1992

December 1, 1992

SUBMITTED BY: THE NEW JERSEY CENTER FOR  
OUTREACH AND SERVICES FOR THE AUTISM COMMUNITY  
- COSAC

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# COSAC

The New Jersey Center for Outreach and Services for the Autism Community, Inc.

Senator Ewing, Assemblyman Rocco, and members of the Senate and Assembly Education Committees, COSAC - The Center for Outreach and Services for the Autism Community - thanks you for this opportunity to offer our comments on the Public School Reform Act of 1992. As many of you know, COSAC is a private non-profit organization, comprised of parents, schools, and other human service professionals, representing the interests of an estimated 12,000 individuals with autism in our state. More importantly, we are an organization greatly concerned with the educational needs of children with autism.

We would like to applaud the Senate and Assembly Representatives, as well as the sponsors of S-1370 and A-3, for your efforts and concern on behalf of New Jersey's children. There are many aspects of the Public School Reform Act of 1992, such as the recommendation for full day kindergarten and pre-kindergarten programs, involvement of the community in developing effective improvement strategies, which we applaud and support. We hope that your desire to strengthen our schools and ensure equal access to quality education will be realized.

However, today COSAC is offering our comments on the issues of educational funding, specifically, funding related to SPECIAL EDUCATION, and the fact that the bills, as now presented, do not address this pressing problem. Nearly 17% of New Jersey's student population are now classified educationally handicapped - more in urban and poor areas. Yet, the Public School Reform Act of 1992 leaves untouched the categorical reimbursement factors for special education - an area sorely in need of reform.

During the early 1980's the need to examine issues in special education was recognized when a Special Education Study Commission was established to undertake a two year study in New Jersey. Unfortunately, almost a decade later, New Jersey still has not adequately addressed these issues. In it's report, the Commission pointed out that the special educational reimbursement

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system creates a number of financial incentives and disincentives which negatively effect the delivery of educational services and placement of students. As a result, the Commission recommended that funding to local districts for special education be based on a student's EDUCATIONAL NEEDS

RATHER THAN on the student's EDUCATIONAL DISABILITY, as occurs now, and that the Individualized Education Program (IEP) remain the basic planning device for each pupil requiring special education services.

The sole reliance on educational disability classifications for funding purposes has created a system that is now unresponsive to the individual needs of a student. For example, districts do not receive any funding to support special needs students placed in regular classes other than through the Resource Centers. Although inclusion is an option infrequently chosen by many of our families having a child with autism, it is nonetheless, one which a number of our families recently have been requesting. Unfortunately, the lack of funding makes this option unavailable to our children.

More importantly, federal law and regulations clearly mandate that ALL educational options must be available to a student and that an appropriate education must be provided in the least restrictive environment. The lack of a funding mechanism to support placement in the regular classroom puts us in violation of the letter and the intent of federal law and regulation. We recommend that you simply allow the special education funding to "follow" the student into the regular classroom, permitting districts to receive reimbursement for a special education placement guaranteed under federal law and regulation.

COSAC is also concerned about the inequities in the categorical reimbursement factors within special education. Specifically, we are concerned about the higher rate of state aid to districts for placement in SELECTED programs outside the local district, that of special services school districts and regional day placements. This disparity in funding creates a strong financial incentive for local districts to send children solely to these programs.

Of major concern to COSAC is the fact that the Public School Reform bill maintains the categorical aid factor of 2.37 for the educational classification, Eligible for Day Training. Recently both the Senate and Assembly Education Committees passed legislation which opens up placement options for children classified as Eligible for Day Training. This was important legislation because it provides educational opportunities for special children and brings us into compliance with federal regulations. In order to implement this change effective July 1993, the funding currently received by the Department of Human Services (\$33 million) will be allocated to the Department of Education for distribution to local districts. However, to adequately maintain this level of funding to local districts, the categorical aid factor needs to be changed from 2.37 to 3.08.

In conclusion, although the Public School Reform Act of 1992 contains many

aspects which we support, this bill should reflect the needs of ALL children in public school, including students with special needs. Special education services and educational placement of children must be based on the student's individual educational needs and not reflect the financial incentives or disincentives inherent in the system. Please do not leave our special children out of this legislation, but include language which will ensure that they too will have equal access to quality education.

Respectfully Submitted,

*Carol A. Reistetter*

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And Advocacy, COSAC