

# Committee Meeting

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: Helen I. Smith School  
Saddle Brook, New Jersey

DATE: December 2, 1992  
4:15 p.m.

## MEMBERS OF SENATE COMMITTEE PRESENT:

Senator John H. Ewing, Chairman

## MEMBERS OF ASSEMBLY COMMITTEE PRESENT:

Assemblyman Louis A. Romano

## ALSO PRESENT:

Kathleen Fazzari  
Office of Legislative Services  
Aide, Senate 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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**New Jersey State Legislature**  
SENATE EDUCATION COMMITTEE  
ASSEMBLY EDUCATION COMMITTEE  
TRENTON, NEW JERSEY 08625-0068  
(609) 984-6843

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**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:  
<sup>1</sup> Senate SED committee amendments adopted December 10, 1992.

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

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

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

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

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

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

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

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

26 "Commissioner" means the Commissioner of Education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54 "Statewide regular education average budget" shall be annually

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

1 leaders and shall:

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

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

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

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

11 (5) Provide full day nutritional programs;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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>

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:

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

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

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

$$10 \quad A = DB \times (BB - LS) / BB$$

11 where

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

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

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

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

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

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

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

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

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

50 19. (New section) The amounts payable to each school district  
 51 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. ,  
3 c. , (C. )(now pending before the Legislature as this bill),  
4 divided by the number of pupils eligible for transportation.  
5 (cf: P.L.1992, c.33, s.2)

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. ,  
15 (C. )(now pending before the Legislature as this bill) for the  
16 transportation of pupils pursuant to this section.  
17 (cf: P.L.1990, c.52, s.52)

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

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

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

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

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

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

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

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

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

48 P.L.1990, c.52, sections 11 through 17, <sup>1</sup>[88] 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

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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:  
Assembly AED committee amendments adopted December 14, 1992.

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

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

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

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

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

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

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

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

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

32 "Commissioner" means the Commissioner of Education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

- 21 (1) A detailed description of the proposed program;
- 22 (2) The reason or reasons why the board believes that the  
23 waiver is necessary; and
- 24 (3) Written certification indicating that the teaching staff of  
25 the district was directly involved in the development of the  
26 program and that they support the request for the waiver.

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

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

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

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

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

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

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

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

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

16 (5) Provide full day nutritional programs;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (2) the district's base equalized aid, which shall equal the  
 20 district's base budget, calculated pursuant to section 11 of  
 21 P.L. ,c. (C. )(now pending before the Legislature as  
 22 this bill), minus the district's base local share, which is the  
 23 product of the district's equalized valuation multiplied by  
 24 0.0100. No district's base equalized aid shall be less than zero.

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

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

37 For the 1993-94 school year the district's maximum base aid  
 38 shall equal its 1992-93 base aid increased by <sup>1</sup>the following  
 39 percentage:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

where

SA is the district's supplemental aid;

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

BU is the base units for the special needs district;

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

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

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

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

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

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

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

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

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

18	Category	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;

55 RS is the number of pupils eligible for transportation pursuant



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

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

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

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

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

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

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

21 E means the resident enrollment of the district.

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

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

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

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

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

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

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

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

15  
 16 
$$A = DB \times (BB - LS) / BB$$

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 g<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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 40 (a) Total to be raised by local property taxes
- 41 (b) Total State aid (detailed at the discretion of the  
 42 commissioner)

- 43 [(i) Foundation aid
- 44 (ii) Special education aid
- 45 (iii) Transportation aid
- 46 (iv) At-risk aid
- 47 (v) Bilingual aid
- 48 (vi) Other
- 49 (vii) Transition aid]

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

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

1 (iv) Vocational

2 (v) Other]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

19 b. In the event the designated district is a constituent district  
20 of a limited purpose regional district, when allocating equalized  
21 valuations [or district incomes], pursuant to the provisions of  
22 section 3 of [P.L.1990, c.52 (C.18A:7D-3)] P.L. ...., c. (C. )  
23 (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.



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

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

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

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

where

SA is the district's special needs district supplemental aid;

REA93 is the district's regular education aid in the 1992-93 school year which shall equal the sum of the district's foundation aid, at-risk aid, and transition aid in the 1992-93 school year.

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

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

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

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

Upon the basis of each actuarial determination and appraisal provided for in this article, the board of trustees shall [annually certify, on or before December 1st of each year, to the Commissioner of Education, the State Treasurer, and to each employer, including the State, the contributions due on behalf of its employees for the ensuing fiscal year and payable by the employer to the] prepare and submit to the Governor in each year an itemized estimate of the amounts necessary to be appropriated by the State to provide for the payment in full on June 30 of the ensuing fiscal year of the obligations of the State accruing during the year preceding such payment. The Legislature shall make an appropriation sufficient to provide for the obligations of the State. The amounts so appropriated shall be paid into the contingent reserve fund. The amounts payable into the contingent reserve fund [for each employer, including the State.] shall be paid by the State Treasurer, upon the certification of the commissioner and the warrant of the Director of the Division of Budget and Accounting, to the contingent 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)

49 152. 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[50.] 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[88]</sup> 80<sup>1</sup>, 81, 18, 84, 19  
 53 through 22, 85, 23, 24, 87, 89, and 25 through 28 (C.18A:7D-13  
 54 through 36);

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

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

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

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

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

16

17

18

19

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

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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SENATOR JOHN H. EWING (Chairman): Good afternoon.  
Can you hear me? (negative response) No?

I'm Senator Ewing, Chairman of the Education Committee, and this is Assemblyman Lou Romano, member of the Assembly Education Committee. We are delighted that Senator Kosco's office was able to get these facilities, and we certainly appreciate Dr. Price's willingness to let us use it, and also, Jack Wasdyke, the Principal here. I think we owe a great deal of thanks. It's interesting to see the seniors -- the High School Student Council members -- assisting at this. They provided some refreshments for us, which is very nice, but it certainly just lends itself to what I feel so strongly; that everybody working together, we can get things accomplished, and certainly, the young people have got a large place in our society in helping people, where they can. This is certainly, I think, very praiseworthy of them to be willing to come down here and help in this overall town meeting, or public meeting -- whatever you want to call it.

Now, what I ask you to do-- Yesterday we had a meeting down in my county. I come from Bedminster, which is Somerset County, just next to Bernardsville, which is between Morristown and Somerville. That's where I come from.

Lou comes from, what, West New York?

ASSEMBLYMAN ROMANO: Hudson County.

SENATOR EWING: He's over on the river. But yesterday it got a little bit out of hand, because everybody was telling us what they were doing at school. The purpose of these hearings is to find out what is wrong with the piece of legislation that we are thinking of putting through.

To give you a little background: I am a Republican, and we felt when we took over the Majority that the QEA was not the right thing for education over a period of time, and it would start hurting school districts this coming year.

So we went around and had meetings in seven areas with representatives from the business administrators, the principals, and the superintendents to get their input of what they felt was wrong. We also met with members of the NJEA, the School Boards, the PTA, and the NAACP. Also, we had lots of meetings with different groups of superintendents representing the so-called foundation districts, the special needs districts, etc. From that we developed a concept which was widely distributed. With that concept, we then went around with more meetings to see how they felt about the concept. From the concept we then drafted this proposed legislation.

Now this is in legislative form. It is before both the Assembly Education Committee and the Senate Education Committee. We are making changes still, from the meetings such as this at which we get suggestions and ideas from people.

But we realize those districts -- the 30 districts -- are doing a great job in many, many instances. We know that it takes money to run the so-called special needs districts. One of the things we might even do is to change the name special needs. We had people yesterday complaining that they should not be termed special needs.

What we want to hear from you is: What is wrong with our bill? Now we're not going to agree with you, and you're not necessarily going to agree with us. But we get ideas, and we do make changes. So this is not a closed deal that this bill is going to go through the way it is. Parts of this bill are already incorrect that we know we're going to be making some changes in.

So we need your input, because you are the people -- you are the parents -- you are the people in the school systems who know what is going on. Assemblyman Romano knows, because he is in a school district. He is the Business Manager there. I sure don't, because I'm not in the school system.

Fortunately, on the Senate Education Committee, we have Senator Palaia, who was a principal for 27 or 30 years. So he has a good feeling of what goes on.

So we're asking you for your help. And that's why we're having this. This is the last public meeting we're going to have. If there is a great demand, maybe we'll have another one.

Now, also, I want to apologize to some people because yesterday there were a lot of complaints that we did not have a hearing in Newark; we didn't have one in Camden; we didn't have one in Paterson. It's just that we placed them in other areas. We did have one in Trenton, but some of the folks were not satisfied with that. I guess they felt they should all be just in the large cities, but they were not placed there. The next time we have public meetings, maybe we will place them just in the big cities and maybe make others outside.

First I'd like to call on Gene Campbell, Superintendent of Newark. I'd also request that as each speaker comes up to talk, that they give their name and what their association is so the transcribers can have it on the tape; they can write it down so they don't miss it on the tape. We need that for down there, please.

ASSEMBLYMAN ROMANO: Excuse me, Senator.

SENATOR EWING: Yes?

ASSEMBLYMAN ROMANO: I'd just like to make a comment.

Sit down, Mr. Campbell, while you're getting ready.

I have a commitment this evening, and I'll be leaving at 6:00. I don't want anybody to think I'm getting up to leave in the midst of someone's presentation.

Secondly -- I know Senator Ewing will allow me this -- when he talks about "our" bill-- This is Senator Ewing and Assemblyman Rocco's bill, with other cosponsors. As he has indicated, he is a Republican, and I'm a Democrat. I have not been on the Education Committee since the beginning of this

session. I just came on several months ago with the resignation of Assemblywoman Bush, who has since become the Commissioner of Community Affairs.

I'm very interested in this. Questions might come up, or comments might be made later on. Let me say at this time, I may not be here for any of those particular types of questions that might be raised to Senator Ewing. In the short time that I have worked with Senator Ewing, he in the Senate and I in the Assembly, I've come to admire and respect him. We may not agree on many of the concepts in this bill. There are some items that we do agree on. He's listening to everyone to try to make changes wherever possible within his own bill.

But in any event, he's very dedicated, and as I said, I really respect his desire to get around the State with the hearings. Over the spring, the summer, and these hearings on this particular bill, I would say there have been no less than 18 to 24 -- two dozen hearings. The man has commitment, and he's trying to work within his own party's constraints in terms of fiscal guidelines. I have a certain largess here, where I can sit back and say, "A plague on all your houses, because you don't have enough money."

But in any event, I want you to understand that we work cooperatively. It is not a matter of the super Majority and the Minority just arguing. We try to work together. He does listen to whatever comments I have, as well as the comments of people from special needs districts, to try to coalesce and to change his bill so as to take out the rough edges. We may not agree in principle, totally, with the bill, but should this be the case, I think it would be to everyone's benefit to try to smooth out those parts of the bill that people may be able to live with, if not being able to live with the financial part of it.

Thank you very much.



SENATOR EWING: Thank you, Lou.

I forgot to add, also, I think it's interesting. Maybe some of you know, the Governor did sign the bill which changes the school election date and the announcement of the school funding.

Also, I spent two-and-a-half hours this morning with Mary Lee Fitzgerald, the new Commissioner -- to be the new Commissioner of Education -- and then attended another meeting at 12:30 at which Governor Florio publicly nominated her for the position. She is the Superintendent of Montclair, and the two-and-a-half hours I spent with her-- I think it's going to be a tremendous plus for education in this State. I think we're very lucky to have a person of her caliber and her ability and her background, all the way through -- through the religious movements, and through education and everything. She has a tremendous sensitivity and feeling for young people, which is just so necessary.

I look forward to many months of working with Mary Lee, and to improving the education system. I'm sure you're going to see a change in the Department of Education for the betterment of education. Thank you.

**E U G E N E C. C A M P B E L L:** Senator Ewing and Assemblyman Romano, it's my pleasure, and I'd like to thank you for having this opportunity to testify before this Education Committee. I'd like to also take this opportunity to congratulate the Helen I. Smith School, faculty and students, for the fine reception upon entering this facility.

I'd like to also take this opportunity, Senator, to ditto your remarks in reference to Mary Lee Fitzgerald, Superintendent from Montclair, from Essex County. I'm more than sure that she will do an excellent job if she is so confirmed as Education Commissioner for the State of New Jersey.

I also represent, not only Newark, but I am also the Chairperson of the Urban Superintendents of New Jersey, through the New Jersey Association of School Administrators.

SENATOR EWING: Can everybody hear Mr. Campbell?  
(negative response from audience) Pull the mike closer, Gene.

If you can't hear back there at times, hold up your hand.

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's hard to hear you, also, Senator.

SENATOR EWING: You can't hear me? (negative response) Okay.

MR. CAMPBELL: As Superintendent of the largest school system in New Jersey, I am compelled to urge you in the strongest terms possible to reject the proposed Public School Reform Act. Under the terms of this bill in 1993-1994, the district of Newark would be entitled to a State aid increase of less than 4 percent. Such a miserly increase would precipitate extensive layoffs, program retrenchment, and increased class size. To contemplate such developments now is unthinkable, given the enormity of the task we face in Newark.

Fully 75 percent of our children live in poverty. Such economic conditions bring to our schools children from many families struggling to function, and many others who have ceased to function at all. We serve enormous numbers of children born with crack in their system, children with AIDS, homeless children, and many more who suffer the more general pathology of urban life in the '90s. Their collective needs are tremendous.

Yet we do have answers. We know the advantage of preschool education and full-day kindergarten. We know the advantage of individual, group, and family counseling from the beginning of school through high school. We know the advantage of reduced class size, particularly for the youngest of our students. We know the advantage of after school and summer programs. We know the advantage of alternative programs for those who have not yet had the advantage of alternative programs, for those who have not yet had the advantage of these

reforms in their early years. And we know the advantage of providing the full range of curricular offerings our students deserve, from music, art, foreign language, computer, and hands-on science education in the elementary grades, to college level courses in high school for the most advanced among our students.

We know all this, and our great frustration is that each of these proven reforms is costly. Despite a school tax rate well above average, the poverty of Newark deprives our students of the local resources they need, so we rely on the State to support the bulk of our expenditures.

And here is the rub. As you know, for as long as anyone can remember, the State has assured Newark and its sister poor, urban districts sufficient funding only for a minimum education. The reforms I mentioned before have never been affordable.

And then along came a miracle. The Abbott v. Burke decision promised to revolutionize urban education in New Jersey. The Court spoke eloquently about the needs of our children. It recognized that we ignore these needs only at our peril. By undereducating urban youth during their formative years, the economic and social cost to society has increasingly mushroomed when we find these now young adults unemployable, involved in the criminal justice system, or dependent upon welfare. Such avoidance of our responsibility to provide a thorough and efficient education is not only immoral, but for those of us more hard-nosed, it has created an economic underclass which poses the most serious threat to our State and national economic well-being.

Every knowledgeable educator and economist now recognizes that a major key to restoring American economic superiority is a highly educated work force. This will be impossible if we continue to undereducate a population of young people which in the next several decades will comprise more than one-half of our work force.

In recognizing all of this, the New Jersey Supreme Court ordered that spending for regular education in the poor, urban districts be brought to parity with average spending in the wealthier suburban districts. In addition, the Court recognized that the special needs of poor children, about which I spoke earlier, require additional expenditures, probably in the form of a categorical aid. So in form, the QEA appeared to be responsive. It has a mechanism for identifying a new categorical aid to address the special needs of our students.

The problem, of course, is that the formula is truncated by the absence of any link between the target for spending parity and the provision of State foundation aid. In addition, the amount of at-risk aid is inadequate. As we all know, these are two of the principal causes of action which brought the Education Law Center back to Court challenging the QEA.

While the QEA fails to conform to the Supreme Court decision, the bill before you is extremely devastating and takes us further away from what the Constitution requires and what our students need. The measure of parity is eroded both by your inclusion of districts in factor group H and by your reformulation of the district factor groups themselves. This latter provision will have the effect of pushing many lower spending, less wealthy districts into the H factor group, thus lowering considerably the per pupil target for spending parity. It also appears to be an effort to reduce the number of special needs districts.

Further, by stretching out the time frame for achieving parity, even if parity were properly defined, yet another attack is mounted on our districts and our children. We have already waited way too long. As we speak, the disparity in spending for regular education between our districts and the wealthier suburban districts is close to

one-half billion dollars -- more in absolute dollars than was the case in 1989-1990, when the Supreme Court last examined this disparity.

In addition, by eliminating at-risk aid, already judged to be inadequate, and by replacing it with a new aid amount -- \$300 per pupil -- which is less than 40 percent of at-risk aid, you will make our work virtually impossible.

In conclusion, and, I think, most importantly, I urge you not only to reject the bill you are now considering, but I further urge you to adopt the one-year, stopgap plan advanced by the NJAPS coalition. This plan will not only minimize the harm to all districts in 1993-1994, but it will also provide all of us with the time we need to rationally plan a school finance system which is both responsive to our Constitution and sufficient to support every student in this State.

May I say at this particular time, to digress: When I testified before, I said to you, "When I see a student in Newark, I see that same student in Princeton. Or when I see a student in Princeton, I see the same student in Newark." All children deserve the best education, whether they live in Newark or they live in Princeton.

The combination of the Abbott decision and the growing unity across race and geography among all New Jersey districts provides all of us with a unique opportunity to end a crisis which has consumed our State for more than two decades. We are a State wealthy enough to provide a thorough and efficient education for all our students. What we need, and what I implore you to find, is the political will to finally make it happen.

Thank you for your attention. (applause)

SENATOR EWING: Gene, we are going over--

We don't need the demonstrations. (addressing audience) Everybody is doing their very best possible to come up here and talk, so it's just going to slow down the process.

I'll stay to the end, if it's 12:00 tonight or 1:00 tomorrow morning, so don't worry.

Gene, we are going over very carefully the NJAPS thing and having discussions to see how we can work the whole thing out.

MR. CAMPBELL: We thank you for that consideration.

SENATOR EWING: What?

MR. CAMPBELL: We thank you for that consideration.

SENATOR EWING: It's being worked on very carefully.

MR. CAMPBELL: Thank you very much.

SENATOR EWING: Thank you.

Cecilia Zalkind?

C E C I L I A   Z A L K I N D: Thank you, Senator Ewing and Assemblyman Romano. My name is Cecilia Zalkind. I'm the Assistant Director of the Association for Children of New Jersey, which is a statewide, nonprofit child advocacy organization based in Newark. We have been existing in Newark for over 150 years, advocating on behalf of all children in our State.

In October we released a report entitled, "Keeping the Focus on Children: Accountability for Educational Improvement in the Special Needs Districts," in which we considered two issues: the needs of the 30 districts earmarked to receive the greatest additional funding under the Quality Education Act, and the Department of Education's plans to hold the special needs districts accountable for the additional funding they received.

Our findings clearly confirmed the need for additional funding. The 30 districts face an extraordinarily difficult task in educating their students, a task made even more difficult by high levels of poverty, insufficient school resources, and seriously deteriorated physical facilities. We also concluded, however, that there are serious flaws in the

Department's current system of accountability which need to be addressed in order to ensure that the funding actually reaches the children it was intended to benefit.

Based on the conclusions of our report, we evaluated the Public School Reform Act, and have the following comments and suggestions to offer:

Our overreaching comment is that we oppose the legislation as it is currently drafted. We are very concerned about the long-term financial impact of this proposal, primarily on the special needs districts, and urge this Committee to proceed far more carefully in assessing what that impact will be.

In voicing our opposition, we add our voice to those others who have testified before you, urging you to exercise caution in redesigning the system of school financing. Although we are aware and appreciate the efforts you have made to meet with people over the last year, we are very concerned that there is little information about the impact of this proposal beyond the 1993-1994 school year.

We believe that caution is especially critical in regard to the impact on the special needs districts. Whether the funding formulas in the Public School Reform Act will provide the needed additional funding that these districts need over the long term, which they are mandated to receive under the Abbott v. Burke decision, must be far more carefully assessed.

We would, therefore, support the suggestion offered by a number of other groups; that this proposal at most be considered an interim measure for the '93-'94 school year, to allow more time for the development of a comprehensive plan. Further, as was suggested by other witnesses last week at the hearing in Trenton, we suggest that you remove the development of the plan from the political arena and involve outside experts in developing a plan that can truly balance the competing educational needs in a more equitable manner.

We were also concerned in reviewing this proposal that few elements of the Quality Education Act are retained. Some of the elements already implemented by the QEA, which we reviewed carefully in our report, such as the use of external review team reports to assess district needs and the requirement of educational improvement plans for the additional funding, would be useful to build upon. They represent two year's worth of work that can be utilized to move the educational improvements forward more quickly, rather than starting anew. We shouldn't waste any gains that have already been made.

I also have three specific suggestions that address specific portions of the bill. The first involves provisions of the bill that emphasize demonstrably effective programs in the special needs districts. We feel that this emphasis is laudable in its intent, but very weak in its implementation.

We could not agree more with you that the need to prioritize and identify and develop demonstrably effective programs in a special needs district is of critical importance. One of the findings of our report was our recommendation that the Legislature and the Department provide better direction to the districts in identifying how to prioritize use of their additional funds.

In specific, we support the elements of this proposal which would require the districts to implement full-day kindergarten and preschool programs. We also think the idea of identifying other effective programs through an Education Reform Commission is also a worthwhile endeavor. Similarly, we find the proposal to establish a CARE program in each special needs district is an exciting and innovative approach, although we would urge you to coordinate this with other existing programs such as the School-Based Youth Services Program, and the Family Net Initiatives.

Our concern about these initiatives is not in their design, but rather in their implementation. Such programs will require significant funding which, for many of the special



needs districts, could exceed any additional funding they expect to receive, either under the Quality Education Act or under this proposal. To be very direct, where, exactly, will the additional money needed to implement these programs come from?

Additionally, for many of the special needs districts -- and this was very clear in our assessment of the QEA -- a greater obstacle for implementing a preschool program is the lack of space. Because capital costs have not been addressed, districts may be forced to use sparse educational program funds for facilities repair or development. Although there has been some discussion of a bond act for educational facilities, no comprehensive action has been taken.

We have some suggestions to offer in addition to the possibility of a bond act. The newly established Early Childhood Facilities Fund -- which I believe Senator Ewing is familiar with -- is one method of financing. It creates a revolving loan fund, on which we'd be glad to provide further information for the Committee.

Additionally, some districts have been very creative in identifying space for preschool programs, but have been unable to utilize it because it does not meet Department standards. We would ask the Committee in this proposal to consider a waiver to allow a district to begin a program and be given a specific amount of time to bring the facility up to Department standards. Districts might also be given the authority to contract directly with Head Start or other nonprofit organizations to provide programs, a plan that worked very well in developing before and after school child-care programs for many districts throughout the State.

Secondly, we share the concerns that have already been expressed about what happens to the additional aid for at-risk students. Our reading of this proposal leaves us with many questions about this aid. Language in the proposal only

identifies at-risk aid as part of the base aid received by the district in 1992-1993 in order to calculate the future base aid. No further mention of at-risk aid appears, except in the specific amounts that students will receive in the district.

We are concerned about this omission for two reasons: First, the special needs districts were targeted to receive additional funding not only because of their low community wealth, but also because of their high populations of at-risk students. In fact, additional funding specifically targeted for at-risk students was mandated by the Supreme Court in its decision in Abbott v. Burke, and became a critical part of the QEA. The need for such funds has not disappeared. Where is the funding to meet that need?

Further, the second reason that the Abbott decision and the Quality Education Act established separate funding for at-risk students was to ensure that the money was used specifically for these students. By folding such funds into a district's base aid, there are no longer any strings requiring the districts to set aside certain funds for these most vulnerable students. We are concerned about how their needs will not be addressed.

Lastly, we are disappointed that although the preamble to the proposal expresses an emphasis on stronger accountability, there are no measures in the bill that ensure that an effective accountability system exists.

One of the recommendations of our "Keeping the Focus on Children" report was that the Department oversight must be strengthened to ensure an effective accountability system for any additional funds received by school districts. We felt strongly that the Department can, and should, be able to identify exactly how much additional money for educational programs each district receives, how that funding is used, and most important, what the outcomes for children are. In conjunction with that, effective evaluation criteria are also important to look at accountability.

We are concerned that this proposal does not provide sufficient direction to ensure that accountability. District budgets and audits, which are required in this bill, are important, but do not provide sufficient program and outcome information. We urge this Committee to look further at provisions to ensure and strengthen accountability.

In closing, I want to reiterate that the Association cannot support this proposal at the current time. We are most concerned about the future of funding for the special needs districts, and feel that that is an extremely important issue to be addressed, and would be very glad to work further with the Committee on some of the other specific issues that we raised that we feel are positive parts of the bill, such as the emphasis on preschool and full-day kindergarten proposals.

Thank you.

SENATOR EWING: Ms. Zalkind, did you come to any of the-- When we put out the concept, did you people have copies of that?

MS. ZALKIND: That was not available to us at the time.

SENATOR EWING: Did you try?

MS. ZALKIND: I believe that we asked for access.

SENATOR EWING: No. I didn't ask if you believed. I asked if you tried, period.

MS. ZALKIND: For an organization that is not involved directly in educational issues, it is very difficult sometimes to obtain access to when meetings occur and information that is available.

SENATOR EWING: You just have to call Trenton.

MS. ZALKIND: We do a great deal of lobbying in Trenton.

SENATOR EWING: Well, you can call Judy Peoples from now on, at the Senate Majority Office. I mean, it's ridiculous to say-- If you're this interested in children, and everything like that, and have this much to say now, that when the

concept-- Because there are changes from the concept in the bill, but the majority of the concept is within the bill, and I think it's just unfortunate to bring these sorts of things up at such a late date, and not to become involved

UNIDENTIFIED SPEAKER FROM AUDIENCE: The bill was put through with lightening speed, Senator.

SENATOR EWING: You can talk later, sir. Excuse me.

MS. ZALKIND: I'd like to respond in two ways. I do think it is very difficult for organizations that are not traditionally involved in education issues to access this discussion.

SENATOR EWING: Well, the staff tells me they sent you a copy in the mail.

MS. ZALKIND: A copy of the proposal?

SENATOR EWING: Of the concept.

MS. ZALKIND: That is not something that we received.

SENATOR EWING: Okay. Well, that's too bad.

MS. ZALKIND: I think the other reason that we raise the issues now is that our organization wanted to take a look at the QEA.

SENATOR EWING: Right.

MS. ZALKIND: We are not educational finance experts.

SENATOR EWING: No, no. I understand.

MS. ZALKIND: We were engaged in our look at the implementation of the QEA for about 18 months. We reviewed the external review team reports in every district. We reviewed every district's -- every special needs district's educational improvement plans, their budgets for the 1991-1992 school year, and felt that after assessing that information we had something to say. Six months ago I couldn't tell you, because we hadn't completed that analysis, that we could offer comments like this.

SENATOR EWING: You have a lot of useful comments in here. There is no question of it. We are looking at facilities. There are several ways, either through a bond

issue or there might be another way, when they refinance the bonds for the whole State of New Jersey, of pulling money out of that. We realize the needs are desperate.

One area they might do is, really, to go into the things that are not meeting code: to first start with, and then start on construction, particularly in the special needs districts.

Also, I'm getting legislation drafted that would permit the use of a prefab concrete and steel building, not wood and aluminum, for a longer period than two years. And also, if it's necessary, putting legislation in to let a school cover more of its ground, so they don't have to have a blacktop for people to skip rope. It's more important to have the child in school, in a classroom.

So, we're working on that, very definitely.

MS. ZALKIND: I think those are waivers we would be very interested in supporting.

I also brought with me some information on the Early Childhood Facilities Fund, which is a fund that's being initially funded and begun by the Prudential Foundation, which is to set up a revolving loan fund for renovation and purchase of facilities. I have some information from the coalition that is involved in that, of which ACNJ is a part, and I'll bring it up as soon as it's finished.

SENATOR EWING: We'd appreciate it very much. And also, can we have-- You had some other things, other than what's in this presented script. Can we have the script you read from?

MS. ZALKIND: I just summarized what I read.

SENATOR EWING: Okay. There were things we couldn't follow in this, which would be very interesting.

Also, the other part is that on the superintendent's office, we're looking at the Department, when they laid off people -- laid off five fiscal auditors, they had other

auditors -- and they have asked us for half a million dollars for an assistant manager and five fiscal auditors, who they say will bring in \$1 million apiece from fiscally auditing various school districts. We're drafting legislation that that money, when it comes back in, would pay back that first half million to the General Fund, and then the additional funds that come in would go to start rehiring people for the superintendent's office, to give them a greater accountability out there, to be able to go into districts and help on the monitoring.

MS. ZALKIND: I think that's an appropriate proposal. I would say, however, respectfully, that when we released our report, we were asked if our report suggested the need for more staff for monitoring. I must honestly say that that is not what we're recommending. I think there is a lot of leeway in the Department to look at how the Department is currently utilizing its staff--

SENATOR EWING: Right.

MS. ZALKIND: --to try and work within the existing staffing framework. The regulations that the Department promulgated in response to the QEA around monitoring, I think, were very weak. That was part of our report, as well. I think they can be amended and implemented without further staff.

SENATOR EWING: Well, I think, as I said earlier, you're going to really see a very pleasant surprise when Mary Lee Fitzgerald takes over.

MS. ZALKIND: Well, having--

SENATOR EWING: Not in the first week or so.

MS. ZALKIND: Having been a resident of Montclair for 17 years, and having children in the school system, I can attest to her experience, innovation, and creativity. We welcome working with her.

SENATOR EWING: That's right. Thank you very much.

MS. ZALKIND: Thank you.

SENATOR EWING: Is Mr. Stevens here, Urban/Suburban Equal Education Committee?

Pull the microphone closer to you, so the people can hear, please.

H U S T O N S T E V E N S: Yes. I don't want other people to have the same problem that I had, which was not being able to hear too well. Can I be heard now?

SENATOR EWING: No, they can't hear you. You have got to pull the microphone right up to you.

MS. STEVENS. (witness complies) Okay, how's that? Can you hear me now?

SENATOR EWING: Yes, thank you.

MR. STEVENS: Thank you. My name is Huston Stevens, and I'm a member of the Urban/Suburban Equal Education Committee. I'm also an active rank and file parent at the high school that my child attends in Newark. I'm here today to speak on behalf of not only children in the urban 30 -- the so-called special needs districts -- but also on behalf of all of the children in the State of New Jersey, because I think that this legislation that you propose, Senate Bill No. 1370, does a disservice to all children in the State of New Jersey.

The reason I say that is because, as we look at this, we have to place this piece of legislation in context. The context is of a very sharp political fight. Over the past 20 years here in this State -- I guess longer than that, although I'm only here four years -- there has been a battle about equal funding for the schools in the State of New Jersey that is across the State. There has been tremendous resistance on the part of the Legislature all along the way to maintain unequal, inequitable, and, I think, fundamentally racist allocation of funds for schools in the State of New Jersey. This works to the disservice of all of the children in the State of New Jersey, from the top to the bottom: black, Latin, or white.

The fact is, the Supreme Court in this State, after allowing the Legislature 10 years or more to resolve the problem, finally ruled -- in what I consider to be almost a revolutionary decision, really -- finally ruled that the State's Constitution says that all children in the State will be provided with a thorough and efficient education. And that means that the content of the education must be the same; by that meaning, what they are given -- that is, thorough and efficient. The quality of the education that they must receive is the same.

The fact is -- and we all know it, everybody knows it -- it is not across the State. The reason it is not across the State is because the money is not allocated equitably across the State.

Now in 1990 when Governor Florio came into office, they immediately put out some legislation that was called QEA, which was supposed to address the problem. It went a long way in the right direction. There were some problems with this, certainly for the suburban districts, and those of us who have been watching this and observing this recognize these problems and want to see the adjustments made. But right away -- right away -- very, very powerful political forces in this State moved quickly to strip the QEA -- the original QEA -- of those funds that would enable the urban, so-called special needs districts, to begin to achieve parity with the rich districts.

Almost \$600 million was stripped out of that bill. That, right away, produced a very, very serious problem in terms of what the special needs districts were going to be able to do in terms of upgrading the level of education that they were providing in the schools.

In Newark, for example, at the high school that I belong to -- that my child goes to -- we had put in a request for bringing in some computers. We didn't have any computers



in our school, and we wanted to bring some in. So our principal put together a proposal for \$250,000 to try to bring in some computers and begin to address the problem.

Now those of us who are parents can see right away the difference, because some of us who are parents at University High School went to a companion school, which is of a similar sort; that is, Columbia High School in Maplewood/South Orange. We went there to see what is available in Maplewood/South Orange, and as you know, it is a middle-class district, mostly white. They have 1500 kids in the school. They have 16 laboratories -- 16 laboratories, four in each quadrant, and they are well equipped. That's great, that's wonderful. We thought that was fantastic, and we wanted to know why we only have two, and they don't have equipment -- they don't have adequate equipment. The teachers are well trained at Columbia, and they're well trained and they're working hard at University. But they're working with limited resources. They have programs that they would like to implement that they can't, because they simply do not have the funds.

I think that it is time for you to recognize that there is a real consensus in the State of New Jersey that equal and equitable education for all is the goal that we all want to strive for. We think that the Legislature is holding back the clock. You want to maintain an unequal, separate, and fundamentally racist education, and division of labor in our society. We must recognize that that day simply is over.

I was reading just the other day, Senator, in the newspaper, the person who is the head of the Broederbond in South Africa made this statement. He said-- This is the Broederbond in South Africa. I think you know what it is. And he said, "We are going to have to change in the Broederbond, and we're going to have to integrate the Broederbond." Now, Senator, if they're doing it in South Africa, what's wrong with the United States of America? That's what we want to know.

Now, I suppose that we can place this in a perspective -- an historical perspective -- that perspective being, in the old days, during the days of slavery -- which some of you around here may understand where I'm coming from -- the Legislature legislated that it was illegal, it was against the law to teach a black child -- or a black person, or slaves -- how to read and how to write.

Now I submit to you, Senator, that the thrust of this legislation that you have before us -- or not before us, but that is before you -- the thrust of this legislation is fundamentally the same, because the fact is that you don't want to supply the funding necessary to meet the needs of the special needs districts. I think you should take heed from the people who formed the Coalition -- the NJAPS Coalition -- I am very, very pleased with that. It represents a broad cross section of the population: urban, suburban, black and white, Asian -- you know, what have you. All across the country, it recognizes that by improving the quality of education made available in the urban districts, and not lowering the standards that are made available in the rich, suburban districts, but by leveling up, we can accomplish wonders for all of us in this State, including all of these young children who go to this school, right here. I think this is mostly a working-class, white town here, so that's what's here in this school. I think that these children have a lot to gain by getting a better education themselves, as well as their neighbors in Newark or in Paterson, or elsewhere around the State, also getting a better education. We want all of them to move up to the I and J districts, not move it down.

That's what we're about, and we think you should, therefore, embrace and adapt the NJAPS proposal, which we think is an interim measure. It begins to address the problem-- It doesn't begin to address the problem long range, but it gives us time where you can sit down, and in a serious way, try to deal with the problem rather than avoiding it.

In a serious way, let's not continue this game that we're playing here, because it's headed nowhere. It's headed to anarchy is where it's headed. This is backward, it's not progressive. It's not taking us forward, and that's what we're about. We need to move forward.

I think that's all that I have to say. (applause)

SENATOR EWING: Mr. Stevens?

MR. STEVENS: Yes.

SENATOR EWING: The money that was taken out, and, you know, the votes, unfortunately came from the Democratic side -- that came out of the QEA. It was \$360 million, or \$365 million. It was not \$600 million.

MR. STEVENS: Yes.

SENATOR EWING: I just wanted to get the figures straight.

MS. STEVENS: There's \$360 million that was in the form of property tax relief on one side, and \$229 million--

SENATOR EWING: You said it came out of the QEA, but it didn't.

MS. STEVENS: Well, okay. I stand corrected on that.

I also must acknowledge that you're right. It was the Democrats. It was the Governor of this State who caved in, and, quite frankly, we hold him responsible for caving in on that. As a matter of fact, if he hadn't caved in, if they had stood their ground rather than caving in, we wouldn't be in the position that we're in today. (applause)

SENATOR EWING: Well, the overall funding, though--

MS. STEVENS: They gave up on principle, Senator. They need to stand on principle, because the American people -- the working people in this country -- are sick and tired of the divide and conquer, racist kind of politics that were played. That's all.

I think we want to move ahead. We know that the United States is losing out in competition all around the world. And do you know something, Senator? If we continue to

try to construct a society where you have a very small few at the top, doing okay out in Bernardsville, or wherever else, getting a good education--

SENATOR EWING: Bedminster.

MS. STEVENS: --learning how to rule, and keeping the rest of them, you know, held back, the next thing you're going to end up having is, you know, you're going to have a Guatemala here in the United States.

SENATOR EWING: Thank you.

MS. STEVENS: I don't think we want that.

SENATOR EWING: Thank you very much.

James Harris? Is Mr. Harris here? (no response)

Rhon Baiman, Social Action Committee, Ethical Culture Society of Essex County?

R H O N B A I M A N, Ph. D.: My name is Rhon Baiman. I am a citizen and a parent of two children, residing in South Orange, New Jersey. I work as an economist and corporate manager with AT&T in Bridgewater. Neither myself nor anyone in my family has any economic tie to the New Jersey public school system or employee organizations related to the public school system. I'm also a member of USEEC, the Urban/Suburban Equal Education Committee, which strongly believes that equal and excellent education is absolutely fundamental to a democratic society, and of vital concern to suburban and urban citizens. I also speak as Cochair of the Social Action Committee of the Ethical Culture Society of Essex County, a nonpartisan, religious-humanist community affiliated with the American Ethical Union, and situated in Maplewood, New Jersey.

I just want to summarize some of the context that leads me to vehemently oppose the proposed bill. In the 1990 Abbott v. Burke case, the New Jersey Supreme Court ruled that:

The State must guarantee spending for the children of the special needs districts that is equal to that of the wealthiest districts.

Funding must not be dependent on local property taxes and school budget votes, but is, in fact, the State's obligation, and it must be certain every year.

The State must provide extra money for the greater needs that the children in these special needs districts have. These programs are needed, at least partially, because of the chronic deprivation the children have faced due to a lack of funding.

Since the residents of the special needs districts already have among the highest property tax rates in the State, they should not be burdened with further tax increases to pay for education. The State must take this municipal overburden into consideration in any education formula.

QEA I and QEA II were supposed to comply with the Court's mandate, but instead would maintain an almost one-half billion dollar disparity between the rich and poor districts 1995-1996, the year of supposed attainment of parity.

In the interests of avoiding their legal and moral obligation, the Legislature then proposed to remove the thorough and efficient clause in New Jersey's Constitution upon which the Abbott v. Burke decision is based, as well as write funding formulas into the Constitution which would forever perpetuate and increase our current class- and race-based property tax funded "Bantustan" educational system. Apparently realizing that their proposed constitutional amendments were too blatant and explicit, the Legislature is now attempting to do the same thing at breakneck speed with public hearings in out-of-the-way suburban communities -- for which participants are asked in advance if they support or are against the bill -- and using cosmetic reform and innovation camouflage.

We oppose the Education Reform Act of 1992 for the following reasons:

- 1) The proposed Education Reform Act of 1992 is a new plan that slashes State education aid to the special needs districts to a level -- \$79 million -- that is less than

one-half of what it would have been, even under QEA II. This is in spite of the fact that the constitutionality of QEA II is being challenged for not providing sufficient funds to the special needs districts.

2) By averaging in less wealthy H districts with the wealthier I and J districts, the proposed Act lowers the per pupil spending standard which the special needs districts must be brought up to.

3) The proposed legislation would also extend out the deadline for reaching supposed parity between the special needs and wealthy districts from 1994-1995, to 1997-1998. Critics of the QEA have charged that even under the QEA, real parity will not be reached for at least 100 years. Today's discriminatory and illegal public education system should not be perpetuated for even one more day.

4) The Act would not begin to phase out State education aid to wealthy districts, the so-called transition aid, until 1997. The courts have ruled that this aid is unconstitutional and have ordered its immediate phaseout.

5) The Act would eliminate at-risk aid, mandated in Abbott v. Burke to address the extra needs of disadvantaged children. This aid constitutes a major share of State aid for many special needs districts.

6) The Act requires the special needs districts to provide all-day kindergarten, preschool, and other special programs, but does not provide any extra funding to support these.

7) The Act emphasizes innovation by providing base program aid at \$100, \$200, and \$300 per pupil for poor-, middle-, and high-income-- Rather, the other way around, high-, middle-, and poor-income districts respectively, setting up an Education Reform Commission and a Technology Task Force. It is, however, short on committing major resources for substantial improvement in the poorer districts in which the vast majority of New Jersey's children live.

8) The Republicans in the State Legislature complained that the QEA was implemented too fast and with insufficient public debate. They are now attempting to legislate major education "reform" at lightning speed. We strongly feel that because of the currently difficult economic circumstances, only temporary educational measures should be enacted at this time.

Furthermore, we strongly suspect that the real motive behind enacting this blatantly unconstitutional legislation is to generate political momentum for gutting New Jersey's constitutional protection for thorough and efficient education. This bill, though seemingly proposing reform, innovation, and a reasonable solution to our education crisis, clearly would result in greater inequity, injustice, and oppression for New Jersey children in poor districts, and would maintain and increase the privileged status of the wealthiest districts. It does nothing to increase overall State spending on education -- New Jersey ranks 39th among the States in the ratio of our per capita education spending to our per capita income -- or to tear down the walls of New Jersey's system of educational apartheid. We rank fifth in the nation in the degree of racial segregation in our public school system.

Thus, we strongly oppose the proposed Education Reform Act of 1992.

We at USEEC would also like to go on record as supporting the NJAPS proposal as a temporary interim solution. The attempt by the Legislature to overrule their own school and PTA officials and force through a bill that is clearly unconstitutional, again demonstrates a political and not an educational motive for their actions.

Finally, as an economist, I can provide countless studies which document the importance of substantial social and economic equality and equal opportunity to the economic well-being of society. Maintaining and increasing the current

shameful disparities in opportunity and wealth in New Jersey only serves to dramatically increase the costs of law enforcement, social welfare, etc., and hurts long-run economic growth for both the rich and the poor. Professor Cornel West, of Princeton University, notes that of the 12 black boys in his elementary school class, he is the only one who is not either dead from homicide, in prison, or on parole. I'm sure that many black professionals can tell similar grim tales. Is this the kind of society that we want to perpetuate for short-run budget cutting expediency? Is this right? (applause)

SENATOR EWING: Thank you.

Robert Perry? (no response) Mr. Perry?

UNIDENTIFIED SPEAKER FROM AUDIENCE: He stepped out.

SENATOR EWING: Barbara Cordes, from Lakehurst? (no response) Is Barbara Cordes here? (no response)

Ellen Schnal?

E L L E N S C H N A L: I would like to greet you, Senator Ewing. I have heard very good things about you from Mr. Greg Housner -- Dr. Greg Housner, and also, Assemblyman Romano. I know that Hudson County is mostly Democratic.

But I'd like to say this: I went to Bronx High School of Science after going to a ghetto school in the South Bronx. I had to fight to get out of that school. You cannot believe it. And when I got to Bronx High School of Science, instead of my guidance counselors guiding me anyplace -- I was only 12 or 13 years old -- they kept begging me, how to get more blacks and Hispanics out. And when I was let out -- for some reason they let out all the Hispanics and blacks for the first time ever from my ghetto school--

Now, one thing I have to say is, after the Bronx High School of Science and going to college at New York University, when I started to teach in New Jersey I was in a state of shock, how far behind we were in many communities. We have to realize one thing. We have a very, very complicated State. We



have 70 towns in Bergen County itself. You have one town with Jews and blacks, very liberal. The next town is right wing, where Southerners came up to Bogota because it was always -- we were always completely segregated.

I mean, the thing is, you have to have a great, great deal of flexibility. I was against Governor Kean's program. I spoke to him in 1981 when he came to Lyndhurst -- I'm now from Lyndhurst -- and I have to say that he was completely impractical. Governor Kean is a good-meaning man. He went to upper-class, private schools, as my niece and nephews went to, which I didn't realize before I got married. I only made one condition: My children would never go to public school. I never realized that. I didn't even know I had those feelings.

But let me say, that unless you get people with the right spirit, you get nothing. And Governor Kean, where you have to have labels and all this other nonsense, is utterly ridiculous.

Now, I want to start with one thing. You said, "Call Trenton." Now there's no reason to ever call Trenton, because you can call Trenton 100 times and get no response.

SENATOR EWING: Excuse me.

MS. SCHNAL: And let me say, the Majority Office, I had to call and get five different people.

SENATOR EWING: Let me-- Excuse me. I want to interrupt. I did not make it clear. When I said Trenton, I should have said, the Majority Office. I couldn't agree more, calling any of the departments there is very, very difficult.

MS. SCHNAL: And let me tell you, one thing I say to Republicans-- And you should thank Republicans like Russell Maffei, who set everything up and let me know when the meetings were, and all. He's from the Majority Office, okay.

Now, one thing is Trenton, under Governor -- let's see, Byrne, okay? -- Trenton under Governor Byrne, you got answers calling Governor Byrne; you always had somebody

answer. Gerry English, different people answered. Absolutely amazing now. And he spoke to everybody equally, Governor Byrne. And he criticized Bergen County for some of our so-called leadership, which was awful on the Democratic side, okay.

Then we got Governor Kean, who always spoke to people at length. I spoke to him at length when I met him in '81 in Lyndhurst, and Bill McDowell is the one who was very egalitarian. You could talk to him and they didn't drag you away like some other people do. He speaks to people, but I felt Governor Kean really was not sincere. I was very disappointed that President Clinton wanted to appoint Governor Kean the next day when-- I would have voted for President Bush if I wanted Governor Kean.

So Governor Kean is not practical. He went to an upper, upper-class school. He's from upper, upper-class people. You cannot make Paterson, where they are shooting guns at you, into his upper, upper-class school, which I know he believes you can do. You cannot do it. And I know he was a teacher; I know the whole story.

Now let me say, right now-- I want to say one thing: Governor Kean did very strange things. I believe it was Matty Feldman, Senator Feldman, who appointed Dr. Kelly in Bergen County. Now, Dr. Kelly was atrocious. He hung up if you tried to talk to him. That was the end of that. He was a nitwit; he was an imbecile; he was horrible.

Now we have, I think, some of the best people, because Al Marbaise is beyond belief in how good he is in getting back and forth from any individual who calls up -- parents, teachers, anybody. The Superintendent is back and forth and making things equal and knocking himself out and working way overtime. Al Marbaise is beyond belief, the opposite end of Dr. Kelly, as far as I'm concerned, and I wish he had been made

County Superintendent of Schools. He is absolutely beyond belief. And Dr. Scalzo is very, very good, and will call people back, etc.

Now, I'm just saying that the county office -- I know it's been cut down throughout the State -- that the county office is most important. They hang up on you, like Kelly, in the middle of a word and don't ever answer a phone, and they were so rigid. They couldn't even give Kelly a message. It had to wait in a box for two days. He had all crazy things going on. And I think he was appointed by the Republicans. I think it was Matty Feldman who appointed this unusual man -- horrible. That's really number one. You have to have at the local level, in the county, monitors to monitor the system.

Okay. Now, I've taught in Bergen County. I taught in Elmwood Park, which was pretty okay and good. I've taught in Bogota, which is a working-class town where they stole all the money under Luchino, (phonetic spelling) who I taught. The Board of Ed asked me how much they're stealing. We signed for things; we never got everything. And those kids were the most beautiful children I ever taught in my life -- ever saw -- with the most insane alcoholic, nutty superintendent of schools, and they still have the craziest principal in the world.

Now a special district sends black children into Bogota to be stigmatized and insulted and everything else, and these black children couldn't get one pencil. So I say there is something wrong. Bogota should really be investigated, and they do miracles with very little money.

I know you're not interested in specifics.

Then I taught in Hudson County. Let me just bring out something.

SENATOR EWING: Excuse me. Let me interrupt. Now wait. We're really talking about the bill that we--

MS. SCHNAL: Yeah, but the bill needs monitoring. It needs people that have the heart, and will, and believe in equality. I've been in every school system except one --

Passaic City -- that was anti-Semitic. I was thrown out of Bogota as a Jew. He threw out all the Jews -- Lutine. (phonetic spelling) Nothing-- Feldman was there. Cooperman was there. And appropriations should have been stopped when they threw out all the Jews. You stop appropriations. Swastikas all over Valley -- up in Pascack Valley. The paper brought out, swastikas for years and years. Feldman would not keep a penny out of it.

SENATOR EWING: What are you saying we should do about the monitoring?

MS. SCHNAL: The monitoring should be monitored by people who have the right will, like Al Marbaise, and know everything politically. Al Marbaise has everything in his head. And when a school system has all swastikas for years and years and years, as Pascack Valley did, for years-- We went up there. The Bergen Record brought out-- And the principal opened the meeting, did everything right. He was not a prejudiced principal. That superintendent is as prejudiced as anything. After the meeting, not one Jew -- because there were Jews from the United Jewish Community and all -- except myself, ever complimented about that principal, called up to see what happened to him. He was tortured to death after, that principal was -- Pascack Valley -- because he did the right thing. I said, "Are you tortured because of anti-Semitism?" He said, "No. The superintendent is after me because they don't want it known. You have to keep it quiet."

So all I'm saying to you is, appropriations should be stopped. Matty Feldman would kid with me, "We're going to stop appropriations." Appropriations should be stopped completely when a district is fascist, anti-Semitic, when a district is antiblack, whatever they are doing.

Now, when I taught in Hudson County, let me tell you: In Hudson County we had all new books and everything, because, thank God, I taught under former Congressman Helstoski, who was

so democratic, such a genius, it was unreal. But under him, they decided -- when I was teaching math, seventh and eighth grade -- they put Hispanic children in my class. And I put top notch Hispanic kids -- 100 percent they got on their tests, top rating, and they were in the top class. We had tracks.

Now, they made me, they insisted I take all the Hispanics and throw them in the bottom level, the most brilliant Spanish children in the bottom level in math. I could not do it. The Spanish teacher said, "What's wrong with you? You're not Spanish." We all had to do it. I went to Spanish children -- junior high school, seventh and eighth grade -- "You're getting all 100s. Do you mind being put in the bottom track where they're throwing bean shooters around, a bunch of nuts?" They said, "No, you must do it. We're always put in the bottom track."

The other thing is, the nitwit that gave out books, let me tell you-- Brand-new math books and workbooks, Helstoski got for every single child -- every single class. But somebody was taking money, underneath him, the supervisor, and he wanted me to give Spanish children -- the thing was all Spanish children who came into my math class -- old edition books, and no workbooks. In the same classroom. It was worse than segregation.

Now, I have friends who grew up under segregation in North and South Carolina.

SENATOR EWING: Do you want to change the language in the bill regarding the monitoring?

MS. SCHNAL: I want to have that all appropriations will be held up when any teacher or somebody calls, and things are really impossible. And I mean, there are communities where I was in trouble all the time, because I taught the Spanish children, and they got into the English program. They said, "You're out of your mind. We have to get rid of you, because you're knocking out ESL teachers that we're getting money for."

You're knocking out bilingual teachers; you're knocking out basic skill teachers. So, you fail those kids; otherwise, we get rid of you."

There was one black woman, I swear to you, in Newark, and her mother went to segregated schools. A brilliant woman, her mother was a nurse. I had to console this black woman, who was so brilliant, she became a stock broker. She was thrown out of a Hudson County school system because she-- And she cried to me, over and over again, "I didn't mean to get the kids up from F to A. I only meant to get them to C. I only meant to get them to C, but they went up to A."

They do the opposite. All the extra money you put into some of these systems, makes you want to fail all the kids.

SENATOR EWING: Fine. Well, thank you. We'll take that into--

MS. SCHNAL: No, wait. I'm not finished. There should be some kind of monitoring or some kind of--

SENATOR EWING: But we've got other people.

MS. SCHNAL: No, wait a minute. Hold on a minute. I don't care. How many other people are there?

SENATOR EWING: I'll come up and see you some other day.

MS. SCHNAL: Well, I'd like somebody to call me and follow up, because I'd like to see where, if they're doing the opposite, flunking kids to get the money and making you fail kids and putting all the money into administration-- You should stop that, and you should hold up funding. Everyone knows it's happening, and it's a wrong thing to happen. It's a terrible thing, some of the things happening. The prejudice is really way out, and you need people to monitor it.

And I must say, for the first time since Dave Alva, our Bergen County system is excellent, though it's cut down to nothing. Dr. Scalzo is terrific, and Al Marbaise is beyond belief. So why can't we have that all over the State? In

Trenton, let me tell you, the Assembly Majority Office, and I called your office many, many times-- They know nothing at your office. In the Senate Majority Office you have to go through five people to get anybody.

So, please, make sure people are accessible and can get back and forth. Under Kean, you had Dr. McCarroll everyone could get to. That took some responsibility.

But I'd like Bogota to be looked into for sure. Passaic City should be looked into, and certain other places, too. And I'm saying that money should be held up, appropriations, in case they're doing the opposite and you have to fail every kid to keep the appropriations coming.

I thank you. I know it's hard to hear the truth, and you can't know about this where you live.

SENATOR EWING: It's not hard to hear the truth. It just makes you very sad and upset to hear it.

MS. SCHNAL: It made me half-crazy, because I could not believe that you had to always unteach and fail all the kids in every school that I was in, as I say, except Elmwood Park -- and then Bogota, with other problems with fascists, and the same with Pascack Valley.

These should all be looked into, and you need more staff. You cannot cut down staff. You need more staff that's the right kind of staff. Not like Dr. Kelly, but people who don't hang up that are really all there, okay?

Thank you.

SENATOR EWING: Thank you very much.

Dr. Galinsky?

Hi. How are you?

H A R R Y A. G A L I N S K Y, Ed.D.: My name is Harry Galinsky, and I am speaking today as a Bergen County Superintendent and as the Superintendent of Schools in Paramus, New Jersey.

I want to thank the Committee for the opportunity to speak today. I also want to express my appreciation for the open process that Senator Ewing and other members of the two Committees have followed in preparing this legislation. I appreciate the multiple opportunities for input, and the fact that suggestions from many superintendents have been incorporated into the current version of the Public School Reform Act of 1992.

Your schedule of four public meetings on this bill is evidence of your willingness to receive more input, and to consider further changes before action to adopt new legislation in this important area. And I'm particularly pleased to hear you indicate that the changes are starting to evolve as a result of these hearings.

I also recognize the efforts which have been made by legislators from both parties to sustain and improve the funding of public education in New Jersey during difficult economic times. I think most of us need to recognize that New Jersey really has taken a major step to a far greater extent than has been done in a number of other states.

My testimony today may sound very strange since the Public School Reform Act of 1992 provides better funding levels for Paramus and most Bergen County school districts than is going to be played out under QEA II, or the proposal developed by NJAPS. Maybe you will understand my position if I use a biblical quote: "If I am not for myself, who will be? If I am only for myself, who am I?"

What I am attempting to say is that the Public School Reform Act of 1992 takes care of Paramus, but I and most of my colleagues are very concerned about the plight of students in districts in need. And I use the expression, "districts in need" very specifically. I think you need to continue to look at who is in the 30 special needs districts. You've got districts in the 30 special needs districts that you can't



distinguish between Paramus. I've been there. And you've got districts not included that are in dire, dire shape. And it all flows from a formula that decides who is wealthy and who isn't. It has no basis in reality.

We do not want to gain an advantage in very difficult economic times if it comes at the expense of children being educated in districts which need incredible resources to deal with the challenges of educating large numbers of students who come to school showing the negative effects of many social problems.

How do I say to you that I truly appreciate what you have attempted to do for transitional and some foundation aid districts, but I am in full support of the NJAPS proposal?

I do, however, want to comment specifically on various aspects of the Public School Reform Act of 1992. I fully support and applaud the following:

- 1) The Act's focus on program equity and the relationship between family and socioeconomic issues and educational success.

- 2) I applaud the provision to return the State's share of pension and Social Security payments to the State. The transfer of these payments to local property taxes would have devastated many, many suburban school districts -- in fact, many foundation and special needs districts.

- 3) I applaud the provision for greater flexibility provided for the cap that you're proposing.

- 4) I applaud the establishment of the Education Reform Commission and the Technology Task Force.

- 5) I also welcome and strongly support the establishment of a process for local boards of education to seek waivers of State laws and regulations.

I just want to take a moment as you talk about your provision to encourage preschool and full-day kindergarten. I want to tell you a quick story about State regulations. In

Paramus five years ago we went to a full-day kindergarten. We had in our schools, which are in great shape, a bathroom next to each of the rooms. State regulations forced us to move the bathrooms into the rooms. We spent \$150,000 to put bathrooms in the rooms when there was a bathroom within two feet, and with a commitment from us to have an aide take a child into that bathroom.

So the whole issue of regulations that don't make sense would provide, in many cases, more relief than money. You need to take a look at the sense -- and many states are going to that issue of saying, "Here's the job that needs to be done, and here's how we're going to assess it. We're going to relieve you of some of the strangulating regulations that were well-meaning in many cases, but don't fit a particular situation." So I would encourage you to follow through on any issue which gives people an opportunity-- Get a waiver on regulations if they can defend the reason.

I have concerns about the following:

1) That districts in need -- again, I use that phrase -- will not receive funding at a level necessary to start bringing significant progress in their schools. It also, this bill, again, creates a sense of discomfort for many of us, in that it produces winners and losers. For me to win, districts in need have to lose in terms of funding. I think that is divisive. If we can avoid that in some way, I would think that that's the way we need to go.

2) I have concerns that this new legislation does not include the removal of the vote on the school budget that we spoke about at many of the hearings. I understand the political nature of that, but if we're going to deal with small caps, and we're going to struggle to live within that, I think the time has come. This Legislature had the courage to take on a very difficult public health issue in terms of health legislation. I think this is the time to consider, whether in

this bill or as a separate bill, the whole issue of the only vote on the budget. To say to districts that you have enough money because of ratables to fund your education, therefore, you don't need additional State aid, at the same time not recognize that budgets are being voted down to an extreme, in fact, produces an automatic State aid cut.

3) I also have a concern that income is no longer a factor in determining the relative wealth of a district. Paramus is a high property value district. You know, Paramus is an old Native American word for shopping center, but the people who live there -- not the Native Americans, but the people who presently live there are modest- to low-income people; people who bought homes for \$10,000 or \$12,000, and now have an assessed valuation of \$200,000 or \$250,000, but their incomes in no way have come close to it. So to identify districts that can pay on the basis of strictly property values is, I think, a step backward. I know the argument of how difficult it is to get accurate income data, but I'm saying to you if that became a priority with the Legislature, that the fact that the ability to pay is income, not the kind of house that you happen to be living in, I think, is a step that you have to focus on again.

4) Finally, I believe, although your proposed legislation does not mention it, that the absence of statements about continued legislative educational mandates without funding, must stop. You must stop telling us what we have to do which is costly, and at the same time, send no funding. In the spirit of economic scarcity, either stop the legislation or find the money to go with it.

In conclusion, I strongly support the one-year compromise plan proposed by NJAPS. I think it's the best deal going in this respect: For the first time in the 45 years I have in public education, I've seen every group in this State come together and say, "Let's bite the bullet. Let's see if we

can find a win/win situation. Let's provide the Legislature with the notion that they're attempting to satisfy multiple interest groups." And multiple interest groups are coming to you and saying, "We know what you are trying to do. We appreciate it. Let's live with a compromise plan for one year, and let's go with a long-term solution."

Sometimes you get bashed, and I have heard some of it here. I don't think it's merited. I just want to applaud you, Senator Ewing, and you, Assemblyman Romano, for coming. You have, in my opinion, been the most receptive group of people that I have ever experienced in terms of sincerely accepting public input, and I applaud you for it. Thank you very much. (applause)

SENATOR EWING: Thank you, Harry. Let me just-- A couple of points: On voting on the school budgets, I happen to agree with you. I think politically we're not going to see that for a couple of years, because although the educators want to see it, I'm not too sure the public would feel that happy about it. But it would be the best thing for education.

DR. GALINSKY: Absolutely.

SENATOR EWING: The idea is that you would not vote on any school budget if it was at cap or below. If it was above cap, then the people could vote on it.

The other part is using income. I couldn't agree with you more there, but as of last year -- not the returns that everybody just sent in recently, or in the last few months -- but there is a place on your State income tax form, a box in back -- a box in front, I guess -- where you put the code number for your municipality. Leslie Thompson, who runs the Division of Taxation, told me seven or eight months ago, only 40 percent of the people did that last time.

We have to check now and see whether that has come up perceptibly. But it is very difficult to get the income from various communities. There are some communities in the State

that have no post office in their community. They are using five or six other post offices with a different zip code, so you can't say, "Just do it with the zip codes," because it doesn't work. That's one of our problems on this thing, but I couldn't agree more.

DR. GALINSKY: I'm just asking that because of logistical problems, that we don't drop a fundamental issue like income. There is no fairer thing in our country than judging wealth in income, and to eliminate it because of zip codes and other mechanical problems-- I mean, today they launched another five astronauts. I think we can solve how to get the income. I really do.

Thank you.

SENATOR EWING: Thank you.

Anna Taliaferro?

A N N A T A L I A F E R R O: First let me introduce myself. I am Anna Taliaferro. I'm from the City of Paterson, and I come here today not only as a Board of Education member, but more importantly, as an advocate for parents and children.

I would like to state at the onset that I am totally against the Public School Reform Act, and I will give you the reasons why.

But since, Senator Ewing, you mentioned that you were Republican, and Mr. Russamano, I believe your name is?

ASSEMBLYMAN ROMANO: Romano.

MS. TALIAFERRO: Romano?

ASSEMBLYMAN ROMANO: Like the cheese.

MS. TALIAFERRO: Okay. Romano cheese, okay. You are a Democrat?

ASSEMBLYMAN ROMANO: That's right.

MS. TALIAFERRO: I would like to say from the onset that the education of all children is nonpartisan, that it remains very clear to you who sit in the Senate and Assembly on

the Education Committee, that you keep in front of you something that the Children's Defense Fund has asked all of us to do; and that is, to put children first.

In the City of Paterson we don't have chemical labs at one of our high schools. We are not far from West Milford, which has three times the facilities as Kennedy High School, and we have three times more students at Kennedy High School in Paterson.

We cannot afford to continue a soup-kitchen labor force. We will pay for it one way or the other, either in incarceration, or all of the other societal ills. I don't need to remind you of that. All you have to do is walk out of your door, no matter where you live, and you're faced with that in New Jersey. So one of the things that behooves you is to make sure that when you look at something as devastating as this Public School Reform Act, that you understand what it is going to do to youngsters from all walks of life.

We have many African-American youngsters and Latino youngsters who are poor, but we certainly have white children who are poor. So it behooves us to represent all of those children to make sure that we live up to the full, profound decisions that the State Supreme Court made, in its wisdom. When you want to talk about race, in the State Supreme Court, where there are no African-Americans or Latinos sitting, they had enough insight and enough wisdom to understand that we are not living up to a commitment to all of the children of New Jersey.

When you talk in terms of youngsters not being able to have access to resources, when you speak in terms of too many youngsters in a classroom-- We might have 35 to 40 children sitting in a classroom in Paterson. Right next door in Wayne, you have about 18 to 20 youngsters, but they have twice the classroom space. We still have roofs leaking in Paterson, New Jersey. We still have schools that are over 100 years old. We don't have the facilities.

We're not unique. Those 29 other special needs districts are just as bad off. So it is across the State, and when you continue to sit, time after time, to debate as to whether we should be educating all children, we are losing generations of youngsters.

We in the State of New Jersey, underneath someone who wanted to be chosen as the messianic hope for African-American children-- It was perpetrated by a racist regime because of the first 300 of those youngsters that were, in his term, expurgated into the streets, 67 percent of them showed up in the county jail.

So we pay for that. You shift that problem from the school to the street. We will pay for it, and we will pay for it dearly.

We do not talk about the thousands of youngsters that we continue to put on the streets in terms of high school dropouts. And now it has gone down to the elementary level, where youngsters are dropping out. It is getting very, very disastrous out here.

We now are faced with a reform bill where people are going to be destitute, and let me assure you that none of us are going to be safe. The same bullet with my name on it will have your name on it, because, you see, that kind of devastation and that kind of hopelessness doesn't have any boundary lines. They'll shoot me as quick as they will you, if we keep continuing to not educate our young people.

The miseducation of young people is a very serious thing in this country. One of the reasons why you were elected to serve-- You were not appointed, nor are you anointed, so you have to operate on what you were elected to do. And what you were elected to do is the best job ever. You have got to give NJAPS enough time to sit and logically come up with something that all of us can live with.

I am gratified that people from the suburban areas, from the rural areas, now wholly recognize that our fate is intertwined. Whatever impacts on the young people and the citizens of my community will impact on the community that you come from, Senator. If I recall, you're from Somerset County?

SENATOR EWING: Yes.

MS. TALIAFERRO: It will definitely have an impact on your community--

SENATOR EWING: No question of it.

MS. TALIAFERRO: --as much as it will mine.

So you all have got to do the right thing. You really, really do, and I cannot urge you enough.

One of my colleagues has urged me to ask of you: Why don't you give all of the youngsters an early Christmas present, and stop debating about whether the Public School Reform Act is something that we need, and go with the interim committee that can logically take a look at what is going on?

Lastly, I have this to say to you, Senator Ewing, since you mentioned it. Today Dr. Fitzgerald from Montclair was named as the State Commissioner of Education.

SENATOR EWING: No. Her name was put in to be voted on.

MS. TALIAFERRO: To be considered for the appointment.

SENATOR EWING: Yes.

MS. TALIAFERRO: I can tell you that while I am pleased it is a female, I am totally upset that I had to read in The Bergen Record today, that one of the first things that this new Commissioner, if appointed, is going to take a look at, is dismantling the Department of Urban Education. That will be a big mistake, because I assure you, Senator Ewing, as sure as I'm sitting here today, as sure as my name is Anna Taliaferro, some of us are getting terribly fed up with what we know is the right thing to do. And if the State of New Jersey, not operating on emotion, but operating on hopelessness, if the



State of New Jersey continues to perpetrate that viscous, racial wheel, you will leave no alternative for people like myself who will come to a table, to dialogue, and to collaborate on what is best for children, to get to the streets. I'm not past that. I was born and raised in New York City, and we take it very seriously when our young people are continually being cut down.

I don't need to remind you on the escalation of carjackings. I don't need to remind you on the flow of drugs. Kids do not bring drugs into this country. Kids do not do that. Grownups do it from greed and self-satisfaction.

If we continue to emasculate and dehumanize our young people, we will pay very seriously for it. When I listened to this teacher who testified, and she spoke about the dehumanization of how to reach children because of their ethnic diversity, that is criminal, and it is abominable, and if we get lulled into that kind of ignorance in New Jersey, or in this country, period, we will pay for it.

This State is the fourth most segregated state in terms of African-Americans, the third most segregated state in terms of Latino-Americans. We have got to stop that. We know what's right. Let us have the courage to do what's right. Let's stand up for kids, and every decision that you make, Senator Ewing, and you, Mr. Romano, I hope that you will make it based on what's best for children, not on what is politically astute or politically feasible, but what is best for children. You know the statistics. Let's do something right for a change.

Thank you very much. (applause)

SENATOR EWING: Thank you, Ms. Taliaferro.

Mr. Perry?

R O B E R T P E R R Y: Good evening. My name is Robert Perry, and I serve as Chair of the Board of Education in the State-operated school district of Jersey City. On behalf of

the State District Superintendent, Dr. Elena Scambio, and the Jersey City Board of Education, I'm here to oppose and protest the direction of the Public School Reform Act because it is contrary to what we believe is the mandate of the New Jersey Supreme Court decision, and contrary to beliefs that people cherish.

Every child, rich or poor, deserves a proper education of good quality. Every child from a city or urban area, as well as from the suburban districts, should have a fair chance to learn and develop the skills and talents he or she has. Every child has the right to equal educational opportunity. That was the decision of the Supreme Court of New Jersey in Abbott v. Burke. That is the decision which the Supreme Court and the New Jersey Constitution said we must move toward. That is what everyone believed who professed to believe in equal opportunities for every child, but it is not the direction the bills that are presently constituting the Public School Reform Act will take.

The bills reduce funding for special needs districts. They reduce the money that poorer urban districts must have to address the needs of their disadvantaged children. The Legislature's bills take away money necessary to bring the staffing, programming, and services in urban districts up to the levels where disadvantaged children would begin to approach having an equal educational opportunity.

These bills take away the hopes of our children and our families in special needs districts, our hopes that our children could ever have the same kind of chance as others in suburban districts presently have to learn and achieve their full educational potential.

Worse, these bills compound the harm. They not only take away money for special needs districts, but at the same time they impose additional requirements upon these special

needs districts, impose additional mandates without the financial resources, as stated here earlier tonight, to provide them.

For example, the bills require full-time kindergarten programs for all children in special needs districts, prekindergarten programs for all four-year-old children in the districts, and plans to address the child-care needs of working parents as well as referral services for health, social services, and so forth. They are all desirable services. They are all the kinds of programs our children and families need. They are the programs and services our district is intent on developing and expanding. Many of you may remember from the report that Dr. Scambio made to the Joint Committee last spring, we are moving in that direction, but our district is struggling to implement this plan for expansion of kindergarten and pre-K programs. We are struggling because we do not have enough money to scrape up the funds to operate them. And we certainly would not have enough money to provide them when funding is reduced, as it is under this bill.

We estimate that the Jersey City School District will receive \$4 million less in total State aid under the new bills -- \$4 million less than they are due to receive presently. We are moving backward, not forward, in terms of educational funding. Our children have been shortchanged in the past because of the lack of adequate financial resources. Their disadvantages went unaddressed to the detriment of their future, and to the detriment of our society.

There was a bright light of hope when the Supreme Court decided Abbott v. Burke, hope that at last equal educational opportunities would become a reality at some time in the future in this State. That hope was dimmed when the amendments to the Quality Education Act reduced the State aid available to the special needs districts from the level originally set in the original Act. That hope grew darker when these bills were introduced.

In conclusion, on behalf of Dr. Scambio and the Board, please do not turn out the light. Give our urban districts and our kids a real chance to get the educational opportunities they need and deserve in order to develop into productive citizens of the future.

Thank you.

SENATOR EWING: Mr. Perry, what the bill calls for -- I mean, as it's stated now--

MR. PERRY: Yes?

SENATOR EWING: --is that by February 1, '93, and every February 1 thereafter, each special needs district shall prepare a plan to provide full-day kindergarten.

MR. PERRY: Yes.

SENATOR EWING: They have to prepare the plan, and if you don't have the facilities or things of that nature, the Commission is not going to make you do it. It's a question of preparing the plan.

Now as I understand, most of the special needs districts already have -- or a lot of them already have -- the kindergarten classes.

MR. PERRY: Yes, to a certain degree. In part, as with any district, but as part of the report, the Superintendent reported to the State Board this very morning on the progress in the district.

SENATOR EWING: Right.

MR. PERRY: And we've had the plans, and almost any district could come, and urban districts could tell you about the plan for pre-K. The question is having the wherewithal to maintain and to move ahead. We all agreed at the hearing last spring in Trenton before the Joint Committee how vital the early intervention is. And so what we're saying is that the funds that are available, even though you're allowed to develop the plan, the funds that would be available to carry it on would not be there under it, and that's our point.

SENATOR EWING: Okay, thank you.

MR. PERRY: Thank you.

ASSEMBLYMAN ROMANO: Mr. Perry, just one question.

MR. PERRY: Yes, sir?

ASSEMBLYMAN ROMANO: You said \$4 million.

MR. PERRY: Yes.

ASSEMBLYMAN ROMANO: Compared to what?

MR. PERRY: There was \$4 million less than QEA money will allow for right now.

ASSEMBLYMAN ROMANO: All right. And under the QEA the pension was becoming the responsibility--

MR. PERRY: Back to the State again.

SENATOR EWING: No.

ASSEMBLYMAN ROMANO: No, no, no. Under the QEA it became the responsibility of the school district. Given that, where does this \$4 million fall?

MR. PERRY: I didn't hear. Please go again.

SENATOR EWING: If you had to pick up the pension--

MR. PERRY: Right.

SENATOR EWING: --how much are your pensions in Jersey City?

MR. PERRY: Oh, I don't know right offhand.

SENATOR EWING: Well, it's a hell of a lot more than \$4 million.

MR. PERRY: It is, it is.

SENATOR EWING: So you'll be getting a lot less money, because you'll be paying the pensions and Social Security if QEA stays in place. If no other legislation, whether it's this bill or changes to this bill or something else-- If nothing gets passed, QEA stays in effect, and with that the local district picks up the pensions and Social Security. It's in the law, period.

MR. PERRY: Correct. Remember, through all the discussions there was always the point raised, particularly by

many districts -- the urban districts -- about the extra burden of the pensions.

I understand what you are saying, Senator and Assemblyman. It still does not say in the plan that we will have that money to put into programming. You see, that was the point. When we were talking with the Superintendent -- talking about business administration when we did an analysis -- after we got copies of the bill, it was our concern that while there is a movement -- of which we are appreciative -- of the pension going to be absorbed by the State once again, that, indeed, it was not as clear that the money would be there for the programming that we need to move ahead on.

SENATOR EWING: Well, you're not going to-- You would be missing money for programs, too, if the QEA stays in effect.

MR. PERRY: That's true. But also, one of the statements we made was that in the amendment, that that was one of the objections that we've held as a district from the beginning, that the pension, the fact that the pension -- that burden of the pension did not really indicate any real money being increased, because we also had to eat the pension costs.

SENATOR EWING: That's right. But that's in the QEA formula.

MR. PERRY: I know.

SENATOR EWING: You know, compare apples to apples. You were saying you'll get \$4 million less than QEA gives you, but you don't tell the other people here that you're also going to have to pick up your pensions, which are a lot more than \$4 million.

MR. PERRY: A lot more, yes.

SENATOR EWING: So you would come out on the tail end with the QEA.

MR. PERRY: Yes.

SENATOR EWING: Unfortunately.

MR. PERRY: Unfortunately, yes. Okay.

SENATOR EWING: Give Elena my best. I think she's doing a great job up there.

MR. PERRY: All right. Thank you.

ASSEMBLYMAN ROMANO: Just so we will straighten it out for the record--

MR. PERRY: Yes?

ASSEMBLYMAN ROMANO: I'm not defending this bill, but the \$4 million raised the issue in my mind. When you say only \$4 million difference, because I believe it's more than \$4 million, even with the take--

MR. PERRY: With the addition of the pension.

ASSEMBLYMAN ROMANO: Well, even with that. There's more than \$4 million, I believe, on the amount of State aid that you receive, okay.

On that note, I'm just going to make a statement that I'm going to leave now, which I had told everyone. I think what has to be said loud and clear is that Senator Ewing, being the consummate legislator that he is, has been trying to work within the system. I think he-- They don't share with me, his party, about how much money that they are going to put up for education, and that he has done his best to come up with a plan in keeping with what he thinks he can sell to his colleagues. And take it from me, I've spoken to some of his colleagues, and they're not willing to go for this type of money.

So he has a tough row to hoe. Tonight, thankfully, is the last of the hearings on his particular bill. We hope that there might be some movement on the NJAPS Coalition document. But, understandably, what's tied directly to that document is money. Money drives the system here. And I have to say, in all due deference to Senator Ewing, he's just motivated by the highest ideals for all children, and he's trying to use all the expertise that he has to come up with the best type of plans in keeping with -- and here's the word -- the zero base budget amount that his party is willing to set forward.

That's not the amount -- and I'm going to say this, I'm taking it upon myself -- that's not the amount that Senator Ewing would have put up. It's what he thinks is realistically the amount of money he can possibly cajole, euchre, wrangle, tear away for them to spend.

Does everybody understand where I'm coming from on this, for Senator Ewing?

SENATOR EWING: Capisci.

ASSEMBLYMAN ROMANO: I have the highest regard for him. I know what he's attempting to do. As a member of the other party, I can sit back here and throw stones. You'll notice I don't throw stones, because I know he's highly motivated.

There are problems, and the clock is ticking -- tick-tock, tick-tock -- to the point where every school district has to be notified of how much money they are getting next year. In the absence of knowing what sort of plan they are going to fund, who knows when those numbers will possibly come.

I just leave you with that thought. Those of you whose testimony I will miss, I hope you have written testimony. Judy Peoples will make copies available to me, and who knows, there might be a new set of hearings on a new education bill, because you have to remember, this is the second set of hearings. There was one on the concept paper.

Thank you very much. If there are any questions you want to ask me just before I go, I'll be only too happy, to the best of my ability--

On that note, thank--

Yes, ma'am?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Yes. I would like to extend an invitation for you and for Senator Ewing to come and visit one of these special needs schools. If you



could see everything in one of the schools, or one of the classrooms, you could understand it, and come to your own conclusion why we need this money.

ASSEMBLYMAN ROMANO: No. I think I have to now, like Batman--

UNIDENTIFIED SPEAKER FROM AUDIENCE: You're talking about (indiscernible) while we're trying to get kids to learn.

ASSEMBLYMAN ROMANO: I have to now disclose who I am. I am the Secretary/Business Administrator of a special needs district.

SENATOR EWING: He knows.

ASSEMBLYMAN ROMANO: The reason I'm on this Committee is, I am somebody who comes from the trenches. I'm on the firing line. I know what it is, and I know what we have done in our own school district with limited funds.

UNIDENTIFIED SPEAKER FROM AUDIENCE: I understand that you are for the bill?

ASSEMBLYMAN ROMANO: Pardon me?

UNIDENTIFIED SPEAKER FROM AUDIENCE: You are for this bill -- I mean, against this bill?

SENATOR EWING: No. We're not asking--

ASSEMBLYMAN ROMANO: I'm hearing this bill, okay? I don't think there is enough money. What I'm suggesting to you is, he's trying to do his best to come up with a bill for a fixed amount of money that he thinks he will be able to wrangle from his party. I don't think that they even want to come up with this amount of money.

So that's why I'm saying to you, who knows? The next bill-- You have to understand this. We are in a very difficult position, my party; we're the super minority. Out of 80 Assembly people, 58 are Republicans. There are only 22 of my party.

UNIDENTIFIED SPEAKER FROM AUDIENCE: I don't think it really makes a difference if you're a Democrat or a Republican.

ASSEMBLYMAN ROMANO: Well, we can't force anything through.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Children don't know what Democratic or Republican is. If you come into my house, you're not going to (indiscernible). That's what I mean.

ASSEMBLYMAN ROMANO: I well agree with you, but what you're saying to me is, "Do I have a bill that's going to pass through the Assembly to take care of this?" No, because we don't control the allocation of money. We did not roll back the penny sales tax. And I don't mean to become political here. You understand what I'm talking about?

UNIDENTIFIED SPEAKER FROM AUDIENCE: But do you understand that the public-- (remainder indiscernible)

ASSEMBLYMAN ROMANO: Whatever cooperation I can give Senator Ewing in distilling rough edges, I'm going to give him. But that doesn't mean you'll have to work along. There are compromises one has to make in terms of what you can do--

UNIDENTIFIED SPEAKER FROM AUDIENCE: That's working (indiscernible) for our children.

ASSEMBLYMAN ROMANO: --what you think you can accomplish with it. And I try to work with the other party to the best of my ability.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Let's work together, yes.

SECOND UNIDENTIFIED SPEAKER FROM AUDIENCE: It's compromising children's futures.

ASSEMBLYMAN ROMANO: I'm not compromised, because I don't control the money.

SENATOR EWING: Let me explain one other part here. We've started conversations with the administration. They are the ones who are saying what money might be available for education. So it's between the Republican party, as Lou has pointed out, it's what we put in, and also the administration saying what's available.

As far as the administration is concerned, they've got many, many problems. We're looking at further budget cuts in the overall budget. There certainly will be more money going into education, but the amount is what's in dispute, as to how much it's going to be. But it's not going to be as great as we'd like it to be.

ASSEMBLYMAN ROMANO: Thank you.

SENATOR EWING: Thank you, Lou.

ASSEMBLYMAN ROMANO: I'm sorry I have to leave.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Have a nice holiday.

SENATOR EWING: He's not. He's not going on holiday.

ASSEMBLYMAN ROMANO: I'm not going on holiday.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Yes. Christmas is coming up, right?

SENATOR EWING: Oh, yes.

ASSEMBLYMAN ROMANO: Oh, thank you.

SENATOR EWING: But he'll be working before that.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Thank you.

SENATOR EWING: I thought you meant he is going on holiday now.

UNIDENTIFIED SPEAKER FROM AUDIENCE: No, I said, "Have a nice holiday."

SENATOR EWING: Charles Reilly?

CHARLES V. REILLY: Senator, my name is Charles Reilly. My remarks are really supplementary to those of Dr. Stokley, from the Ridgewood School Board.

SENATOR EWING: You can come up together.

MR. REILLY: Okay, fine.

FREDERICK J. STOKLEY, Ph.D.: My name is Fred Stokley. I'm Superintendent of Schools in Ridgewood, New Jersey.

I would like to begin by thanking you for the opportunity to speak today. Also, on behalf of the Ridgewood School Board and for me personally, I wish to thank Senator

Ewing for being available and meeting with so many of us throughout the State, and especially in Bergen County, over the past few months to hear our concerns about the QEA funding of public education.

This statement I'm making, Senator, I know has been echoed at the various hearings, but at many of the meetings I've attended, I think-- I want to acknowledge that the time and effort that you have put into this is very much appreciated.

Further, the scheduling of four public meetings, culminating this afternoon here in Saddle Brook, clearly indicates your willingness to listen and consider changes in Assembly Bill No. 3 and Senate Bill No. 1370, the Public School Reform Act of 1992, being proposed.

You have already met Mr. Charley Reilly. He's the Vice President of the Ridgewood Board of Education.

In developing legislation for school funding, I ask that you consider the following:

Please act, as soon as possible, to return to the State the responsibility for paying the employees' share of the Teachers' Pension and Annuity Fund and Social Security costs for certified employees. This is particularly needed because budget development is taking place right now, and it's very difficult to budget. In Ridgewood, we're looking at between \$6 million and \$7 million, so the sooner that happens the better.

I urge you to consider supporting the one-year compromise plan for 1993-1994, and the creation of a commission to develop an equitable school funding formula for 1994-1995 proposed by the New Jersey Association of Public Schools -- NJAPS; the Education Law Center; the Garden State Coalition of 82 school districts; and representatives of urban, foundation, and transition aid districts. Harry Galinsky really pointed out the consensus in the Coalition that is really rare in any state, and as he indicated, here in New Jersey.

Also, any new legislation should provide equity of funding for all children in the State, while continuing to support the existing superior school programs. And that, of course, highlights that equity/excellence debate.

Include a cap on spending which guarantees flexibility for certain specified, fixed costs similar to those proposed in the Nichols bill; not necessarily all of the components, but something like that.

Reform the local school budget election law, so that a district who budgets to cap or below cap will not be required to have its budget passed by a public vote. I believe this is consistent with what is the practice for all other governing bodies in the State, and which acknowledges the fiscal responsibility imposed by State law on all local school boards. And I agree with you, Senator, the chances of that passing are slim, but I think we have to just keep mentioning it and hammering it as educators.

Include consideration of both income and assessed valuation in the determination of a local school district's ability to pay for public education. Again, Dr. Galinsky mentioned this point about income.

The compromise plan proposed by the New Jersey Association of Public Schools calls for Ridgewood and many other transition aid districts to receive less money. We're looking at losing \$350 million by supporting the NJAPS compromise.

SENATOR EWING: Three-hundred-and-fifty million?

DR. STOKLEY: Excuse me, \$350,000.

SENATOR EWING: I was going to say.

DR. STOKLEY: It feels like a million -- \$350,000. We would solve the State's problem if we could give \$350 million.

However, if there is increased flexibility in a mandated cap, and the possibility of no public vote on the school budget, I believe these trade-offs are worth the loss of

funds in 1993-1994, and are steps in the right direction. I don't know whether this has been highlighted in the testimony, but they had-- The willingness of transition aid districts to give up their transition aid has usually been coupled with cap flexibility or the elimination of the vote, as stated.

Other ideas I ask you to consider are the following:

With Federal and State aid, fully fund the Head Start Program, which we know works well for children ages three to five.

Fully fund and support local communities in providing extended-day and full-day kindergarten programs and before and after school day care. I know this is in the bill, but the full funding is the point I'd like to make here.

Encourage the development of curriculum programs at all grade levels which nurture within children a greater sensitivity toward others who are different, whether it be by age, race, gender, special abilities, ethnicity, etc.

Sponsor teacher training opportunities at colleges and universities to develop curriculum programs for students to improve their abilities in problem solving, conceptualizing, systems thinking, experimentation and research, and collaborating with others.

Sponsor voluntary urban/suburban collaborative education programs for school children to join with other children from different socioeconomic backgrounds.

Establish K to 12 public boarding academies in and around the cities. Parents, voluntarily, would have their children attend these academies, where the cost per child would be half of what is now being paid to annually support a prisoner. Look upon this as a long-term investment in our future. It is my understanding that Paterson is trying something like this.

These are some of my ideas about the proposed Public School Reform Act and the needs of public education in New Jersey.

Again, I thank you for this opportunity to speak and influence your thinking. I will turn the mike over to Mr. Reilly.

MR. REILLY: Senator Ewing, I would just like to make a few remarks to supplement those of Dr. Stokley. And again, I'd also like to acknowledge my appreciation of all of the work that you've done in listening to all of the concerns of the various groups involved in education in this State.

I know from reading the bill, and having spoken to you about the concept document, that you have, in fact, listened to persons coming before you, and incorporated some of those ideas. We certainly appreciate that.

I also hope that the leaders of your party will be listening as much as you have been, and that the Governor will be listening as much as you have been, and then will react in providing an excellent education for all of the students of New Jersey.

I very much welcome this opportunity to talk about what is really the most important issue, I think, facing New Jersey -- and facing this nation. The legislation you propose, I think, embodies some of the most enlightened provisions I've seen in legislation. The concepts of an Education Reform Commission, which will provide a program equity plan to evaluate programs and assure that those programs work in educating all the children is the kind of effort, I think, the State and education boards and others have to now get down to work and make sure is achieved.

The idea of a Technology Task Force is also an excellent one, I believe. Again, we are moving very quickly in the technology age on a worldwide basis, and New Jersey's education, and the children, have to be ready to be able to use that technology. Again, this bill is very supportive of that concept.

The notion of a full-day kindergarten for the special needs districts -- or those districts in need -- again, is one which is in the right direction.

Also, prekindergarten programs, again, are very supportive. I sometimes dream that I could be a dictator for one day, and I would require every parent to read to their child at least three days a week. This program that you would incorporate in your bill which requires that the prekindergarten program have a component of parents reading to their children, I think, is the right step that we have to focus upon. If children can learn to read at an early age, and we get all children to read, and have their parents involved in doing that, I think we would have started off on the right foot.

Maybe that's where we are now. Maybe that's the only place where we can begin to actually focus our efforts with all the difficulties we do have. Again, I applaud your effort to focus on what is important for children in New Jersey.

The concept of base program aid, in which you attempt to foster new and innovative ideas, again, is very worthwhile across the State of New Jersey. My only concern with that is that, obviously, the New Jersey Supreme Court has ruled that any moneys that go to wealthy -- or to the I and J districts -- may be subject to constitutional attack. As I proposed to you before, I think it's worthwhile to consider any such base program aid going to the I and J districts involving both the participation by those districts with urban districts, so that what that money is being used for then is actually to provide a program that will definitely support those students in the special needs districts who can pick the benefit of programs that have worked in other districts. I think by that means, that portion of that kind of money can be used in a worthwhile way and not be subject to constitutional attack as some kind of a minimum aid formula. Again, I applaud that in your bill you do specify that those kinds of moneys can be used for that kind of program.



Again, also, the Community Alliance for Reform of Education is one which recognizes that in many districts schools do not exist in a vacuum. They exist in the community that has many problems to deal with, and it is necessary that the State support efforts to ensure that children come to school free of drugs, free of alcohol, addictions, and other things. Again, this effort is to be applauded.

I certainly support and thank you for the proposal to reassume the funding for the teachers' pensions and Social Security costs. The picking up of those costs by our districts would devastate many programs. For Bridgewater alone it would be somewhere around a \$3 million bill, in one year, to have to fund those costs. But I think in the long range, we have to look at that pension bill and those costs, and see what can be done to bring into greater control the amount of money that it is costing the taxpayer in funding those costs. Right now it's a defined benefits plan, and perhaps we have to look at some other way of providing teachers with a very worthwhile pension, but one that has some fiscal controls. As we all know, this kind of money for teachers' pensions and Social Security costs comes out of the educational dollar, and it affects the moneys that goes any other places. So I think we have to be more realistic about the cost of funding that program.

The basic, underlying scheme of funding of the Public School Reform Act, I think, is very satisfactory, but I think there are a number of things that can be done to improve it.

Number one, the keying of the funding to the county average education budget, I think, is somewhat unfortunate. As you I'm sure well know, most teachers-- We've looked at the county average when they come to the negotiating table, and they demand that the School Board provide the county average salary increase. I think it's unfortunate to have a bill which tends to reinforce that that's the appropriate way to fund education.

I think it's better to look at what is necessary -- what costs, what dollars are necessary -- to provide a thorough and efficient, or an adequate education, and then key off of that figure based upon the different grades or levels of instruction that are being made available, rather than just take the county average. Obviously, the counties -- many counties -- have faced the same cost-of-living increases, and I think if you keyed off costs of education, perhaps, in three districts or three areas of New Jersey divided into the northern, central, and southern, you have a much more realistic figure that you're working with, and avoid this keying into the county average.

I support the notion that the transition aid districts such as Ridgewood should be phasing out its transition aid, and that money should go toward funding the special needs districts, at least for the time being, until we are able to say that we are funding adequately the children of New Jersey who need that funding most.

And, as Dr. Stokley has pointed out, we think that that's a sacrifice that should be made by our districts, and we have anticipated that kind of sacrifice by reviewing all our costs of providing education, and have engaged in such things as privatizing our custodial workers and so on. They have gone out and hired private corporations to provide those same functions at a savings of about \$1 million a year.

So I think there are things that could be done, although very controversial. They take some guts to go about providing, but so far we have been pleased that they provided very worthwhile services, while saving a good deal of money. But I think that many districts have anticipated that that minimum aid -- or transition aid -- will be phased out, and I think those moneys should go to the special needs districts.

I'm concerned about the cap provision in the bill. As Dr. Stokley has said, I believe that Nichols probably provides a much better formulation; namely, a cap provision that is

keyed to increasing growth of income, with exceptions for those kinds of costs which just cannot be controlled by school boards. I'm specifically referring to health care costs, for example, and some costs referring to special education.

I'm very concerned with the alternative cap provision that's now in the Public School Reform Act -- section 45. e -- which specifies a cap of 6 percent plus half of the increase in special education costs and in health benefits. The 6 percent, I believe, is unrealistic in these days of a tight economy. I think to have the State say that a school board can provide that kind of increase in its tax base, given the very dire straits in which many districts are -- including Ridgewood -- in terms of many people being laid off, being unable to afford any kind of substantial increase, really ties the hands of school boards in negotiations if they are told by the State that they could go to 6 percent when, in fact, the amount of increase of income may only be somewhere around 3 percent to 4 percent.

So I'm concerned that that's a provision that will be used at the bargaining table to the detriment of the children in negotiations. I much prefer a provision that is realistically tied to increases in income, with exceptions for those costs that cannot be controlled.

As with any funding plan or scheme, they're only as good as the amount of moneys that are available to distribute. As Assemblyman Romano has mentioned, it's going to be very difficult this year to look at any substantial increase in funds, so we do support the provision that has been arrived at by the New Jersey Coalition -- NJAPS -- although that does provide for more funds, even than the Public School Reform Act. But it has those essential elements that we think, on an interim basis at least, will provide a very sound educational system, at least for this coming year of 1993-1994, leaving these other long-range funding programs for further discussion

in the future; specifically, the greater increased funding for special needs districts, the phasing out of the transition aid, the picking up of the costs for the pension and Social Security, and also some cap relief so that those costs which are beyond the control of school boards can be accounted for in the cap formula.

Again, I thank you for your attention, and appreciate all your efforts.

SENATOR EWING: Thank you for your input, also. It's interesting, because NJAPS -- or I should say, the NJEA section of NJAPS -- does not want to see anything monkeyed with in the pension plans. Right now, with the way the system is working, there is a considerable jump up in the amount of money the State has to put in for the year '94-'95, to such a degree that there might not be any additional funds for education.

We've come up with a plan, working with the administration, to level that increase out into a straight line instead of up, up, and then sort of slowing off. If NJAPS sticks to its position, you're looking at a difference of their wanting-- Their costs would be \$160 million more than what our plans are. And that's not going to fly, I'm telling you, because the State does not have the money. And this is what we are discussing with the Department as to what money might be available.

I know Lou said that we're making up-- There are certain constraints we have. We can't just say we want \$500 million for education -- which we'd love to do -- because it's just asinine. It's just not there, with all the other needs in the State.

MR. REILLY: I agree, and I think--

SENATOR EWING: So we're looking at our figures lower than NJAPS. We're going to be using part of NJAPS' plan, but where we're going to come out on the dollar part is still undecided.

MR. REILLY: There are many pieces of the NJAPS proposal, and I think you pointed to one which is somewhat weak in terms of controlling costs that are really skyrocketing. But I think the main concern with NJAPS is that we continue to fund these special needs districts the way they should be funded so we can really solve the problem of the--

SENATOR EWING: Well, I think we'll end up by giving them more than we've got in this particular bill, but it's not going to be nearly as much as what QEA would have given them. But they keep forgetting that if this bill goes through, then the State picks up the pensions. If QEA goes through, they pick up the pensions.

DR. STOKLEY: One of the worries in the negotiations with the administration is how you're working out the pension and Social Security, that there may be a share -- a State share, a local share. If anything like that comes up, what I would urge you to think about is a transition; that is, spread it out as much as you possibly can. If we're going to get hit gradually with that, just spread it out.

SENATOR EWING: But if we spread it out, then there again, the State is going to have to put up more money.

DR. STOKLEY: Well, the position-- I mean, what you are hearing consistently throughout the State from all the NJAPS groups is, "Leave it alone, leave it alone, leave it alone." I know, realistically, when push comes to shove, it may not be possible. So to the extent that you can-- None of us have control.

SENATOR EWING: We've got an amendment to put into the bill which deals with the pensions, which would put it on the straight line, gradual. Actually it fully funds the pension plan and health benefits and all that part a year earlier than the present plan does.

DR. STOKLEY: Okay.

SENATOR EWING: There's no problem that we're monkeying with the money or anything, or it's not safe. Actually it gets fully funded a year earlier, but it remains to be seen.

DR. STOKLEY: Yes.

SENATOR EWING: Thank you.

DR. STOKLEY: Thank you.

MR. REILLY: Thank you, Senator.

SENATOR EWING: Carolyn Gibson, Betty McNair, and James Moses?

Why didn't you come to the Trenton meeting?

C A R O L Y N G I B S O N: We like to drive our cars around. We like to drive.

SENATOR EWING: You must. I'm awfully sorry.

MS. GIBSON: Oh, don't apologize.

SENATOR EWING: No. To come way up here--

MS. GIBSON: We wanted to see this part of the State.

Good evening, Senator Ewing and staff. My name is Carolyn Gibson. I am the Administrative Assistant to Superintendent of the Trenton Public Schools, Dr. Bernice P. Venable. I come before you today to discuss the reality of your proposed legislation for the urban districts and their approximately 300,000 children.

We are called "special needs." Webster describes and defines special as being: distinctive or unique; exceptional, unusual; highly valued. We, the urban 30, are just that when we are described as special needs. We do need uniqueness. We do need exceptional funding. We are highly valued.

But here we are, a breath away from the 21st century, and here in New Jersey we are still designing ways to not break down disparities, but becoming even more separate and more unequal in our educational system.

The actual impact of the Public School Reform Act of 1992 will be the reduction of funding for the small but

pervasive population of districts called special needs. I use "small," because there are only 30; pervasive because the impact, what happens in those 30 districts, is far-reaching.

Only for a moment in June, when the Supreme Court rendered its decision in Abbott v. Burke, did we in special needs rejoice. Being realists, we knew that the decision would not be fully funded to the level indicated by the Supreme Court Justices, because the picture is very clear, the decision impacted upon a powerless constituency -- children of the inner city -- those who are poor, mostly African-American and Latino. Lo and behold, without the aid of a crystal ball, here I am, December 2, 1992 in Saddle Brook, New Jersey, testifying about legislation proposed to change that level of funding.

We in these districts see our children as being distinctive, unique, exceptional, and highly valuable in Trenton, the whole State, and society. As you propose, you state: "It is the public policy of this State to provide all children in New Jersey, regardless of socioeconomic status or geographic location, with the educational opportunity which will prepare them to function politically, economically, and socially in a democratic society."

We agree with that. However, you should add in your bill: It is a policy of the State to provide all school districts in New Jersey, regardless of socioeconomic status or geographic location, with adequate funding that will allow any student an opportunity for educational excellence, regardless of their socioeconomic status, race, or geographic location.

We are a breath away from the 21st century, and New Jersey still ranks fourth in the nation as being the most segregated state when it comes to African-Americans, and third when it comes to Latinos -- and for the most part, throw us in there, the urban 30.

Sometimes perception becomes fact. The conditions of the facilities, neighborhoods, and educational funding needs in the special needs districts did not just happen yesterday.

These conditions happened over a period of time, while the conditions in surrounding suburban districts have flourished. No one seemed to pay attention to the decline in the special needs districts until some of those concerns being dealt with in the cities began to infiltrate into the suburbs. Substance abuse, crime, and yes, violence, somehow have found their way to the suburbs despite all of the newly constructed highways, expressways, and bypass roads which separated the cities from the suburbs.

Sometimes perception becomes fact. This reform bill creates yet another Commission whose charge is to monitor the progress of school districts by reordering educational goals and objectives. After this assessment -- I think it says five years in your bill -- recommendations are to come forward for the implementation of programs which will enhance the opportunity for all students to receive educational excellence. Is the Commission really established to assist the children in the special needs districts today, or leave them behind their counterparts in the suburban districts?

Sometimes, again, perception becomes fact. Today, the special needs districts are treated as if only they receive State aid. We are monitored by teams who give directives that must be addressed in one-year corrective action plans. We must account for every penny that's spent. Is there that same attention given to those schools that are in suburban districts, or is it only given to those boards of education and superintendents or -- I'm sorry -- or is it a given fact that only those boards of education and superintendents in suburban schools know how to spend their tax dollars?

I do not see in this proposed legislation that all districts, regardless of State classification or socioeconomic status, will be monitored for appropriate spending of budgets. Is that a plan for your bill? Will all schools be monitored? It's not clear.



The boards of education and superintendents in the urban 30, contrary to popular belief, do know how to appropriately utilize their budgets. They know what they must be spent on, and they know how their districts are forced to look and behave differently from their suburban counterparts.

In special needs we have: combination classrooms and instruction; split classes due to lack of substitutes for our children; unfilled positions, because who's to come to the urban districts; minimal after school activities, if we have any at all; rundown facilities; high level of crime infested neighborhoods; and high numbers of at-risk students.

I'm sure you've heard all these before. The list can go on, and on, and on. But there appears to be a feeling that there is no need to provide funding for these districts, and a way to accommodate their needs as far as being special, unique, and distinctive.

The urban 30, they say, will waste that money. They do not know how to spend their moneys. Please understand, we are very competent in the urban 30. It's a skill to be competent in the urban 30 districts. We have to be able to educate and know our children are part of the State, the county, and the society.

We need the appropriate funding to adequately prepare our students to be as competitive as their suburban counterparts. Our children, too, deserve to be educated in classrooms that present a positive atmosphere for learning. Our teachers deserve the opportunity to feel as safe in their classrooms as their suburban counterparts. Our students, too, deserve the most recent editions of textbooks, learning manuals, and materials that their counterparts receive in the suburban schools. Our schools must be able to develop the whole student and provide extracurricular activities. Our students deserve an equal playing field. We need not be different than any other school in this State.

We are not a transportation system in Trenton. We do not provide busing for all of our students. Our students walk to school, or take public transportation on a day-to-day basis. It costs our students \$54 a month to buy bus tickets. Our parents cannot afford this expense for one child; however, the average family pays for at least two students -- this amount of money per month. Our children range from ages 5 to 18. They walk through those streets and neighborhoods that are not safe, cross major intersections that are not safe, and must be ready to come to school and learn in the urban 30.

You say we do not know how to spend our money. You sit in your offices and develop plans and commissions which you feel will improve the efficiency of the schools. My question is, the efficiency of which schools are you trying to improve?

I challenge you to eliminate bureaucracy. In Trenton we need to create an administrative position just to handle all the rules and regulations set forth by legislation like this.

Right now the way it's written, because of our contractual constraints, the bulk of the work is done by a small number of people -- confidential administrators -- who work long hours and weekends to cut through all of the regulations that are put upon us.

In closing, I must repeat, perception becomes fact. I am in favor of State takeover, but not excessive State intervention. Provide us with the necessary funding to properly educate all of our children. Should they not have this funding, then take over the districts. Don't just intervene with bureaucratic mandates that require more time to write than become outcome.

Treat all districts equally. What is good for one is good for the other. Bring New Jersey to the present and into the future by providing all students with an opportunity to educate and to be in an environment that provides excellence.

I close with the words of the Supreme Court Justices, who ruled: "The children have already waited too long for remedy, one that will give them the same levels of opportunity, the same chance, as their colleagues who are lucky enough to be born in a richer suburban district."

I thank you for your time, but also, I hope you listened to what was said. I know you have heard a lot of words in your time through all these hearings. Hopefully, now it's time to listen, so when you do go back and you want to reiterate and remoderate your bill, you've heard what's been said to you.

SENATOR EWING: Can we have a copy of that, please?

MS. GIBSON: Sure.

B E T T Y M c N A I R: Good evening. I am Betty McNair, an educator for more than 25 years in New Jersey, and I've taught in high-, middle-, and low-income school districts. Currently I'm a basic skills, or at-risk, reading and math teacher in Trenton, and a member of the Trenton Education Association.

As a teacher in an urban district, I come in contact daily with children who are poor, educationally and culturally disadvantaged, as well as lacking adequate food, medical care, and housing. Despite these obstacles, our children thirst for knowledge and are desirous of excelling academically. However, we're finding it difficult to meet the dreams of our youngsters because our schools lack the funds, lack the personnel, supplies, and materials needed to meet them.

When funding for the QEA was first mentioned, we were overjoyed. The vehicle which would have given us parity was established. We were sadly mistaken. Today we are frightened to think that our allocations are going to be cut under the Public School Reform Act of 1992. Our children are going to suffer even more.

Trickle down funding, like trickle down economics, will probably mean that our class sizes will go from 28 to 35, fewer supplies and materials, loss of personnel such as gym,

art, and music instructors, nurses, and child study-team members. And programs such as preschool and all-day kindergartens may be eliminated.

If America is going to compete globally, our students must be allowed to develop to their potential. America needs citizens who are educated, creative, independent, law-abiding; not ones who are functional illiterates, not motivated, and completely dependent upon the government for survival. Help us to develop students who can and will be productive.

Don't extinguish the ray of hope that our children bring with them to school. Let's help them achieve their goals by providing the funding necessary. Remember, "A mind is a terrible thing to waste."

I thank you for listening.

SENATOR EWING: Ms. McNair, what schools in Trenton, now, under Bernice, don't have supplies?

MS. McNAIR: There are quite a number of our schools that have not received adequate supplies this year. I can say that under her leadership, we are receiving more supplies, but not everything that we order.

SENATOR EWING: Well, do the children all have books and everything, and pencils?

MS. McNAIR: In every single classroom, every youngster does not have a textbook. I can also say that we also lack facilities.

SENATOR EWING: Yes. That's a problem throughout the State, and particularly in the 30-- You know, they're not just urban. Pemberton is certainly not an urban area. That's special needs. And Pleasantville is not an urban area; that's a special needs. So, of the 30, most of them, I guess, are cities, but not all of them.

MS. McNAIR: Yes, I realize that.

SENATOR EWING: And as somebody stated earlier, there are some communities that are listed as special needs that

eventually will come out of it, because they shouldn't be there. And yet there are others throughout the State that should be in that particular group that are not there right now.

MS. McNAIR: Well, I can say, you know, under the leadership of Dr. Venable, many positive changes--

SENATOR EWING: Oh, yes.

MS. McNAIR: --have occurred and are continuing to occur in the district. But I also know that if we were adequately funded, we would be able to do more.

SENATOR EWING: How long has Bernice been there now, a year, two years?

MS. GIBSON: She's been there a year and about two months.

SENATOR EWING: A year. But, I mean, of the things that you're short, has she ordered them, have the orders been put in and never been filled, or what? It's interesting, because I thought she was doing a great job there.

MS. GIBSON: Supplies are there. Materials have been there. They have been there in increased numbers. I think what we're talking about here are the late editions in certain textbooks.

SENATOR EWING: All right.

MS. GIBSON: We're behind in using those kinds of things. We have to look at how we can best serve all of our students. If it means by not replacing certain books for this particular school year, we do just that, to accommodate needs as far as our spending.

But the materials have come in. Books have come in in increased numbers for this past school year.

SENATOR EWING: Yes, but--

MS. GIBSON: However, we still lack where all of our students--

SENATOR EWING: It distresses me to hear that some children don't have a textbook. That's what Ms. McNair--

MS. GIBSON: Who have their own individual-- We have shared textbooks. We have shared books, not individual ones for all of our children.

SENATOR EWING: So if you give them homework, they can't do it then?

MS. GIBSON: That's correct. They have a lot of Xerox copies of textbook pages to take home and do homework from.

SENATOR EWING: But it's interesting, because yesterday down in Bridgewater, in Somerset County, we had a hearing, and your legal representative -- labor person-- Is she here?

MS. GIBSON: Yes.

SENATOR EWING: Oh, there she is.

It was fascinating to hear that they have cut-- I mean that previously it cost around \$8 million from the outside lawyers to do the labor work, and it's just unconscionable what people in the past have done to the school system.

MS. GIBSON: That's why I say in my remarks, it hasn't happened yesterday, schools are in the situation the way they are. I'm saying, where was all this 10 years ago, as far as looking at how the schools are accountable in terms of funding? That's a question I still raise, and would like to have an answer to one of these fine days from anyone -- not just you in particular, someone -- to say, "Why watch the deterioration of the urban 30, where it is to the point now where some of the suburban schools have these same ills?" Now you have a concern, we should share the concern throughout.

SENATOR EWING: Thank you.

**JAMES MOSES:** My name is James Moses. I'm a teacher at Trenton Central High School in the vocational division.

Senator Ewing, kids are kids, and their needs are the same. I urge you to prioritize funding for education so that all districts have an equal opportunity to meet the needs of their students.

I am against the Public School Reform Act of 1992.

SENATOR EWING: Mr. John Vander Molen?

J O H N V A N D E R M O L E N: Yes. Good afternoon, Senator. I thank the Committee for bringing this hearing to northern New Jersey. My name is John Vander Molen. I am a long-time school board member from the Prospect Park School Board.

I come before this Committee today to plead not for the foundation districts, of which our district is a member, nor for the special needs districts or the transition districts. Rather, my purpose today is to make a plea for the stabilization of educational funding in the State of New Jersey, for it is not the districts who come up short in the distribution of funds, but the real losers are the children we represent.

Before QEA, we were funded through the thorough and efficient statutes, which, in effect, were only fully funded on two occasions. When QEA was introduced, I eagerly thought and anticipated that this was the answer to our continual funding dilemmas in New Jersey, but I was rudely awakened, when last year the new law fell far short of funding for the foundation districts. If it were not for the infusion of pension moneys and allocations, those districts would have been devastated in QEA in the second year of its existence.

Now the Legislature is floating this new Public School Reform Act of 1992. Forgive me for being skeptical, but I fear this, too, will not suffice to adequately provide for the needs that you and the Department of Education have required of us.

The bottom line is this: Educational funding, regardless of party affiliation, must be a stable source providing for the funding needs of New Jersey school districts. I don't care what label you put on it, but please, once and for all, don't continue to make the children pawns in a shell game of to fund or not to fund at a level that truly provides for the needs of our children. I can no longer stand

to see such a valuable resource as our children's educational future treated only as another line item in a budget, rather than a priority that must take precedence in our State budget over all else.

Prospect Park borders the City of Paterson, which, as you know, has been taken over by the State of New Jersey. Our problems are similar in nature to our neighbors, to the fact that we have a racially mixed and multicultural background of most of our students. We also suffer from a school population that is taxing the size of our buildings. Many of our kids require special education.

Yet, our funding from the State does not equate to that of a special needs district. Perhaps your concept of base aid can replace the inequities found in the old law. Again, my apprehension is that after all the district factors have been plugged in, the numbers will come up short to meeting our district's needs.

So, not to sound critical of your new plan as you are considering it, I come here in expectation today, with a glimmer of hope, that perhaps we have learned from our previous education laws that we can improve upon that which we did not fully meet in our expectations in the past.

So, as this Committee listens to the educational community's concerns, please let us go forward in making a better funding mechanism that truly provides for all our children's future needs.

Thank you very much.

SENATOR EWING: Thank you, Mr. Vander Molen. You know, you say that it should take precedence in our State budget over everything else. Are you on a school board, or anything?

MR. VANDER MOLEN: Yes, I am.

SENATOR EWING: Do you have any families who have children with disabilities, any special education children?



MR. VANDER MOLEN: My daughter had a hearing problem, but--

SENATOR EWING: Well, those, I mean, that's a priority. But also the children of families -- and these children I'm talking about are now 40- and 45-year-old children -- that their parents took care of since birth, they're incontinent since birth -- and you know what work that is -- up to age 45. They're looking for group homes to put their child in today to know -- because they're going to be passing on -- some safe place, and getting some decent care. We're about 4000 beds short for those people.

So, you know, there's no question in my mind that we've got to have education for everybody, because we have to provide the workers for everybody, and if they're not getting an education they can't get a job. But we have to think of the other priorities in there, too. We can't just say everything has to go to education, as much as we'd like to.

MR. VANDER MOLEN: I understand that you have many hands thrusting at you for moneys and for State funds. I realize that. But I think education is the future of our State and the future of our nation, and if we don't provide the needed resources for those kids, they will--

SENATOR EWING: Well, it gets the biggest part of our budget.

MR. VANDER MOLEN: Well--

SENATOR EWING: There's that, definitely. Thank you very much.

MR. VANDER MOLEN: Thank you very much.

SENATOR EWING: Karen Hill? (no response) Kabili Tayari?

K A B I L I T A Y A R I: My name is Kabili Tayari, and before I get directly into my very short statement, I must address two or three things that I heard here today, one of which was the questions directed about the Superintendent in Trenton.

I want to say for the record on the State takeover in both Jersey City and in Paterson, you will go and find the same shortage of supplies, the same shortage of personnel, and many other things, because many people were ludicrous enough to believe that State takeover meant proper funding would come with the takeover by the State. Ha, ha, ha. It just meant that there was a new political bureaucracy in place, and no more moneys came either to Paterson or to Jersey City.

I would also say that I would like to have many of these managerial questions raised about Westfield, New Jersey. I remember -- I think it was 1986 -- that all of Westfield, New Jersey's Chapter 1 moneys disappeared, millions of dollars. To this date I've heard not one newspaper, not one legislator, raise up the crime that took place in Westfield. Somehow or other, that seemed to be all right.

In Woodbridge, New Jersey, I think, just two years ago, if my memory serves me correctly, definitely no more than three years ago, something happened with vocational education funding that turned out to be somewhat illegal, or at least verged on illegality. Again, I have not heard anyone raise questions about mismanagement, accountability, or lack of this or lack of that.

I've also noticed that vis-a-vis-- Whether it was a Democratic machine or Republican machine, and-- I would like to use Elizabeth as an example. I have noticed, because of the political power of Mayor Thomas Dunn, neither Democrats nor Republicans raise any real questions about what has been going on in Elizabeth, New Jersey.

I use those things because it concerns me that it seems as though the whip is targeted based on political expediency or political support vis-a-vis whether it is Democrat supporting Democrat, or Democrat supporting Republican, or Republican supporting Republican, or Republican supporting Democrat. I want the Legislature -- the entire

Legislature -- to get serious about this question of education and clean up everybody's house in the State of New Jersey.

I just needed to say that.

I am here today as a parent and an advocate for quality education, the Legislative Chairperson of an urban board of education, a member of the Board of Directors of the New Jersey Black Issues Convention, and the Education Committee Chairman of the New Jersey NAACP. And tonight I am primarily speaking in this capacity.

I am disappointed that this bill again comes forth, hurting the districts which have the greatest need; that is, the 30 poorest school districts in the State. I must ask, why is it so hard for the Legislature, both Republicans and Democrats, to answer the Court mandate of Robinson v. Cahill, and most recently the Abbott v. Burke decisions, which simply demanded that a formula was to be created which would provide equity and parity in the State of New Jersey.

In the State of New Jersey, both minimum aid and transition aid were defined as unconstitutional, but A-3 and S-1370 do not address this. Pensions, as they are currently fixed, were also determined to be unconstitutional, but the Public School Reform Act does not address this. In fact, what the Public School Reform Act does is to continue to perpetuate the inequity, the lack of parity, the illegal financial practices, and the racism that destroys the educational opportunities of approximately 80 percent of the 1.1 million public school students of New Jersey who are mainly African-American and Latino, all of whom are poor, rural and urban districts.

Things such as all-day kindergarten, child-care centers, at-risk funding, and others are only subterfuge to push through this racist, inequitable piece of legislation. The weight for raising these moneys is on the backs of the poorest taxpayers in the State of New Jersey -- turn to page 20.

Also, these hearings should come into the African-American and Latino communities of New Jersey, because if this process is not brought into those communities, these hearings are racist in character. Therefore, I urge you to be sensitive and nonracist by having at least three more hearings -- let this not be the last one -- at least three more hearings in the African-American and Latino communities of New Jersey, one in the deep south, one in the central, and one in the north. If you need examples, I would say Vineland or Bridgeton in the deep south; Trenton or somewhere in that area in the central; and definitely -- we can definitely come to Newark, Jersey City, or Paterson in the north.

These bills, A-3 and S-1370, are racist and inequitable and against the law. Furthermore, page 20 perpetuates the funding of the disguised regionalization bill by Assemblyman Rooney. Again, we demand a bill from both the Republicans and the Democrats which guarantees quality education, equitable funding, and destroys racism in funding.

I'd just like to say for the record, again, one of the best superintendents in the State of New Jersey and in America, and if we were talking about fair play should be, right now -- their name should be before the Senate to be appointed as Commissioner of Education, and that is Bernice Venable. I think it's a crying shame that good talent, only because it is African-American talent, continues to be overlooked in this State.

Thank you.

SENATOR EWING: Kabili, we did have a hearing in Trenton.

MR. TAYARI: Oh, no, sir. I didn't mean-- You see that was-- When I say a hearing, I used only Trenton as an example. The kind of communities I'm talking about-- See, I understand that one in Trenton, that was-- That's the formal, in-house, legislative hearing.

SENATOR EWING: No, it wasn't.

MR. TAYARI: We're saying--

SENATOR EWING: It was a public--

MR. TAYARI: Let me be specific.

SENATOR EWING: It was a public-- Let me get you straight. Just a minute, Kabili.

MR. TAYARI: Senator, if I could finish.

SENATOR EWING: It was a public hearing, just like this. Anybody who came could talk.

MR. TAYARI: Senator, here's what I mean. Bridgewater is where, my good Senator? Saddle Brook is where, my good Senator? See, all I'm saying to you, not to attack you--

SENATOR EWING: No, I know.

MR. TAYARI: But see, I find it very ironic that every time we have these so-called hearings outside of Trenton, somehow or other they can never have one in the black community of New Jersey. Trenton is our State capital. I expect us to have something at our State capital anytime that we discuss--

SENATOR EWING: But you mentioned-- You said something like--

MR. TAYARI: Well, I was giving an example of areas.

SENATOR EWING: Well, then, I'm telling you, the example you gave, we did have a hearing there.

MR. TAYARI: But Senator, let me say-- I shouldn't have used Trenton then, okay? I should not have used Trenton.

SENATOR EWING: Maybe you shouldn't have, but you did.

MR. TAYARI: I shouldn't have, but let me say the ones I did use-- Let me go back. Vineland, Bridgeton, Paterson, Jersey City, it amazes us, why, again, the Legislature -- be it Republican, be it Democrat -- can never find themselves inside of the black community, particularly when we are talking about these.

Now, I want somebody to tell me, other than Trenton, which ~~is~~ the legislative capital of the State of New Jersey, where is it that we've had a public, open hearing, particularly

about education in the State of New Jersey? Now, if somebody can tell me a place, believe me, I would at least shut up. But outside of Trenton in the past five, six, two years, or in the past 90 days, I don't know of a Latino or an African-American community in the entire State of New Jersey that we have seen fit yet -- sorry, I shouldn't say we, because I'm not a legislator -- that the Legislature has not seen fit yet to find its way into our community.

SENATOR EWING: Just a minute. My staff just reminded me, on one of the hearings, Kabili, that we had on the QEA, to see what-- The thing was in Vineland. And also, Kabili, we wrote to you people to try to set up a separate meeting, as I did previously--

MR. TAYARI: Yes, you did.

SENATOR EWING: --and we never heard from you.

MR. TAYARI: I will say again, Senator, you wrote to us about attempting to do that, and I would say, we could not respond to facilitate that. But again, let me say that you have the moneys, the staff, and the resources to, again, whether there was one in Vineland, I will say, again, Senator -- not that this is a criticism against you as an individual--

SENATOR EWING: No, but I'm telling you--

MR. TAYARI: --but too often, the Legislature cannot, if there are 90 hearings on education--

SENATOR EWING: But we went to Vineland, damn it, Kabili.

MR. TAYARI: Yes, sir. And how many times have you been to the European communities of this State versus a Vineland? And I must say it like that, because there are many African-American and Latino, particularly students -- approximately 80 percent.

SENATOR EWING: Well, do you want us to go down and have another one in Vineland now?

MR. TAYARI: No. How about having another one--

SENATOR EWING: And I bet you wouldn't show up.

MR. TAYARI: Okay. Since you went to Vineland, what about let's take a Newark or a Paterson, or a--

SENATOR EWING: Jersey City?

MR. TAYARI: --Plainfield, you know.

SENATOR EWING: They came from Plainfield over to Bridgewater. It's 12 miles down the road.

MR. TAYARI: Yes, they came from Plainfield. Senator, I'm saying, do you realize the amount of African-American and Latino people that would be in one of these rooms if you put it inside of our community? That's all I'm saying.

And I'm saying, again, please do that. At least one more hearing. That is not a big thing.

SENATOR EWING: I'll have one more hearing. (applause)

MR. TAYARI: All right, Senator. We appreciate that. We really do.

UNIDENTIFIED SPEAKER FROM AUDIENCE: When?

SENATOR EWING: Oh, I couldn't say when.

MR. TAYARI: And I will say again, that--

SENATOR EWING: I'll have one more.

MR. TAYARI: Please take this back in a positive note, Senator Ewing. I think you have -- someone said it earlier -- I think on both sides of the House, I think you have at least shown some attempt to reach out.

SENATOR EWING: Thank you.

MR. TAYARI: Number two, I'm not just saying your attempt to reach out to the NAACP, but to reach out to the public of New Jersey. But still, these bills are a long way from what we need.

I would be the first to admit that the bureaucracy in Trenton has a strong sense of insensitivity, which I know no one human being can fight. But these remarks are made toward the entire Legislature to look at and to deal with.

SENATOR EWING: Oh, I understand, Kabili. We understand.

MR. TAYARI: And we just want to keep that in mind.

Again, we will be looking forward, we hope within the next two weeks, to having a hearing that is in either the African-American or Latino community of New Jersey.

Thank you.

SENATOR EWING: Thank you.

MR. TAYARI: And please contact us for the date and time. We'll help you get some people there.

SENATOR EWING: We'll let you know, Kabili, don't worry.

Angel Mossucco?

A N G E L M O S S U C C O: I'm here as a member of USEEC, the Urban Suburban Education Committee, because I and the parents I work with are totally opposed to the sweet-sounding Public School Reform Act of 1992, which, in fact, is an elitist and racist bill that is most despicable, because while it actually maintains privilege and denies equality, it claims to be a reform bill. Its reform, however, is degenerative, not progressive.

The State keeps claiming that money means nothing, yet they keep pulling the money from the hands of the neediest kids. This bill says that need means nothing in terms of money spent. I'm here to say that money means everything in terms of the children who need it.

Money means everything, not because money provides some sort of magic solution using some sort of metaphysical process to transfer critical thinking skills into the brains of failing students. Money does none of that. Money means everything, quite simply and literally, because money buys educational tools, stimulating tools, books, lab equipment, sports equipment, tutors, computers, globes and maps, video equipment, and especially well-paid teachers who are provided with what's necessary to teach. All this costs money.



Our society is one of commodities wherein services and goods are bought and sold, and in order to buy them, one must have adequate money. If anyone in this room is not convinced that equal money is necessary to provide equal education, I challenge you to examine the funding battles in the State of New Jersey over the past 11 years to see in whose interest it is to put forward the argument that money means nothing.

And, in fact, most importantly, to follow the position that money means nothing to its logical conclusion, as one should do with any position. In this case, it's a very serious conclusion. Put simply, the great number of children presently doing the worst in school, failing and dropping out, live in the economically poorest communities. These children are largely black and Hispanic. Their schools provide the least money for education purposes, per student, and the State still doesn't subsidize in any significant way. This bill will not change that.

These children are doing the worst, so if any person makes the argument, as the State of New Jersey did when it was first being sued in Abbott v. Burke, that money and resources don't stimulate children to learn, or in the infamous, exact quoted words from Jonathan Kozol's "Savage Inequalities," that, "These students in the poor districts simply cannot now benefit from the vastly superior course offerings given to kids in the richer districts." Then what they are saying -- what the State is saying -- is that there is something innately wrong with the children.

To reiterate, they are noting that a) they are chronically not learning; b) money won't help them; so c) is the logical conclusion of this position, that there is something wrong with the children. This argument that money is not necessary is, in fact, an argument of inherent inferiority and superiority, an elitist and racist argument that is designed to maintain from day-one, I'm convinced, the privilege

and power of a select few, usually whites and always rich, over the many, usually black and Hispanic, and also white, and always poor.

Tragically, all that's really changed from the days before Brown v. Board, the days when the State claimed right out there in its law books that blacks weren't allowed to receive an education, or after that, that blacks had to receive a separate education -- all that's really changed, I submit to you, is the rhetoric and the wording of the laws.

I'm speaking as much to the parents who are left in the audience as I am to Senator Ewing.

The State doesn't say it like they used to anymore. They don't say it right out there. But when their bills are studied -- when this bill is studied -- we find that the results of institutionalized policies are essentially the same. The similarities to the 1950s, in fact, are astounding. Right in "Savage Inequalities," again by Jonathan Kozol, we find that the schools throughout this country, with New Jersey being one of the highest on the list, are, in fact, more segregated now than before Brown v. Board.

I saw "Malcolm X, The Movie" the other night. There is this one scene where a very young Malcolm Little was sitting in a schoolroom with the teacher in front, after all the kids have left. He's the only black kid in the school, just the same as in most white schools today. In response to a goal he has apparently proudly revealed to his teacher, the teacher is calmly but firmly lecturing him with this message: "You can't be a lawyer. You could never be a lawyer. You won't be accepted as a lawyer. It doesn't matter," the teacher continues, when a young Malcolm protests of his potential, "It doesn't matter that you are the best student in the class. Society simply will not accept you as a lawyer, or anything else that requires further academic training. You should do something with your hands, something manual."

Now let me say, this is not to downgrade manual labor. Many of the most interesting people I know are brilliant carpenters, and it certainly does take use of the mind. But in this society it doesn't pay as much as being a lawyer. It doesn't allow you to live in a lawyer's type community, or send your kids to a lawyer's kids' type school. Yet this is what they told Malcolm he was restricted to doing.

Now, the kind of treatment that Malcolm Little and every other black child faced in the 1950s was overt, and you might say that this isn't what happens anymore. Well, let me say that if you turn to page 155 in "Savage Inequalities," or talk to any kid in any of the urban school districts, you will find the same information. On page 155, specifically, you'll find the following quote from a New Jersey student, a Cambodian girl who attends high school in Camden, the most poorly funded school district in New Jersey at the time:

"I'll give you an example," she says, meaning an example of the vastly different treatment she gets, the helping guidance she doesn't get, versus someone who is rich. Consider the comparison to 1950. "I went to my counselor," she says. He said, "What do you want?" I said, "I want to be a lawyer. I don't know what courses I should take." He told me, "No, you cannot be a lawyer." I said, "Why?" He said, "Your English isn't good." "I'm 17," she replied, implying that she has a lot of time to learn and improve. "I want to be a lawyer." He said, "No, you cannot be a lawyer. Look for something else. Look for an easier job."

Now, I'm not saying that in all poor districts where kids have few resources and no other place to turn, I'm not saying that all teachers and counselors are like this. In fact, there are many good teachers who spend money from their own pockets to buy the necessary teaching tools so they can really try and educate their students. I have a friend in Irvington, also a member of USEEC, who has, in fact, spent \$300

since September of her meager salary on basic supplies, such as a map of the United States, so that she could teach our children history.

So I'm not saying that all teachers are saying these things to their kids. But you don't have to tell kids of color that they can't be what they want to be. Society doesn't have to say it, because we're showing it. The school building shows it. The lack of books shows it. The 30- and 40-kid classrooms show it. It's the whole educational system that engenders this attitude so overtly demonstrated by this misleading counselor in Camden, which says that poor people -- and most especially poor people of color -- are simply not able to learn, and it's all their fault, and they better resign themselves to a life of mediocrity and even relative poverty, because they can't do anything else.

Even more tragically, the attitude disguises itself as one of merit. "These kids are doing well, testing well, they're succeeding. They must be better; we have to keep giving to them." "These kids are doing poorly, testing poorly. They're dropping out by the hundreds of thousands. They're failing; they must be worse. We shouldn't waste money on them."

This attitude is totally bogus and a bald-faced lie, perpetrated, as I've come to believe, by the powers that be. And sadly, the powers that are trying to force this bill through so fast so we can't have time to expose it, in places -- as the gentleman before me said -- that people who want to speak on this -- who need to speak on this -- can't get to, because they don't have the transportation and they don't have the time.

Here is the analogy that I like to give: There are these two people in two different apartments, and because they don't have transportation they can only get their food from the local food store, whatever that happens to be. One happens to

live near a food store stocked with candy, potato chips, sugar drink, and cholesterol. The other has a food store stocked with fresh fruits and vegetables, whole grain cereals, macaroni, milk, juice, and soups. They both eat from these stores for many years -- 13 years, to be exact -- and the first person begins to get sick, high cholesterol, clogged arteries, a minor stroke, constant pain, and eventually a heart attack. The second person, on the other hand, is generally living a healthy life.

Now, what would the State of New Jersey say in this situation? According to their current logic as put forth by this Public School Reform Act, the first person, they would say, is very unhealthy, but it had nothing to do with her diet. And the second person is very healthy, so we should continue her diet, but food means nothing. That's the State's argument. That's what you're saying if you pass this bill.

I say that this is wrong, and we won't stand for it. This bill should be burned. You say it helps the kids, but we know it hurts them. You say it's progressive, but we know it's degenerative. You say you care, but you're showing that you don't.

In some ways I'd rather that you did what you did this summer, when you put forth that totally disqualifying constitutional amendment that many of us worked to beat back. At least then you said in the papers, "No, this doesn't comply with Abbott v. Burke." You revealed your motives. You campaigned on cutting waste, and it's apparent that to you, the waste is the poor children.

If this bill gets passed, the fight is not over. We're going to fight even harder on all fronts so we can't be divided along racial lines. We don't want to be divided and conquered any longer.

USEEC is a multiracial group of urban and suburban parents and educators, and everyone who agrees with equal education should consider joining us. We are hosting a march

on January 16 from Prospect Street and South Orange Avenue in South Orange, to West Side High School in Newark, which is still working on getting its first science lab in the high school in God knows how many years. This march is to bridge the gap between urban and suburban parents, and if this bill passes, this march is going to be the first rallying cry to fight together to deem this bill unconstitutional, as we all already know that it is.

Thank you.

SENATOR EWING: You know, I think you have indicted certain teachers. If they were giving advice to people back in the '50s -- I'm sure the NJEA was around then -- it certainly was a sloppy job, and a lousy job that they were doing if they let teachers recommend to students that they shouldn't become a lawyer, or anything like that, because of race, color, or creed. I mean, it's unconscionable. I can't believe they did it, but you say they did. But that's the teacher's fault, and they certainly must be stinking, lousy teachers.

MS. MOSSUCCO: I guess I have to disagree with you, because I think it's the fault of the whole attitude of the educational system, and the attitude that's perpetrated. And the fact that it's still happening today is, I guess, the most relevant part of it, to me.

SENATOR EWING: Are there students that you know of, who have been recommended that they shouldn't go on because of race, color, or creed? You said it's still going on today. I'd like to know who those students are. I'd like to talk to them.

MS. MOSSUCCO: If you call up Jonathan Kozol, who wrote "Savage Inequalities"--

SENATOR EWING: No, I didn't ask that. I said, "Do you know who the students are?"

MS. MOSSUCCO: I quoted the one Cambodian girl who goes to school in Camden, which is very close to Cherry Hill, if I'm not mistaken.

SENATOR EWING: I thought you said that was back in 1950.

MS. MOSSUCCO: No, no, no. I guess you didn't understand me. I was making a comparison between what went on in 1950 and what went on in the classroom just last year, and trying to--

SENATOR EWING: Well, where is she now? Do you have her name and address?

MS. MOSSUCCO: I can get it to you.

SENATOR EWING: I'd appreciate it. I'll give you my card--

MS. MOSSUCCO: Okay.

SENATOR EWING: --because I'd like to follow through, because to me that's unconscionable.

MS. MOSSUCCO: I guess what I'm telling you is that I don't think it's an isolated incident by any means.

SENATOR EWING: I know, but we'll find out whether other students have been told that in that particular school. This is the first time that I've ever heard somebody come forward and say things like that, and if they are, then it's very, very wrong.

Here's my card. (witness takes card) I'd appreciate knowing who it is. Thank you very much.

Irene Douma?

**I R E N E K. D O U M A, Ph.D.:** Good afternoon, Senator Ewing. I just want to say, personally, thank you very much for having the hearings up here. Contrary to some of the comments before, I have found you to be very responsive in scheduling hearings, when I brought it to your attention that we didn't have any hearings up in North Jersey last time on the QEA. And you did hold them in Hackensack.

SENATOR EWING: Right.

DR. DOUMA: So, thank you very much.

I come here to -- not with an agenda on Senate Bill No. 1370 to specifically criticize components. I found the bill to be very innovative, creative. I have some concerns that I'd like to share with you, and perhaps if those concerns are resolved it might eliminate, or alleviate some of the concerns that have been expressed this afternoon.

My background is in business, but I have committed 20 years of my life to college teaching, and I'm in the State system. One of the things that I found in the bill, from an educational point of view, is the linking of education from K through 12 to the colleges, to the business community -- something which is sorely lacking in the State of New Jersey. I had done some reviews and research in this area, and in New York City, banks have adopted schools, have made a commitment to work with them. It is a source of resources that has not been tapped.

I do not envy the Legislature, right now, in trying to deal with this problem. With the economic conditions, we have a finite amount of resources, but an increasing demand on those resources. It is of great concern to us, as a Board-- We're up at Ramapo Indian Hills, up in Franklin Lakes, and we are one of those J districts. Throughout the whole QEA, we never wanted any of those 30 special needs districts to not have the resources that they need for the corrections to take place. We would still like to see those educational resources directed to those children, but we would like it to go to the children.

In my previous testimony I had indicated that under the QEA, some of this money never went to the children. I go back to The Star-Ledger records indicating that the money was used to reduce property taxes in some of these communities, rather than going to the children, and we would like to see that form of accountability, not only with the 30 districts.

I'm a financial person. I would like to see accountability for every dollar spent on education, from every district, from A to Z, whatever nomenclature you want.



It is very difficult in education to come up with accountability, but we should be able to know where the money is being spent. Voucher systems should be there. They should be followed up. You should have a system of checks and balances. The money should go to the children.

It is something that I have not heard very much in the testimony that has been here, and it is something that, if we're trying to deal with a limited set of resources, we have to focus on. Businesses, everyone, has to retrench. We retrench personally in terms of our lifestyle. We make choices. It is not a utopian society where we can have everything that we want. It is a matter of trying to come up with a balance.

I am glad, and our Board is very glad, to hear that the recommendation is to pass the pension and the Social Security costs back to the State. I had worked on a committee through the New Jersey School Boards Association to review the pension funding. We had come through with some recommendations. I don't know if they have filtered down to the Senate, but it might be of some interest to take a look at some of the alternative ways of looking at contributing to pensions. Corporate America has done that.

It is no longer sacrosanct that we have to go the same way. These are dollars, and as someone pointed out, what goes into the pensions comes out of the educational pool. You have to have an allocation of those resources.

So we are happy in that respect. This bill, in a sense, will not bring our educational system down. Had the pensions gone through in our district, it would have been \$2.7 million, and over a five-year period our taxes would have increased 45 percent. We are also, in many cases, a community of dual working families, trying to pay those property taxes that go into education, so I don't want anyone to think that we

don't have those concerns. We do away with a lot of different services, because that's our goal. It is our community spirit, or will.

But I think it's important that when we look at these special needs districts, that we look at different ways of providing resources. As I mentioned, I thought it was wonderful to see it in black and white, the cooperative elements that I saw coming through.

I just think it needs to be explored a bit more, because corporate America, the business community, has an investment in this. Whatever they put in, they're going to get back in terms of skilled labor. And this is where we're at.

The technology portion that you have in here is wonderful. It's another way of making programs available; for example, through the interactive television, to have programs available to districts who could not afford it. We are in the process of exploring this, because we cannot afford to have some of these high honor classes being offered to a small number of pupils. Rather than try to eliminate that, we're trying to look at different options, and we would recommend that that also be considered by other districts.

I see a lot of good ideas in here, but I would like to see a monitoring system to make sure that the dollars are spent. You mention a five-year evaluation span in here. I have some concerns about that from, I guess, a business sense point. I'd like to see the window shortened a little bit in terms of where we're going, how are we doing; still have the five-year one, but I'd like something in between also, because five years is a long time, and a lot of money can be spent in five years. You may not have the output that you were looking for in that five-year time period.

So, again, I'm thinking in terms of how would I want to know in progress. When I teach, I want to know how I'm

doing. I don't want to wait two years or three years. I'd like to know-- And I know very quickly from my students on that.

I think that your program has got a lot of positive things going for it. The dollar side is an area that, I think whether we want to admit it or not, is a problem. I don't know. I don't have the magic answer. Our Board does not have the magic answer. We do have some concerns. How are you going to fund this? We do not want to see any more State-mandated programs unless you're willing to pay for it. We're getting killed with it. The special ed programs, they're unlimited; they're open-ended at the other end. We have children who have to be sent to out-of-district facilities. The bills are phenomenal. I sign some of the vouchers, so I know what they are. I would never deprive a child of what they need, but again, we're talking about finite resources here.

So I think it's important to take a look at this. One other area which I might caution you on is your at-risk program. This was a problem in the QEA, and it's not really defined here as to what is an at-risk student. At-risk students are not limited to the 30 special needs. They're throughout. I don't know what the definition is, because it wasn't in the bill; I didn't see it in the bill.

SENATOR EWING: We've eliminated at-risk, and the money is folded into the overall program.

DR. DOUMA: Okay.

SENATOR EWING: It's through the base, that 300, 200, and 100.

DR. DOUMA: All right, okay. Then I feel--

SENATOR EWING: And it's up to the district to spend it where they feel it's best, and also on innovative programs. They might have an innovative program, and they just present that. They don't have to start a new program, necessarily, at all.

DR. DOUMA: The other thing is, when a district comes up with a program that's a real wonderful program that's working well for their children, I would like to see some forum, or some means established, maybe through the State Department of Education -- through some network, I don't have the expertise in that area -- that would allow that sharing to flow through from district to district so we don't have to reinvent the wheel. If it's working for you, can we use it and make use of our resources more efficiently?

SENATOR EWING: I would hope that the State is doing that now through the county offices.

DR. DOUMA: There are some things that happened in our district that, if we could filter it down to another district-- I'm talking about a real -- some sort of a structure where you can communicate. The bureaucracy is phenomenal.

SENATOR EWING: Well, I think you're going to find-- I don't know if you were here earlier--

DR. DOUMA: Yes, I was.

SENATOR EWING: --but I think Mary Lee Fitzgerald will make a very, very substantial difference.

DR. DOUMA: She lives in the town where I teach. I teach at Montclair State.

I just wanted to share that. I'd like to wish the Committee a lot of good luck in trying to come up with the dollars that are needed to take care of our children in the State of New Jersey, and to ask you to continue to pursue the fact of seeing that those pension costs do go back, because we do not have control over those.

SENATOR EWING: Well, if we get a new bill, the pension costs will go back to the State. If there is no new bill, they go to the districts.

DR. DOUMA: Well, if that's the case, what's going to happen is, our district will go down phenomenally. You would not-- The whole thing of keeping education up would not--

SENATOR EWING: We agree with you.

DR. DOUMA: We just want-- We don't want to take it off anybody's back, but by the same token, we don't want to be crippled.

SENATOR EWING: It will cripple a lot of districts.

DR. DOUMA: That's what would be happening here.

I would like to thank you again for your time, and I know you have been doing the busy circuit, but I wanted to share our point of view.

SENATOR EWING: It's very interesting. It's interesting.

Thank you for your patience. You've had to wait.

DR. DOUMA: That's my pleasure. Thank you.

SENATOR EWING: Is poor Maxine Jaschel-- She's not here. Is anybody else-- Karen Hill? (no response) Barbara Cordes (no response) She was from Lakehurst. I don't think she came up from Lakehurst. We were in Toms River. James Harris? Is that Mr. Harris?

JAMES HARRIS: Yes.

SENATOR EWING: Oh, I'm sorry.

MR. HARRIS: Good evening. My name is James Harris. I am here this evening representing New Jersey Black Issues Convention. The New Jersey Black Issues Convention, herein mentioned as NJ BIC, is a leadership roundtable composed of a consortium of more than 55 African-American civil rights, religious, labor, business, professional, social, fraternal, educational, urban and rural policy, youth and senior citizens' organizations. Because NJ BIC is uniquely qualified to speak to the concerns of the more than 925,000 black residents of New Jersey, this organization has been an advocate for parity in education since its inception. NJ BIC has testified before these committees, sponsored community forums and seminars, and filed amicus curiae briefs at various stages of the educational funding litigation to enforce the rights of children in special needs districts for parity in education.

Today we wish to voice our vehement opposition to the enactment of S-1370 and A-3. Since the Supreme Court ruled in Abbott v. Burke that increased funding is essential to meet the special needs of urban children to bring them into parity with minimum standards, Senator Ewing and countless others have declared war on the Abbott opinion. They have introduced legislation to attack the Supreme Court Justices who decided Abbott. They have introduced legislation to remove language from the Constitution which formed the very foundation of the Abbott opinion. When SCR-64 was introduced to remove the "Thorough and efficient" clause from the Constitution of New Jersey and was dropped, Senator Ewing was quoted in The New York Times on September 4, 1992 as saying, "It -- SCR-64 -- might be reintroduced with changes this year."

Bills No. S-1370 and A-3 are the reintroduction of SCR-64. Each of these bills is but one part of an evercontinuing effort of a racist, unconstitutional, and morally corrupt mission to destroy the rights of educational opportunity of the poor children of New Jersey's urban districts.

Anyone with eyes to see and ears to hear knows that more than 80 percent of the children comprising the special needs districts are children of color, most of whom are black. The Abbott Court stated, in fact, therefore any legislation which seeks to deny access to the fundamental rights of black children is racist, and nothing less.

While we are on the subject of denial of access to fundamental rights, I wish to state our concerns about the racially exclusionary overtone of the structure of the hearing process on this legislation. This very hearing process communicates an agenda for this legislation which is racially polarizing, pitting urban against suburban, with the children in the special needs districts as the ultimate victims of this agenda. These hearings, which are taking place primarily in

suburban districts, are largely inaccessible to all but the vigilant, and are but one example of the overall agenda to return to the era of Dred Scott, when a black man had no rights which a white man was bound to respect. That was in the Dred Scott v. Sandford decision, which is covered in the history books.

I challenge this body to provide due process of law to the citizens of the special needs districts by giving the parents and other taxpayers an opportunity to be heard by sponsoring at least three hearings in the urban districts.

Returning to the legislation, nowhere in the statement to S-1370 or A-3 is it written that this legislation seeks to implement the Supreme Court's order as set forth in the Abbott v. Burke case. It is because the legislation seeks to do the opposite. What follows is a list of our concerns:

First, minimum aid to suburban districts was found to be unconstitutional by the Supreme Court in Abbott v. Burke, yet S-1370 and A-3 resurrect minimum aid under the guise of base aid to wealthier districts.

Another point: The Supreme Court in the Abbott case set a minimum standard for measuring whether or not parity had been achieved in special needs districts. Also in the Court's order, it was held that the State's obligation to attain that minimum was absolute. Bills S-1370 and A-3 lower this minimum standard.

The Supreme Court in the Abbott case found that any educational scheme which was dependent on local taxation decisions was too uncertain to guarantee adequate funding, especially in special needs districts. Bills S-1370 and A-3 mandate a host of social service programs which are dependent on increased local taxation. We agree with Senator Lipman that these provisions, "pull the rug out from under" the children in special needs districts.

Another point: The Supreme Court required the State to assure additional aid, adequate to provide special programs needed by poor children in urban districts. This legislation eliminates at-risk aid, which the State currently provides to these districts, and recreates it under base aid at a dollar figure of less than half of the already inadequate figure that these districts are currently receiving. In other words, current at-risk to special needs totals \$183 million. Base aid to urban districts, which by the way changes the eligibility criteria, will be, at most, \$81.6 million, or less than half.

Another point: The Supreme Court in the Abbott case required the State to move immediately to bring the special needs districts into parity, but permitted a phase-in of programs. The QEA has a five-year phase-in period which has been objected to by NJ BIC, in light of the 22 years of litigation, and the 45-year-old constitutional promise of thorough and efficient education. Bills S-1370 and A-3 extend the remedy of alleged parity to seven years.

In his letter from the Birmingham jail of April 16, 1963, nearly 30 years ago, Dr. Martin Luther King, Jr. made a statement which is painfully relevant even today: "For years now we have heard the word 'wait.' It rings in the ear of every Negro with piercing familiarity. This wait has almost always meant 'never.' We must come to see, with one of our distinguished jurists, that justice too long delayed is justice denied."

Educational funding is, without a doubt, a civil rights issue. Funding is the very foundation of parity. Although Senator Ewing has been quoted as saying, "It's never been proven that money does the job," he is continuously introducing legislation which robs funding from the children of the special needs districts, and provides funding to the affluent suburban districts.



In conclusion, bills S-1370 and A-3 are a blatant racial and unconstitutional attack upon the rights of black and other children in the special needs districts to achieve the minimum standard of parity set forth by the Abbott Court. Even more fundamentally, this legislation represents a broader attempt to erode the morally appropriate policy decision made by the New Jersey Supreme Court to end segregation in our school system.

Thank you.

SENATOR EWING: Mr. Harris, just briefly, the social service costs, there's nothing being mandated on that point in the bill yet. Those costs are going to have to come from Human Services and Health. We're going to have to work out something. We cannot keep taking money from the educational programs to fund these other things. And certainly, the nutrition, which I've stated many times publicly--

It's interesting to note that we wrote to the 30 superintendents from the special needs districts and we've had replies from, I'd say, approximately 15. I asked them to enumerate for us what their costs were which were noneducational, such as: security in the playground, security in the hallways, that part of the food programs which was not funded by the Federal government, and those schools which might have a day-care center for infants of girls who might be attending the schools. Those are not educational costs, and I feel we should pull that out and pay for it separately. Fifteen of them would not send it, because they didn't know-- There was something sinister as to what I was asking. And that's the type of cooperation we get.

So you know, you get your act together and work with us, and we'll work with you. But I'm still waiting for that information. So now what I've done is, I've written to the presidents of the boards, because evidently those superintendents can't read or don't understand. I don't know what it is.

But here we're trying to help, and they don't have the guts, the backbone, to call me up, or to say, "We'd like to have a meeting with you." And damn it to hell, everybody knows that I'll go anyplace at all in this State to meet with a group of people on education. And yet they didn't have enough courage-- If they were amongst themselves saying, "There's something sinister about this information he wants. We don't know. We better not give it to him," you know, what kind of educators are they?

MR. HARRIS: Senator Ewing, I will sponsor a meeting in the City of Newark to which you will have the majority of the urban superintendents, or the black superintendents. You let me know who did not respond.

SENATOR EWING: I don't want just the blacks. I want urban superintendents, period. The hell with the-- Look, why do you bring up color? I could care less what anybody is. If they're interested in education, that's what we want. Don't start saying you'll bring the black superintendents, or something.

MR. HARRIS: Senator, the reason I bring up color is that it is very much an issue in this law. Whether you intended--

SENATOR EWING: I want whatever superintendents -- from the 30 districts. That's what I want to know, why they wouldn't give me the information? They can bring it at that time, and we can discuss other things, too.

MR. HARRIS: Well, let me ask you something, because it goes back to the question that Mr. Tayari raised.

SENATOR EWING: Yes, Kabil.

MR. HARRIS: And by the way, his name is Kabili.

SENATOR EWING: Kabili.

MR. HARRIS: He was being polite. You called him Kabil a couple of times, and I know that--

SENATOR EWING: Well, I did on T.V. We were on a program last year.

MR. HARRIS: Yes. We were there together.

SENATOR EWING: That's right.

MR. HARRIS: And I think we raised the same concerns then. That's why we're really disappointed to see this thing re-emerging.

Let me be very candid with you. I work, and I have worked for a long time, to try to eliminate racial discrimination.

SENATOR EWING: Right.

MR. HARRIS: Racism is going to destroy this country if we're not very careful. When I think about the funding of this bill, and the priorities that we place in this society, it strikes me as being rather unfortunate that we can build a jail, and we are prepared to build more jails.

SENATOR EWING: Right, \$150 million more.

MR. HARRIS: In less than a year the ground is broken and it's in place. If you talk to the superintendent in Irvington, he will tell you that it's taken over 15 years to build a school.

SENATOR EWING: Don't tell me, I know, and it's a serious problem.

MR. HARRIS: But let me also say to you, having grown up in Newark and graduated from Malcom X. Shabazz High School, that I would much rather see a shift of the funding from incarceration to education.

SENATOR EWING: I agree with you.

MR. HARRIS: And let me be very clear. We have youngsters in urban centers throughout this State who see no real correlation between education and job opportunities.

SENATOR EWING: I know; tragically, that's right.

MR. HARRIS: And we still question whether or not education is going to save us money or cost us money. Education is a long-term investment.

SENATOR EWING: Definitely, and this is what the corporations want. They want every child to be educated.

MR. HARRIS: So if we have to reestablish priorities -- if we have to reestablish priorities -- please make the intelligent decision. Do not -- do not -- appease those folks who were so anxious to have that one cent sales tax repealed. Please don't appease them now by taking back the money that was promised to the special needs, and in response, by the way to a--

SENATOR EWING: There was never a promise. Any funding is done on the basis of if the funds are available in the State budget. And this QEA, if it continues on, it's going to bankrupt the State. That's why it has to be changed, period.

MR. HARRIS: At the rate of crime these days, Senator, that is going to corrupt not only-- But we're talking about more than a treasury.

SENATOR EWING: I agree. We've got to educate the children. There's no question of that, because industry is telling us that the students coming out cannot get jobs because they are not qualified for the jobs, and industry is going to move out of New Jersey. And if we have businesses where there are lawyers or doctors or mechanics or what-- If they move out of here, there won't be jobs for these people. Also, from what I'm told, whether it's the year 2000 or 2010, the work force is going to be made up of 40 percent to 50 percent minority.

MR. HARRIS: Yes, your Social Security is going to be based on whether my folks work.

SENATOR EWING: Well, I'm collecting my Social Security. You're not getting yours yet, but I'm getting mine.

MR. HARRIS: What I'm trying to tell you is that we really have to get busy with this issue.

SENATOR EWING: I agree with you.

MR. HARRIS: Senator, you agree, but this does not say that you agree. What this says is that the Supreme Court has done a complete analysis of parity and necessary funding for education in the State of New Jersey. It ruled; there was a

response to it. There was an expectation by some people that we were on our way to parity; that one day in our lifetime we would see that kids in the urban centers would have just as much resources devoted toward their education--

SENATOR EWING: Well, that's the right word. You say "resources," because I believe in parity in courses, not in dollars, because it's going to cost us more because of the socioeconomic problems in the Camdens, the Patersons -- those areas -- to teach a child, to bring him along. There are going to be additional costs which we have to subsidize. I couldn't agree more. But I'll be damned if you say, "Well, every child-- Because Princeton spends \$11,000" -- I don't know what it is, but let's say Princeton spends \$11,000--

MR. HARRIS: Try \$18,000.

SENATOR EWING: "--then everybody should get \$11,000." That's wrong. If it costs us \$12,000 to do a student in Camden, we should do that. That's what we've got to do. There is no question in my mind whatsoever, but also, I feel that if somebody in Princeton wants to raise their own taxes so they can have Russian and Chinese, they should be allowed to do it. But everybody should be able to get a job when they get out of school, and go to college, and things. And we're not doing that right now. I agree with that.

MR. HARRIS: Do I read your bill to-- I interpret your bill to mean that most of the school districts in the State of New Jersey ought to receive some State aid, even the J districts.

SENATOR EWING: Yes, \$1 million.

MR. HARRIS: Is that what I understand?

SENATOR EWING: It's \$1 million, and the foundations would get 22, and the specials would get 79. But that figure is being revised, and we're looking at other ways of whether we're going to increase it or what. We're not going to decrease it, no.

But this bill is not finalized. We put it in bill form so we could have it in Committee, but we've already made some changes. We've got amendments ready to put in when we have the Committee meeting.

But it's not going to be perfect. You're not going to get all the money that people are hoping to get out of the QEA. The State just does not have it. I cannot say it any plainer than that, and the Governor's Office will tell you that as well.

Also, the other thing, very frankly, the administration is not fighting us on this thing because they realize there are problems with the QEA funding. They realize that. It's a very unfortunate thing.

MR. HARRIS: It's that this bill seems to reject the direction that the State was mandated to go in by Abbott v. Burke.

SENATOR EWING: Well, we don't feel it's rejecting it that way, no, because greater emphasis is being put into the special needs districts.

MR. HARRIS: Well, does the Supreme Court decision become the law of the State?

SENATOR EWING: Yes, but also this could be contested in court. That's perfectly true. Are you a lawyer? I'm not, thank God.

MR. HARRIS: Well, I just like to live by the law.

SENATOR EWING: But what I'm trying to say--

MR. HARRIS: But I thought we were all under the law.

SENATOR EWING: But wait, Mr. Harris, just a second. In the Legislature, you can have a bill up, and these six guys in the Senate or the Assembly who are lawyers say, "That's unconstitutional." These six over here who are lawyers will say, "Oh, it's not unconstitutional." You don't know, and we feel what we've done is not unconstitutional whatsoever. But we also don't feel the courts should run the education system.

But, as far as I'm concerned, we have to make sure that the students -- and there are students in the certain districts here who should not be in the 30, and there are other districts that should be. Maybe we'll come up with 32 some day, or 35. I don't know, maybe it will be 28. But this is not a correct list.

Yes, the Patersons, the Camdens, people like that, tragically, yes, they certainly should be there, and we've got to do more for them if we possibly can.

MR. HARRIS: And you can.

SENATOR EWING: And we're trying.

MR. HARRIS: We hope that you won't disappoint us, but this law is flawed.

SENATOR EWING: Well, I'm going to disappoint you.

MR. HARRIS: This law is flawed in the direction-- You've got some ideas in there that are, I mean-- Let's be clear. No one wants accountability more than the parents of those students who are graduating with low skills. Let's be clear on that.

SENATOR EWING: Can't read or write, correct.

MR. HARRIS: No one wants accountability more. Now, there might be a question as to whether or not the Legislature can do a better job at holding people accountable than some other mechanisms, but we also understand that accountability without adequate funding is an empty promise. It makes some people very happy because it gives the impression that some folks can do some things better than other folks, particularly when we get into-- That's why in my comments we talked about the urban versus the rural and the suburban. The notion that people have in this State, whether it's true or not, is that urban people waste more money than rural or suburban people.

SENATOR EWING: There are instances of waste all over, whether it's urban or suburban.

MR. HARRIS: Thank you, but that's not what I hear you saying. I hear people emphasizing--

SENATOR EWING: Oh, I disagree with you -- I disagree. You haven't heard me talk. I feel very strongly that it's not just in the urban areas. Unfortunately, because it's a larger amount of money it gets more exposure. That's the unfortunate part.

If some guy is sleeping with some girl, it doesn't make any difference, but when Clinton does, look at the God damned publicity he gets.

MR. HARRIS: Well, I didn't want to get into that, Senator.

SENATOR EWING: No, I'm saying-- I don't-- Well, I used the wrong-- But I mean, because of the figure he is. And that's the unfortunate part. In a bigger system where there is much more money, it gets exposed more. I'm sure it's going on in other areas. Very definitely we've got to try-- The couple of cases that Kalil gave us, I want to look into.

MR. HARRIS: Kabili.

SENATOR EWING: Kabili.

MR. HARRIS: Kabili, you need to have somebody--

SENATOR EWING: No, he's going to go to court tomorrow and get his name changed.

MR. HARRIS: No, I think he might prefer it to be the other way around, Senator.

But thank you very much.

SENATOR EWING: No, thank you.

MR. HARRIS: But I would say this on the issue that I'm talking about: You see, when you, as the Chair of the Senate Education Committee -- and people very much respect the power that you have, given that you might have had another position -- but we respect that. So when you make a statement about the mismanagement of money in the urbans without parallel talking about the mismanagement throughout the State, the message that people get is that the urbans are mismanaging--



SENATOR EWING: They're the only ones?

MR. HARRIS: --and so I think you need to have a parity of inclusion in your statement.

SENATOR EWING: Of words when I say that.

MR. HARRIS: Thank you very much.

SENATOR EWING: Thank you.

Is there anybody else? (no response) Thank you all.

**(HEARING CONCLUDED)**

## APPENDIX



ASSOCIATION FOR  
CHILDREN OF NEW JERSEY

**ACNJ**

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TO: The Honorable John Ewing, Chairman  
Members, Senate Education Committee

The Honorable John Rocco, Chairman  
Members, Assembly Education Committee

FROM: Cecilia Zalkind, Assistant Director  
Association for Children of New Jersey (ACNJ)

DATE: December 2, 1992

RE: **TESTIMONY ON THE PUBLIC SCHOOL REFORM ACT OF 1992**

The Association for Children of New Jersey (ACNJ) has been a consistent, independent voice for the children of our state for over 150 years. As a statewide, non-profit child advocacy organization, ACNJ is dedicated to improving government policies and programs for all of New Jersey's children, particularly those who are disadvantaged or dependent on the state for their well-being. Our efforts have been directed at all issues involving children -- child welfare, child care, juvenile justice, health, nutrition, family support as well as education.

In October, ACNJ released a report entitled *Keeping the Focus on Children: Accountability for Educational Improvement in the Special Needs Districts* in which we considered two issues: the needs of the thirty districts earmarked to receive the greatest additional funding under the Quality Education Act and the Department of Education's (DOE) plans to hold the special needs districts accountable for the additional funding they received.

Our findings clearly confirmed the need for additional funding in the special needs districts. These thirty districts face an extraordinarily difficult task in educating their students, a task made even more difficult by high levels of poverty, insufficient school resources and seriously deteriorated physical facilities. We also concluded, however, that there are serious flaws in the DOE's current system of accountability which need to be addressed in order to ensure that the funding actually reaches the children it was intended to benefit.

The conclusions and recommendations of *Keeping the Focus on Children* formed the basis for our analysis of the Public School Reform Act of 1992. Based on those findings, we offer the following comments.

/ X

**THE LONG-TERM FINANCIAL IMPACT OF THE PUBLIC SCHOOL REFORM ACT ON THE SPECIAL NEEDS DISTRICTS MUST BE ASSESSED MORE CAREFULLY**

We add our voice to those urging this committee to exercise extreme caution in re-designing the system of school financing. Although we are aware that this committee has spent considerable time obtaining outside input in its development of this proposal, we are very concerned that there is insufficient information about the impact of this proposal beyond the 1993-94 school year.

We believe that caution is especially critical in regard to the impact on the special needs districts. Although we did not set out to re-examine the needs of the special needs districts in *Keeping the Focus on Children*, it became all too evident that these districts confront extraordinary challenges in educating their students. Additional funding is clearly needed to enable them to provide even the basic educational services routinely offered to students in other districts. Whether the funding formulas in the Public School Reform Act will provide the needed additional funding over the long-term must be more carefully assessed.

We agree with other groups and individuals who have already testified that the impact of the legislation after the 1993-94 school year is unclear. We would therefore support the suggestion offered by a number of groups that this proposal be an interim measure for the 1993-94 school year to allow more time for the development of a comprehensive plan. Further, as suggested by others, removing the development of that plan from the political arena and involving outside experts would be a very effective method of developing a financing plan that can balance competing educational needs in an equitable manner.

We were also concerned in reviewing this proposal that few elements of the Quality Education Act (QEA) are retained. Some of the elements already implemented by the QEA, such as the use of external review teams to assess district needs and the requirement of educational improvement plans for the additional funding, would be useful to build upon. They represent a considerable amount of work that can be utilized to move educational improvements forward more quickly in these districts rather than starting anew. We should not waste any gains that have already been made.

**THE EMPHASIS ON PROVIDING DEMONSTRABLY EFFECTIVE PROGRAMS IN THE SPECIAL NEEDS DISTRICTS IS LAUDABLE IN ITS INTENT BUT WEAK IN ITS IMPLEMENTATION**

We could not agree more with the aspects of the Public School Reform Act that prioritize the identification and development of demonstrably effective programs in the special needs districts. One of the key findings of *Keeping the Focus on Children* was our recommendation that the Legislature and Department of Education provide better direction to the districts in identifying how to prioritize use of the additional educational funds.

In specific, we support the elements of the proposal which would require the special needs districts to implement full-day kindergarten and preschool programs for all eligible students.

Identifying other effective programs through an Education Reform Commission is also a worthwhile endeavor. Similarly, we find the proposal to establish a CARE program in each special needs districts an exciting and innovative approach, although we would urge coordination with other existing programs such as the School Based Youth Services and FamilyNet initiatives.

Our concern about these initiatives is not in their design but rather in their implementation. Such programs will require significant funding which, for many of the special needs districts, could exceed any additional funding they receive through the QEA or the Public School Reform Act. To be direct, where exactly will the additional money needed to implement these programs come from?

For many of the special needs districts, a greater obstacle to implementing a preschool program is the lack of space. Because capital costs have not been addressed, districts may be forced to use sparse educational program funds for facilities repair or development. Although there has been some discussion of a bond act for educational facilities, no comprehensive action has been taken. The newly established Early Childhood Facilities Fund is another method of financing facility costs which we would be glad to discuss further.

Some districts have been creative in identifying space for preschool programs but have been unable to utilize it because it does not meet DOE standards. Perhaps a waiver should be considered to allow a district to begin a program and be given a specific amount of time to bring the facility up to DOE standards. Districts should also be given the authority to contract directly with Head Start or nonprofit organizations to provide programs.

#### **CONTINUED ADDITIONAL AID FOR AT-RISK STUDENTS IS NOT CLEARLY ADDRESSED IN THE BILL**

Our reading of the Public School Reform Act left many questions about what will happen to additional aid for at-risk students. Language in the proposal only identifies at-risk aid as part of the base aid received by the district in 1992-93 in order to calculate the district's base aid in 1993-94. No further mention of at-risk aid appears. We are concerned about this omission for two reasons.

First, the special needs districts were targeted to receive additional funding not only because of their low community wealth but also because of their high populations of at-risk students. In fact, additional funding specifically targeted for at-risk students was mandated by the Supreme Court in its decision in *Abbott v. Burke* and became a critical part of the QEA. The need for such funds has not disappeared. Where is the funding to meet that need?

Further, the second reason that the *Abbott* decision and the QEA established separate funding for at-risk students was to ensure that the money was used specifically for these students. By folding such funds into a district's base aid, there are no longer any "strings" requiring the districts to set aside certain funds for these most vulnerable students. How will their needs now be addressed by this proposal?

**ALTHOUGH THE PREAMBLE TO THE BILL EXPRESSES THE NEED FOR STRONGER ACCOUNTABILITY, THERE ARE NO MEASURES IN THE BILL TO ENSURE THAT AN EFFECTIVE ACCOUNTABILITY SYSTEM EXISTS**

One of the key recommendations of *Keeping the Focus on Children* was that DOE oversight must be strengthened to ensure an effective accountability system for the additional funds received by school districts under the QEA. We felt strongly that the DOE must be able to identify how much money each district received, how the funding was used and what outcomes resulted for children. Effective evaluation criteria were also recommended as an important element of accountability.

We are concerned that the Public School Reform Act does not provide sufficient accountability measures. District budgets and audits, required in the bill, are important but do not provide sufficient program and outcome information. We urge this committee to include provisions in the bill to strengthen accountability.



# INVEST IN CHILDREN

PARTNERSHIP FOR NEW JERSEY  
NEW JERSEY BUSINESS AND INDUSTRY ASSOC.  
PUBLIC EDUCATION INSTITUTE  
COMMITTEE FOR ECONOMIC DEVELOPMENT  
ASSOCIATION FOR CHILDREN OF NEW JERSEY

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## Early Childhood Facilities Fund

### FACT SHEET

#### Overview

Congress and the President have pledged to expand Head Start to reach every eligible four year old. This is the result of a diverse group of public and private sector supporters rallying together to support the one program that has a 25 year record of success in preparing disadvantaged students for school.

In New Jersey the ability to use these additional funds is limited by the scarcity of adequate facilities. The purpose of the Early Childhood Facilities Fund (ECFF) is to ensure that facilities are not the bottleneck in the State of New Jersey's ability to respond to the opportunity being provided through Head Start.

#### Head Start

The Head Start Program was created by the Federal Government in 1965 to provide services for preschool children of low-income families. It provides comprehensive education, health, nutrition, social, and other services to help children reach their full potential. The program provides for direct participation of parents in the development, conduct and overall program direction at the local level.

Nationwide, Head Start serves 622,000 children and their families. Head Start's appropriation was \$2.2 billion for FY1992. The FY1993 appropriation includes a \$577 million increase, bringing total funding to \$2.777 billion for the nation. New Jersey receives almost \$54 million and can expect an additional \$5 to \$6 million as a result of the increased appropriation. Currently, the program serves 11,688 preschoolers, roughly 35% of the eligible children in the state.

Head Start facilities needs in New Jersey include:

- Additional facilities required as a result of the doubling of Head Start funding between 1990 and 1993.
- Replacement or rehabilitation of existing facilities. New Jersey ranked among the bottom ten states in condition of its facilities in a national survey.
- Every Head Start grantee reported serious facility needs in a survey by Invest In Children. Nearly every grantee wants to relocate at least one center; a total of 80 centers require relocation. Facilities problems revealed in the survey include: substandard conditions, insecure and short term leases, inadequate space, inefficiency of multiple sites; and inadequate outdoor play areas.
- Inadequate facilities inhibit the ability to deliver needed services such as full day programs, smaller class sizes, and the co-location of related programs, such as health services and literacy programs.
- Lack of time and expertise for Head Start staff to find or develop adequate space.

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### **The ECFF**

The Early Childhood Facilities Fund (ECFF), will be incorporated as a private, nonprofit tax-exempt organization. The ECFF would be responsible for the provision of quality facilities for Head Start and other early childhood programs -- for both currently enrolled children and to meet expansion needs. This proposal is the result of a study conducted by Invest In Children and funded by The Prudential Foundation.

### **Invest In Children**

Invest In Children is a coalition of New Jersey's business, education, human services and advocacy groups dedicated to advancing public policy on behalf of the state's children in need.

Invest In Children's steering committee is composed of representatives from the Partnership for New Jersey, the New Jersey Business and Industry Association, the Association for children of New Jersey, the Public Education Institute and the Committee for Economic Development. T. Joseph Semrod, Chairman and CEO of UJB Financial chairs Invest In Children.

### **Proposed Services and Programmatic Goals**

#### **A. Facilities Needs Assessments**

**Description of Services:** Preceding any major loan or direct development initiative, ECFF will undertake a comprehensive facilities needs assessment for the prospective borrower or client. The purpose would be to determine the specific Head Start or child care program's overall facilities needs in relationship to the condition of their current facilities and expansion plans.

The assessment would be conducted by a team consisting of an architect, an engineer, a financial advisor and a cost estimator. All existing sites would be assessed to determine projected short- and long-term capital improvement needs for code conformance, as well as whether and at what cost the facility could be upgraded, expanded or vacated for a new facility. The financial analysis of the options would take into account the term of the program's lease and the ability to extend its terms to make leasehold improvements more cost effective. Ownership versus leasing options would also be considered. The assessment would seek to determine whether the proposed activity was in the best interest of the Head Start program.

**Financing:** The cost of this program would be funded through grants from Head Start and/or the ECFF. The goal is to recover any ECFF funds used to cover the facilities needs assessments if a project is ultimately undertaken to expand or improve the facilities.

**Goal:** Thirty Facilities Needs Assessments over the first three years.

#### **B. Full Service Development Program**

**Description of Services:** This program will involve larger projects -- either new construction or substantial rehabilitation -- to create completely new facilities or to relocate or significantly expand existing facilities. Under this program, the ECFF, on application from Head Start or child care providers, would develop and own the facility, obtain the necessary financing, and lease the facility to providers at reasonable costs (which are anticipated to be below market). ECFF will be responsible for property management either directly or by contracting out for services. At the end of the lease term (which would in most instances be concurrent with the length of the permanent financing), ownership could be conveyed to the provider. In this full service model, ECFF anticipates selecting the projects for development through a competitive process based on need, capacity, project quality and feasibility.

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Alternatively, the ECFF could act merely as the packager/broker for the financing and would not participate as the owner/developer/property manager of the facility.

**Financing:** The essence of the financing approach for the Full Service Development Program is as follows: Banks would loan funds through a loan pool to develop the facility. The minimum loan under the program is \$500,000. The typical project is expected to have 4-6 classrooms along with needed ancillary space and cost between \$750,000 and \$1 million. These loans would be secured by the real estate. In addition, it is possible that the loans would be partially guaranteed by the New Jersey Economic Development Authority and/or ECFF, and/or that some equity would be provided by ECFF. After a sufficient number of facilities are completed, the projects would be refinanced with the proceeds of tax-exempt bonds issued by EDA. The bank pool would then be available to re-loan on new projects.

Sufficient rent would be charged to the Head Start grantee to cover the debt service and property management costs.

**Goal:** It is anticipated that approximately nine facilities can be financed under this program during the first three years of ECFF operation.

#### **C. Flexible Loan Program**

**Program Description:** Secured loans of up to \$250,000 will be made directly to providers and nonprofit landlords of providers, using ECFF loan funds. Loan rates will be below-market (approximately three percentage points above the cost of funds to ECFF). ECFF loan terms will generally not exceed 5-7 years.

Loans under the program will be used for a variety of facilities-related purposes, including predevelopment costs, bridge financing for renovation or acquisition, and occasionally in meeting downpayment or equity needs. Generally, these loans will be used for modest improvements to existing facilities.

When loans are made to a nonprofit landlord of a provider, assurances will be obtained to protect the tenure and rights of the service provider -- the intended beneficiary of the financing.

**Financing:** ECFF anticipates receiving its funds from foundations and corporations at deeply discounted rates.

**Goal:** Financing the renovation of approximately 39 Head Start and child care facilities over the first three years.

#### **D. Flexible Guarantee/Equity Program**

**Program Description:** This program is being created initially for use in the Full Service Development program and only when the projects being developed by ECFF can not be financed without a guarantee or equity investment. The ECFF guarantee would not exceed 20 percent of the loan, nor would an ECFF equity investment exceed 10 percent of the total project cost.

**Financing:** ECFF funding to back the guarantee will be sought from foundations and corporations.

**Goal:** To assist in the financing of 9 new or substantially rehabilitated Head Start Programs in the first three years.

## **E. Technical Assistance**

**Description of Services:** ECFF will provide technical assistance in several ways (i) directly by its own staff; (ii) by funding or arranging for expert consultant advice or outside services -- e.g., development services; and (iii) through group training to be conducted by ECFF staff and outside experts. Technical assistance and training will be provided in the areas of facilities development, facilities financing (including resource use and identification and financial packaging); and facilities management.

**Financing:** The costs of the technical assistance would be met from a combination of ECFF and provider funds. ECFF will seek to recover out of project capital costs any of the funds it advances.

**Goals:** Provide or arrange for technical assistance to approximately 30 center operators for facilities-related needs.

## **F. Research/Advocacy**

**Description of Services:** ECFF will be the focal point in the state for researching issues related to facilities, such as conducting cost-benefit analyses of ownership versus leasing space, conducting surveys of facilities needs, etc.

In addition, ECFF would work with the relevant state and national associations to assist with a range of facilities-related issues. This could include: permitting use of federal Head Start funds for major renovations or new construction to support expansion; reducing non-Federal match requirements in connection with development of facilities to meet expansion needs; allowing more flexible requirements on acquisition and ownership of facilities; and allowing Head Start funds to be used to repay facilities-related loans, including interest charges.

**Financing:** The cost of these services will be funded out of the ECFF operating budget.

**Goals:** To respond and initiate action on major issues related to facilities development.

**Attachments:** Map identifying locations of Head Start grantees.

**For More Information:**

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A Statement Presented to Joint Meeting of Senate and Assembly  
Education Committees  
Wednesday, December 2, 1992

by

Dr. Frederick J. Stokley  
Superintendent of Schools  
Ridgewood, New Jersey

My name is Fred Stokley and I'm Superintendent of Schools in Ridgewood, New Jersey.

I will begin by thanking you for the opportunity to speak today. Also, on behalf of the Ridgewood School Board and for me personally, I wish to thank Senator Ewing for being available and meeting with so many of us throughout the state, and especially in Bergen County, over the past few months to hear our concerns about the Q.E.A. funding of public education. Further, the scheduling of four public meetings, culminating this afternoon here in Saddle Brook, clearly indicates your willingness to listen and consider changes in the (A-3/S-1370) the Public School Reform Act of 1992, being proposed.

Present with me today is Mr. Charles Reilly, Vice President of the Ridgewood Board of Education.

In developing legislation for school funding, I ask that you consider the following:

1. Please act, as soon as possible, to return to the state the responsibility for paying the employees share of the Teachers'

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Pension and Annuity Fund and Social Security costs for certified employees.

2. I urge you to consider supporting the one-year compromise plan for 1993-94, and the creation of a commission to develop an equitable school funding formula for 1994-95 proposed by the New Jersey Association of Public Schools, the Education Law Center, the Garden State Coalition of 82 school districts, and representatives of urban, foundation, and transition aid districts.
3. Any new legislation should provide equity of funding for all children in the state, while continuing to support the existing superior school programs.
4. Include a cap on spending which guarantees flexibility for certain specified fixed costs similar to that proposed in the Nichols bill.
5. Reform the local school budget election law, so that any district who budgets to cap or below cap will not be required to have its budget passed by a public vote, consistent with what is the practice for all other governing bodies in the state and which acknowledges the fiscal responsibility imposed by state legislation on all local school boards.
6. Include consideration of both income and assessed evaluation in the determination of a local school district's ability to pay for public education.

The compromise plan proposed by the New Jersey Association of Public Schools calls for Ridgewood and many other transition aid districts to receive less money. However, if there is increased flexibility in a mandated cap and the possibility of no public vote on the school budget, I believe these "trade-offs" are worth the loss of funds in 1993-94 and are steps in the right direction.

Other ideas I ask you to consider are:

1. With Federal and State aid, fully fund the Headstart program which we know works well for children ages three to five.
2. Fully fund and support local communities in providing extended-day and full-day kindergarten programs and before- and after-school day care.
3. Encourage the development of curriculum programs at all grade levels which nurture within children a greater sensitivity toward others who are different whether it be by age, race, gender, special abilities, ethnicity, etc.
4. Sponsor teacher training opportunities at colleges and universities to develop curriculum programs for students to improve their abilities in problem solving, conceptualizing, systems thinking, experimentation and research, and collaborating with others.

5. Sponsor voluntary urban/suburban collaborative education programs for school children to join with other children from different socioeconomic backgrounds.

6. Establish K-12 public boarding academies in and around the cities. Parents, voluntarily, would have their children attend these academies, where the cost per child would be half of what is now being paid to annually support a prisoner. Look upon this as a long-term investment in our future.

These are some of my ideas about the proposed Public School Reform Act and the needs of public education in New Jersey.

Again, I thank you for this opportunity to speak and influence your thinking.

QEA HEARING TESTIMONY  
DECEMBER 2, 1992 - SADDLE BROOK, NJ

Senator Ewing, Assemblyman Ramano, and staff members,  
thank you for the opportunity to address you.

My name is Carolyn Gibson, and I am the Administrative Assistant to Superintendent of Trenton Public Schools, Dr. Bernice P. Venable. I come before you today to discuss the reality of your proposed legislation for the urban districts and their nearly 272,000 children.

The Webster's New World Dictionary defines the word "special":

- a. distinctive or unique, b. exceptional; unusual, c. highly valued.

The 30 urban districts are just that when they are described as special needs districts and require specific attention and funding.

We are but a breath away from the twenty-first century and here in New Jersey, we are still designing ways not to break down disparities, but to become even more separate and more unequal in our educational system.

The actual impact of the "Public School Reform Act of 1992" will be the reduction of funding for the small but pervasive population of districts called "special needs." I use the description "small" because there are only 30. but, pervasive because the impact of what

happens in the 30 districts is far reaching. Only for a moment on June 5, 1990 when the Supreme Court rendered its decision in Abbott v. Burke, did we in the special needs districts rejoice. Being realists, we knew that the decision would not be funded to the level indicated by the Supreme court justices -- because the picture was very clear, the decision impacted upon a powerless constituency -- children of the inner city -- those who are poor, mostly African-American and Latino. Lo and behold, without the aid of a "crystal ball," December 2, 1992 I am here in Saddle Brook, testifying regarding legislation proposed that would change the level of funding made possible by QEA.

We in the special needs districts see our children as distinctive, unique, exceptional and highly valuable to Trenton, the state and society. As your proposed legislation states:

"It is the public policy of this state to provide all children in New Jersey, regardless of socioeconomic status or geographic location, with the educational opportunity which will prepare them to function politically, economically and socially in a democratic society."

We definitely concur with that statement. However, you should include another statement in your bill:

"It is the public policy of the state to provide all school districts in New Jersey, regardless of socioeconomic status or geographic location with adequate funding that will allow any student an opportunity for educational excellence, regardless of their socioeconomic status, race, or geographic location."



We are a breath away from the twenty-first century and New Jersey ranks 4th in the nation as being the most segregated state with respect to African-Americans and third with respect to Latinos -- and for the most part, students of the 30 special needs districts.

Sometimes perception becomes the fact. The conditions of the facilities, neighborhoods, educational funding needs in the 30 special needs districts did not happen just yesterday. These conditions have happened over time, while the conditions in the surrounding suburban districts continued to flourish. No one seemed to pay attention to the decline in the 30 special needs districts until some of those same concerns being dealt with in cities began to infiltrate into the suburbs. Substance abuse, crime, and yes, violence, somehow have found their way to the suburbs despite all of the newly constructed highways, expressways and by-pass roads which separated the cities from the suburbs.

Sometimes perception becomes fact. This reform bill creates yet another commission whose charge is to monitor the progress of school districts by reordering educational goals and objectives. After this assessment (5 years) recommendations are to come forward for the implementation of programs which will enhance the opportunity for all students to receive educational excellence. Is the Commission really established to assist the children in the special needs districts who, today, are already behind their suburban counterparts?

Sometimes perception becomes the fact. Today, the 30 special needs districts are treated as if only they receive state aid. We are monitored by teams who give directives that must be addressed in one-year corrective action plans. We must account for every penny spent. Is there that same attention given to the school districts in the suburbs or is it a given that only those boards of education and superintendents know how to appropriately spend tax dollars for educational purposes and those in the urban 30 do not?

I do not see in this proposed legislation, that all districts regardless of state classification, socioeconomic status will be monitored for appropriate spending of budgets.

The boards of education and superintendents in the urban 30, contrary to popular belief, do know how to appropriately utilize their budgets. They know what they must fund: and they know how their districts are forced to look and behave differently from the suburban districts. In the special needs districts they have:

- Combination classroom/instruction
- Split classes (due to lack of substitutes)
- Unfilled instructional positions (teachers/professionals do not want to work in the urban centers)
- Minimal to no afterschool activities
- Rundown facilities
- High level of crime infested neighborhoods
- High percentage of students identified as "at risk"
- Increasing numbers of students who are homeless or emancipated

- Increasing numbers of students who come from parents/guardians who are substance abusers.

This list could go on, there appears to be the feeling that there is no need to provide the necessary additional support because 1) "the urban 30" -- will waste it, 2) we do not know what to do with the money -- we are incompetent.

Please understand, the level of competency is higher than you think. Competency is necessary in order to provide our inner-city children and the thousands of staff with a safe environment and one conducive for learning and instruction.

We in the special needs districts are educators, too, and know that our children are part of the future in this state, country, and world. We need the appropriate funding to adequately prepare our students to be as competitive as their suburban counterparts. Our children deserve to be educated in classrooms that present a positive atmosphere for learning. Our teachers deserve the same opportunity to feel as safe in their classrooms as their suburban colleagues. Our students deserve the most recent editions of textbooks, learning manuals, and supplemental materials as received by the students in the suburbs. Our schools must be able to develop the whole student by providing extracurricular activities.

Our students deserve an equal playing field. We need to get our students to the classroom - transportation is a problem. We in

Trenton are not a busing district. Our students walk to school or take public transportation and pay on an average \$54.00 per month per child for bus tickets. Our parents cannot afford the expense of bus tickets for one child. However, on the average, families are paying for at least 2 students. Our children, from ages 5 years to 18 years walk through neighborhoods that are not safe, cross intersections that are not safe, and must be in class ready to learn.

You say we do not know where to spend our money. You sit in your state offices and develop/implement plans, commissions which you feel will increase the efficiency of the schools. My question is the efficiency in which schools are you trying to improve? I challenge you to eliminate the bureaucracy. We need to create an administrative position just to handle and ensure compliance to regulation. We all know because of contractual restraints, the bulk of the work done for compliance is done by the small number of confidential administrators who work long hours and weekends to cut through the regulations imposed on us.

In closing, I must repeat that perception becomes the fact. I am in favor of state takeover, but not excessive state intervention. Provide the 30 special needs districts with the necessary funding to properly educate their children. Should they not do this, then take them over, don't just intervene with bureaucratic mandates that require more time to write than to facilitate improved outcomes.

Treat all districts as equal. What is good for one is good for the other. Bring New Jersey to the present and into the future by providing all its children with an opportunity for educational excellence.

I reiterate in the Supreme Court Justices' words:

"The children have already waited too long for a remedy, one that will give them the same levels of opportunity, the same chance, as their colleagues, who are lucky enough to be born in a richer suburban district."

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