

# Public Hearing

before

SENATE EDUCATION COMMITTEE

and

ASSEMBLY EDUCATION COMMITTEE

"Comprehensive Plan for Educational  
Improvement and Financing"

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LOCATION: Committee Room 6  
State House Annex  
Trenton, New Jersey

DATE: December 5, 1995  
9:00 a.m.

## MEMBERS OF SENATE EDUCATION COMMITTEE PRESENT:

Senator John H. Ewing, Chairman  
Senator Joseph A. Palaia, Vice-Chairman  
Senator Robert J. Martin  
Senator Gordon A. MacInnes

## MEMBERS OF ASSEMBLY EDUCATION COMMITTEE PRESENT:

Assemblyman John A. Rocco, Chairman  
Assemblywoman Martha W. Bark  
Assemblywoman Barbara W. Wright  
Assemblywoman Nilsa Cruz-Perez  
Assemblyman Raul "Rudy" Garcia



## ALSO PRESENT:

Assemblyman Joseph R. Malone III  
District 30

Darby Cannon III  
Kathleen Fazzari  
Office of Legislative Services  
Aides to the Committees

*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  
LEGISLATIVE OFFICE BUILDING, CN-068  
TRENTON, NJ 08625-0068  
(609) 984-6843

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Chairman

DAVID W. WOLFE  
Vice-Chairman

MARTHA W. BARK  
MARION CRECCO  
BARBARA W. WRIGHT  
NILSA CRUZ-PÉREZ  
RAUL "RUDY" GARCIA

### NOTICE OF JOINT PUBLIC HEARINGS

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: JOINT PUBLIC HEARINGS

*The public may address comments and questions to Darby Cannon III, or Kathleen Fazzari, Aides to the Committees, or make 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 three joint public hearings in order to receive testimony on:

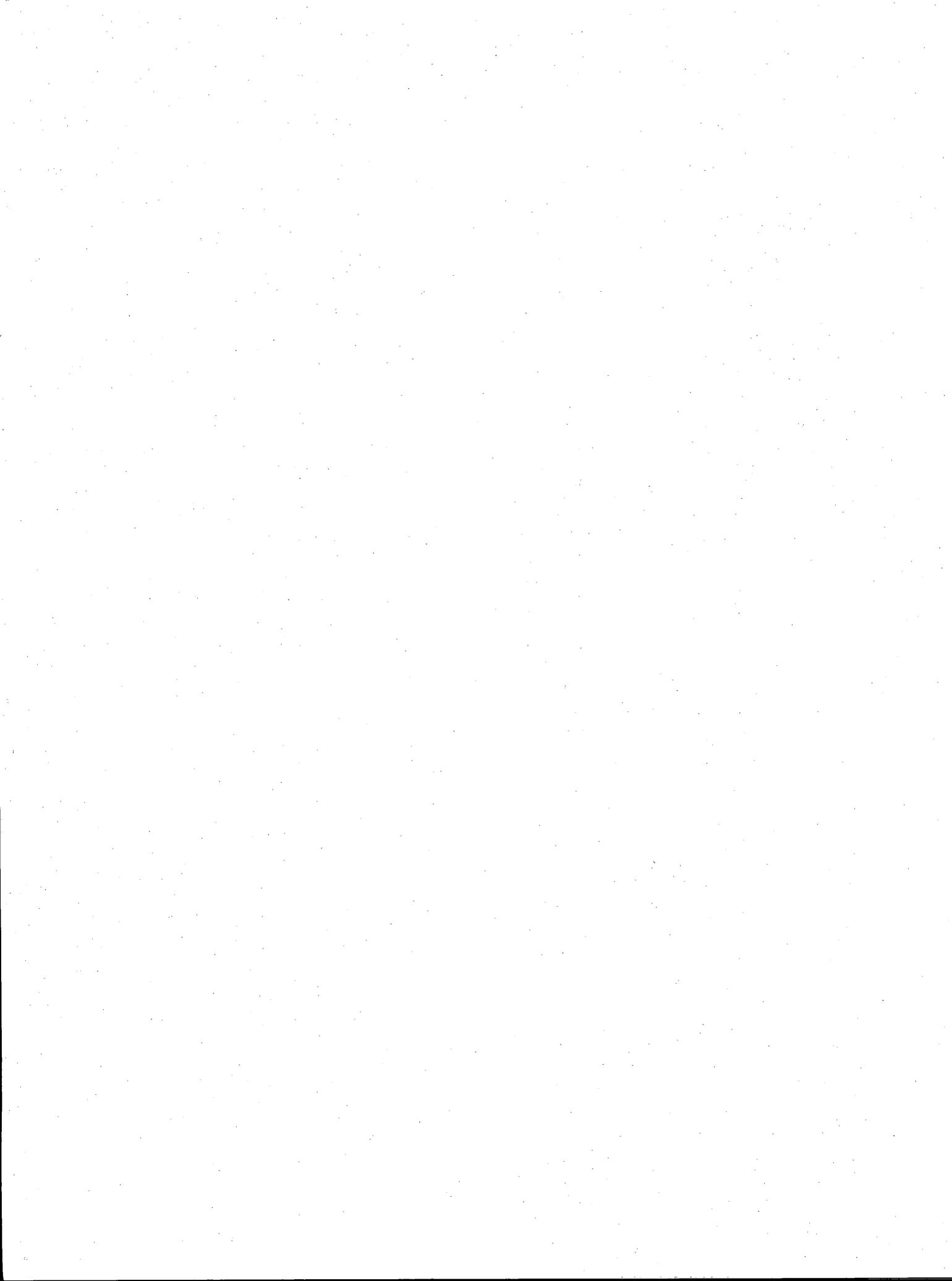
#### "COMPREHENSIVE PLAN FOR EDUCATIONAL IMPROVEMENT & FINANCING"

issued by the Department of Education on November 21, 1995.

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

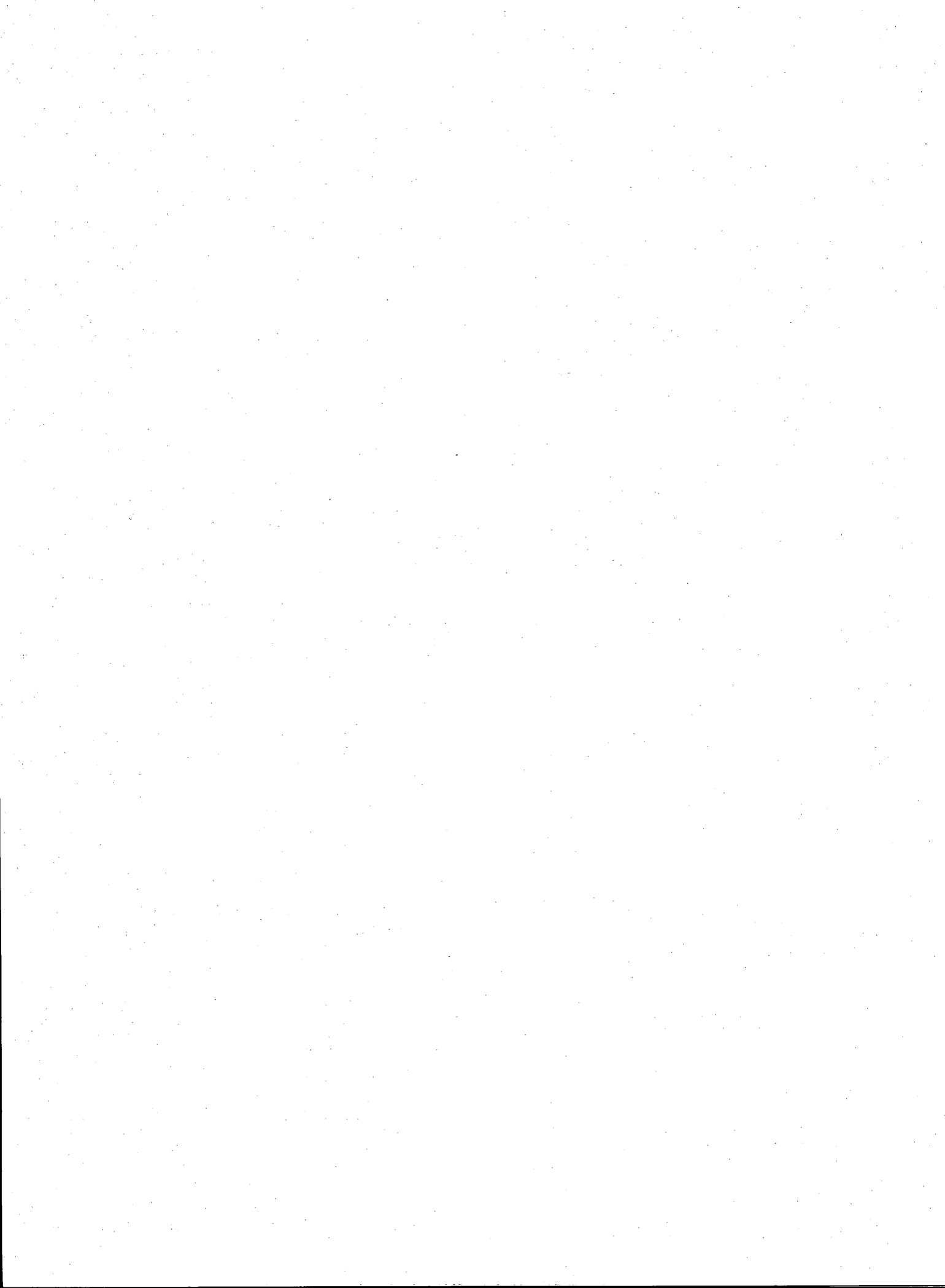
Tuesday, December 5, 1995 9:00 AM	Committee Room 6 (1st Fl., Room 160) State House Annex Trenton, New Jersey
Tuesday, December 12, 1995 4:00 PM	Heritage Junior High School Foxcroft Drive Livingston, New Jersey
Tuesday, December 19, 1995 3:00 PM	Eastern High School Laurel Oak Road Voorhees, New Jersey

Persons wishing to testify should call Mary C. Lutz or Bernadette Kmetz. The committees request that the oral presentation be limited to 5 minutes. All persons who are testifying should submit 15 written copies of their testimony. Persons who are not presenting oral testimony may submit 15 copies of written testimony for consideration by the committee and inclusion in the record.



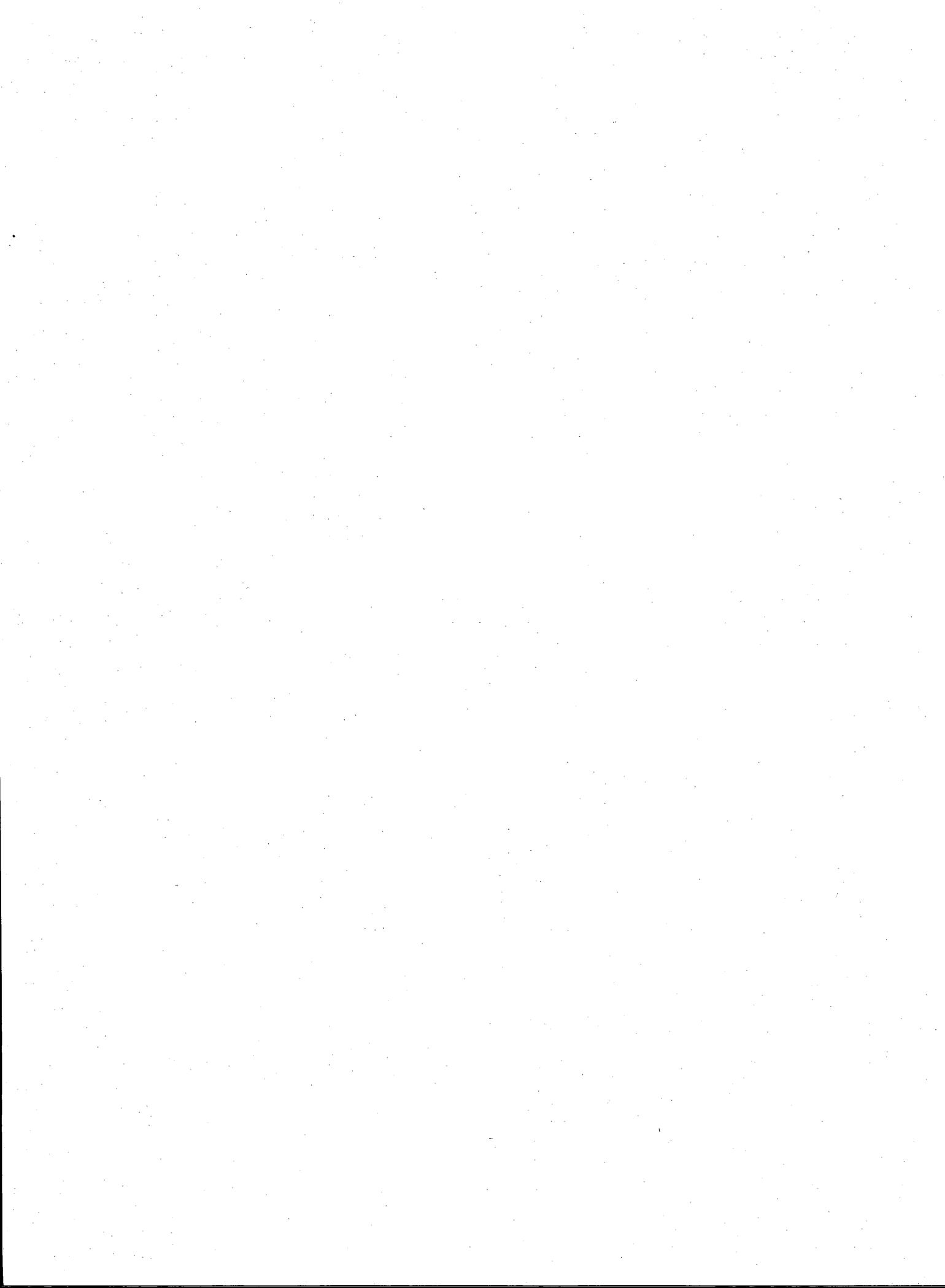
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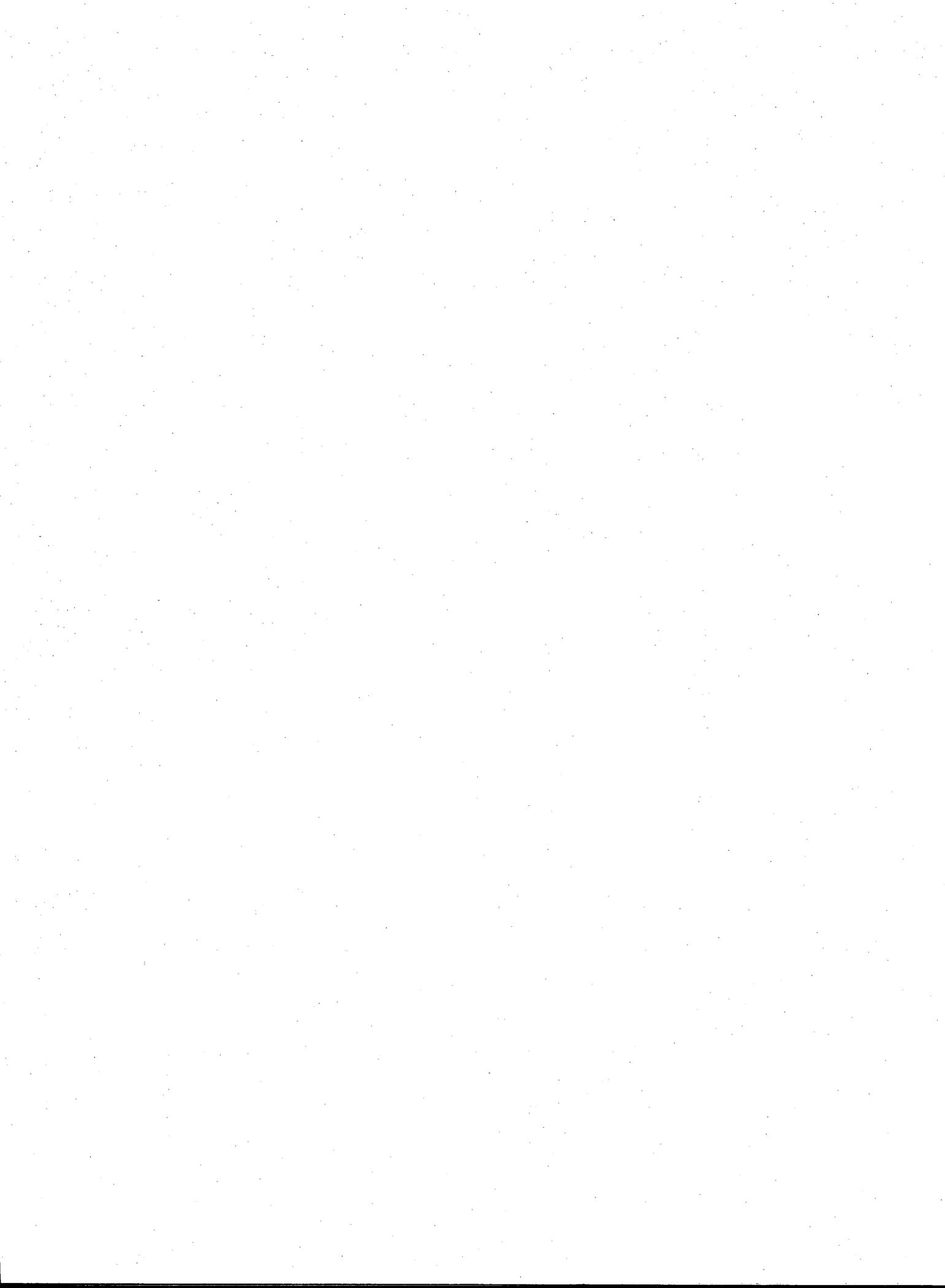
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Principal  
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**SENATOR JOHN H. EWING (Senate Committee Chairman):**

Today, we come to another stop on the long road to educational parity in New Jersey. The administration's proposal which we are reviewing today is the latest stage in our attempt to bridge the gap between the State's wealthiest and poorest districts. Considering the vast complexity of the problem, its most recent solution is far from complete. Rather, this proposal is a beginning. It is a rough blueprint which the Legislature and the administration together will refine and finish.

Along the way, we will receive considerable assistance from all groups concerned with education in New Jersey. We will be careful to take our time with the legislative review process. We do not want to repeat the mistakes that led to the ill-conceived Quality in Education Act which was hastily rammed through the Legislature. This effort will take time and effort.

The administration held extensive hearings on school financing just to get to this starting point. Finding a binding, lasting solution will take more time. Despite all the legal language and formulas that will be tossed back and forth, we must remember our goal to ensure every child is given a quality education. For this reason, I do not consider this an unwanted chore. I enthusiastically welcome the chance to accomplish a great service for the young people of New Jersey for generations to come.

Education is a means to opportunity. Every child deserves an equal opportunity to succeed. We have more than a constitutional responsibility to guarantee this opportunity. We have a moral responsibility as well. If we take our stewardship of this State seriously -- which is something I hope everyone in

State government does -- we should not be satisfied if there are children who are not getting a fair chance to make their lives better. We should not be satisfied unless every child receives the best possible education that we can provide to them.

This proposal is a promising starting point to what I hope will be a homestretch run in our effort to establish the most fair and efficient education system possible.

I want to congratulate Commissioner Klagholz for holding so many public hearings. Commissioner, your work shows that you put the welfare of New Jersey's children first. I hope that everyone involved will keep an open mind during the legislative process.

The Cochair of this hearing, Assemblyman Rocco.

**ASSEMBLYMAN JOHN A. ROCCO (Assembly Committee Chairman):** Thank you, Senator Ewing.

Commissioner and members of the administration: In my estimation, after 35 years in education, you have done a fine job of putting together what you may consider to be the core of education to identify what is thorough and what is efficient and what is necessary for all of the children of the State of New Jersey.

The numerous hearings, as Senator Ewing has indicated, have been very helpful to the public having some concept as to what the proposal is all about. In the hearings to come which both Senator Ewing and I will be having throughout the State, we will be getting more information from superintendents, from principals, from those interested in education, and from the public at large, as we will be doing here today.

The ultimate concern, however, will be when we put the dollar signs next to the districts. As we all know, that is when we will see what it looks like in terms of the impact upon the citizens of the State of New Jersey in a financial way.

We look forward to the results coming in. The philosophical portion of it, or the practical portion of it, depending upon your perspective as to what you put together to this point, will certainly be looked at and debated. Ultimately we are going to have to come up with something that the public can be happy with, and something which will not be overly burdensome on the financial side, so we can continue to provide good education and also maintain the finances necessary for a district to be able to afford the program.

I guess most importantly I want to emphasize to the Commissioner and staff that whatever we do, it should be gradual. The Quality Education Act was a shock to too many districts which absolutely lost millions and millions of dollars in that process, and ultimately affected the education in some districts, but not in a positive way. We want to make sure that we do not again make that mistake.

So we look forward to hearing from you at this point.

SENATOR EWING: I would just like to remind everyone that when they speak as a witness, or anything, they should press the black button so the red light comes on.

The first individual will be Commissioner Klagholz.

**C O M M I S S I O N E R L E O F. K L A G H O L Z:** Good morning, Senator Ewing, Assemblyman Rocco, and members of the Senate and Assembly Education Committees.

I appreciate having this opportunity to testify on the issue of school funding. Before I begin, I would like to introduce members of my staff who contributed to the development of the Department of Education's Plan and who are here to help me to answer your questions: To my immediate right, Dr. Richard A. DiPatri, Deputy Commissioner of Education; to my left, Dr. Peter Contini, Assistant Commissioner for Field Services; Michael Azarra, to my extreme right, Director of Finance; and there are two staff members there -- if they would just raise their hands -- Dr. Jeffrey V. Osowski, Assistant Commissioner for Grants Management and Development, and Robert Krebs, Policy Assistant to the Deputy Commissioner.

For more than 20 years, New Jersey has been under Court order to equalize spending among its school districts. Specifically, the State has been trying to enable districts in 30 of our poorest communities to spend the same amount per pupil on regular education that districts in the wealthiest communities spend. This effort has been less than fully successful in several ways.

First, Court decisions in funding formulas have not addressed spending equity for the hundreds of New Jersey districts that are neither among the wealthiest nor the poorest. Therefore, our efforts have created a new class of lowest spending districts, and the statewide parity or gap has widened.

Second, progress has been made toward closing the gap between the poorest and the wealthiest. But the gap has not been fully closed, even though a very large investment of funds has been made.

Third, a primary reason for that lack of closure is the fact that under our budget election system, some high spending districts can and do continually increase their spending levels to a point that is inconsistent with common practice elsewhere in this State, in the Northeast region, and in the rest of the nation.

The budget election process does not require that spending increases be justified by specific documentation, specific educational need. Rather, to a degree, it protects the ability of some districts to increase already high spending levels based on approval of their local voters, usually a small minority of those voters and, not infrequently on appeal, over the express objections of local voters.

Despite the illogic of that system, the State must continually pursue the practices of highest spending districts, raising substantial amounts of money each year simply to maintain the current level of disparity.

Finally and most importantly, we are unable to show clear evidence that our efforts of the past 20 years have produced substantive equality in terms of improved educational results for children.

The Supreme Court, once again, declared our funding laws unconstitutional, and the Court has ordered the enactment of new legislation no later than September of 1996. To aid the completion of that task, Governor Whitman asked the Department of Education to conduct an analysis of the major issues and problems involved, and to recommend solutions that might be considered. The Department's "Plan for Educational Improvement and Financing" is our response to that charge.

We developed the Plan with a significant amount of public input, as Senator Ewing indicated, and Assemblyman Rocco. More than 70 hearings, town meetings, and other discussions were conducted in various parts of the State. Some of the ideas presented in our Plan were obtained through these public discussions.

Among our general recommendations are the following:

First, per pupil targets for equitable spending in regular education should be generated from substantive educational considerations; that is, from analyses of what we expect all students to learn, what types of programs, services, activities, and materials are needed to foster that learning, and how schools and districts might ideally be organized and staffed to deliver the needed programs efficiently.

Such analyses should replace the current practice of aiming the entire system toward whatever spending levels the wealthiest districts are able to achieve through a flawed budget election and appeals process.

Secondly, that budget election and appeals process, which is itself a major cause of spending disparity, should be reformed.

Thirdly, that risk funds ought to be directed toward communities where conditions of poverty are extensive, and they ought to be targeted to support programs that can ameliorate the learning disadvantages that often result from conditions of poverty.

Special education funding should be revised to encourage practices that are fiscally sound and in the best interest of children.

Finally, State funding of transportation and facilities should be revised to encourage and support sound practice in the use of funds.

As I suggested at the outset, New Jersey has gone around on the issue of school funding without resolving it for more than 20 years. Given what I believe are good intentions on everyone's part, a perpetual cycle of new Court challenges, decisions, and funding laws is not healthy. I believe it is in everyone's interest, especially the children of our State, that we try to resolve the fiscal issue, thus stabilizing our governance in education systems and allowing a concentration of energy and intention on the substantive educational task of enabling all children to achieve high learning standards.

It is our hope that our report is helpful to you. I recognize the difficulty of the issues involved and, for that reason, I commend you for continuing the process of public discussion. We would be pleased to try to answer any questions you may have at this time.

Thank you for your kind attention.

SENATOR EWING: Senator Palaia?

SENATOR PALAIA: Thank you, Mr. Chairman.

Commissioner, I would also like to congratulate you and your staff for the job you have done here.

I have heard the words used a few times already this morning and they are apropos -- "open mind." We must all have an open mind to this. It is far-reaching, and yet it is imperative that we put something together. It is very important, because we know that down the road the court system is always hanging out there somewhere.

I think all we can do, though, is try to do what we think is right for the educational system of the State of New Jersey. We cannot think about what the Courts might decide later. We have to do what we think is right.

I think we are going to hear different aspects from different people. The part I like, which I always felt was double jeopardy as far as school boards were concerned-- We ask a school board to put a budget together. We ask them to come within a cap, and then we send it out to the voters to vote on. The voters turn it down, and what does that do? That only causes more chaos within school systems. That aspect of what you are addressing and what you have proposed, I think, addresses that important situation; that if they come within that cap and they meet the standards you have set forth, they do not have to go back to the people.

That is not an easy thing to do. I congratulate you for even putting it in, because the public is going to say, "We have a right to vote on a particular budget." That is one aspect I think you are going to hear a great deal about in the coming weeks and months. I think it is a proposal that is well worth listening to and seeing to fruition.

COMMISSIONER KLAGHOLZ: I think, Senator, that process is at the root of the constitutional issue here; that if we are trying to achieve parity, the budget process does not do that. It is, in some ways, misleading, as you describe, in all instances, but at the extremes particularly so, in that if districts choose to -- if I may use the word -- "underspend" at the very lowest levels that exist statewide and voters support that, or even otherwise, as long as the district chooses not to

a appeal to us, we turn our head and let that occur. Then, at the highest levels, even if the voters reject spending and there are reductions, the historical tendency has been for the Department to put everything back in. Those kinds of decisions, in and of themselves, encourage disparities. On the fact of it, it is misleading in terms of suggesting that voters have a decision to make, when, in fact, the decision has been made, for all intents and purposes through the county review process. If it is appealed, the voters are overturned.

SENATOR PALAIA: Mr. Chairman, if I may, just one more. I think the aspect that you brought out was something-- When I answer the question of the public a lot of times about not being able to vote, the fact is that if they go over the cap and it does go to the public and they do turn it down, that is the end of it. Correct?

COMMISSIONER KLAGHOLZ: Yes. Now, we have suggested here that if, in the current appeals process, the Department of Education is responsible for and capable of determining what is necessary for a thorough and efficient education -- and we do that every budget process -- why not tell the school districts and the voters both, in advance, what criteria we are using, what the tolerances are in that, so that they know in advance and they don't have to go through a cumbersome process of voting on things that we know will be overturned later if appealed. In other instances, where we clearly know that even under current definitions something would be unnecessary, why encourage an appeal process? Why not let the voters decide?

SENATOR PALAIA: One other aspect -- real quickly -- was the one on special education which, as we all know, has really become a real difficult issue to address.

Have you tied in your report on the-- Have you gotten a report back from the task force that was working on special education funding? It was supposed to report back in 90 days, but I don't know when that time limit is up.

COMMISSIONER KLAGHOLZ: We are represented on the task force, so I am aware that there has not been formal communication on the development of the Plan vis-a-vis the task force's work. However, we have monitored the two things, and we recognize the need to bring them together ultimately, not just the task force and the Funding Plan, but other substantive initiatives that need to be undertaken, such as review of regulations that might be causing problems, such as a review of the litigation process that exists. We know the difficulties that can cause, and other substantive issues that need to be addressed in addition to funding.

SENATOR PALAIA: Thank you, Commissioner.

Thank you, Mr. Chairman.

ASSEMBLYMAN ROCCO: Assemblyman Garcia?

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman, members of the Committee.

Commissioner, thank you for your testimony.

First of all, let me begin by saying that if some of our school facilities looked as nice as this chamber, maybe we wouldn't have some of the educational problems we have today.

Along those lines, I would just like to add that although the Constitution does not define a thorough and

efficient education, it clearly compels the State to take every available action to guarantee not only quality of education, but equality in education as well.

My question is: Under the Plan, a district can spend any amount of money provided that all amounts above the foundation level be approved and funded by local property taxes. Won't this exacerbate the current disparities between the rich and poor districts?

COMMISSIONER KLAGHOLZ: Well, I can give two answers to that:

Number one, I think what we would be doing is, for the first time, moving that kind of spending outside the State educational funding system so that it is not part of the constitutionally required thorough and efficient education.

Secondly, we would not do that just rhetorically. We would do it through major changes in policy. This is what we are proposing be considered; that is, not allowing, first of all, the declaration of that type of spending as outside thorough and efficient and unnecessary. Secondly is not to allow appeals of that to the State and what has been a historical tendency for the State to put in even rejected expenditures at the highest level, to put back in, even when voters reject them.

So by making that in a very real sense a local issue and outside the State funding system, I think the tendency will be not just to have a different constitutional definition, but the actual tendency will be to contain and compress the spending range.

ASSEMBLYMAN GARCIA: So, in other words, maybe the higher spending districts will reduce the amount that is being spent in those districts and, therefore, there won't be such a disparity, because the poorer districts will not have to level up, instead will compress down to spending. Doesn't that create a negative impact on education in both the richer districts and eventually then in the poorer districts?

COMMISSIONER KLAGHOLZ: It only would if the expenditures that are outside the system both in type and amount are really needed to produce the results that we want to produce. If they are not contributors toward excellence and they are only excessiveness, then, no. All we do is achieve the right target, the target that we want to in terms of substantive educational definitions, and that should be discussed.

We have recommended a model so you can see, for illustrative purposes, the kinds of things we are considering. But, basically, what we are recommending is that there be a process to discuss that very issue, not just on vague assumptions and vague statements of leveling down, but what does leveling down mean specifically as the executive and legislative branches discuss. For the first time in substantive terms, what things are needed, and what things are insufficient at one end of the spectrum and excessive on the other end?

ASSEMBLYMAN GARCIA: I am glad to be part of that process.

I have a few more questions, if I may.

ASSEMBLYMAN ROCCO: Well, Rudy, we want to get to the Senate side. We will come back to you.

ASSEMBLYMAN GARCIA: May I ask one more then?

ASSEMBLYMAN ROCCO: One more.

ASSEMBLYMAN GARCIA: The Plan calls for allocating at-risk funds to districts that have a concentration of lower-income students of greater than 20 percent. Districts whose income level of concentration is greater than 40 percent will receive twice that amount. Moreover, at-risk funds will be allocated on a similar basis to individual schools to follow that formula.

What poverty standard do you recommend be used to determine at-risk eligibility? Will it be AFDC, number of children eligible for free and reduced lunch programs? What is that funding formula going to be?

COMMISSIONER KLAGHOLZ: Let me ask the Deputy Commissioner to respond to that.

DEPUTY COMM. RICHARD A. DiPATRI: Assemblyman, I believe we are looking at the same criteria that we now use.

ASSEMBLYMAN GARCIA: Which is the lunch program?

DEPUTY COMMISSIONER DiPATRI: Right now, it is those who are eligible for free lunch.

ASSEMBLYMAN GARCIA: Free lunch. Okay.

COMMISSIONER KLAGHOLZ: We are doing that as we continue to study the fiscal effects of the Plan. We would make certain assumptions such as the one to which you allude.

ASSEMBLYMAN ROCCO: May I interject on the free lunch issue? Do we find that some school districts are increasing the number of free lunches just to get more at-risk money? How are we going to control that?

COMMISSIONER KLAGHOLZ: That is why, I think, we are not committed to the specific definition yet. We are going to do that in the coming weeks, look at all those kinds of issues.

ASSEMBLYMAN ROCCO: I think that if we go to free lunch, we need monitoring to make sure we have a handle on what is going on.

Senator Ewing?

SENATOR EWING: Senator Martin?

COMMISSIONER KLAGHOLZ: We are monitoring it now, but we need to make sure -- you are quite right -- that monitoring efforts are adequate.

SENATOR MARTIN: To some degree, what I want to talk about is related to Assemblyman Garcia. My district, as you know, is a suburban district. I am very concerned and interested about this aspect of the areas that are outside of the core curricula.

Now, I understand the core curricula is not the traditional three R's, that it is much broader than that. But I am not clear what it is that may be outside of the core curricula as you envision it, that which the local district would be able to make a determination to vote on to provide for this additional cost which is outside of the core.

The things that come to mind, to me, are perhaps sports programs, plays. Could you give me some concept of what it is that would be in this area that districts would make their own determinations with local taxpayers' dollars?

COMMISSIONER KLAGHOLZ: Section V of my report presents an illustrative model of what we would, at this point, if we were actually no longer in place and we were doing it --

that we would have presented to the Legislature. When we presented our interim report, we did not have extra curricular activities in it. This final report includes those things in the illustrative model and assumptions about how they would be funded.

If you want more specifics, I will ask the Deputy Commissioner to comment on that. But I want to just make two points.

SENATOR MARTIN: Well, is that illustrative, or is that gospel, so to speak? Is what you have identified in or out? Is that still open to debate, or is that pretty much a determination of a conclusion reached by the Department?

COMMISSIONER KLAGHOLZ: The policy we have proposed, Senator, is not that you adopt the model that is in the report, but, rather, you adopt the policy by which every two years the executive and legislative branches would engage in and conduct a public discussion of this issue -- of all the substantive ingredients that are necessary to achieve an educational program that is two things, two characteristics: thorough, and efficient also.

So part of the answer to your question is that those things can be debated, and should be debated at such time that the law would be in place and the process carried out formally and officially. Yet, the models that we proposed were based on no small amount of analysis and public testimony, and so forth, so they are pretty good indicators, we would suggest, of where we would be initially should we go through such an exercise.

But I think that is healthy, because now there is sort of a vague discussion that goes on about, you know, dollars and

the relationship to education. What we are proposing is that the process be adjusted so that there is a very specific and substantive discussion of what is specifically needed and in what ways is this not adequate, what things are missing, not only for my district, but for all children. That is how we get to the equity issue.

The second part of the answer, though, is that we have also recognized that we believe some degree of disparity is legitimate. So once these analyses are conducted and we generate from that a level of funding and spending, we propose that there be a range of flexibility of a certain percentage above that to a percentage below -- an equal percentage below -- as a way of accommodating legitimate differences such as those which are regional and, for example, the happenstance of having teachers at different points on salary, those kinds of things.

SENATOR MARTIN: A couple of things: First, you hit words that I am very concerned with; that is, "regional differences," something which those of us who live in Morris, Bergen, generally North Jersey, are very concerned with as you draw up statewide averages.

Is it your position that the regional differences will be accommodated simply by this process of allowing some disparity in the presumed cost? If that is so on the high side, would it only be accomplished by over approval of the add-ons in the budget, or are there other ways you would envision regional differentials could be achieved?

COMMISSIONER KLAGHOLZ: The basic principle we are advocating -- and I think it is very important -- is that we separate those legitimate disparities from those that are

illegitimate. On the illegitimate side, we are trying to get to the Court issue of equity. I think where we are is that no disparity is legitimate. The principle we are getting at is that some are unavoidable, maybe as a result of regional cost differences, and, again, the accident of teachers being at different points on salary guides and so forth.

That is the basic principle. The basic solution we have proposed is a range of flexibility that is far less than the current disparity that is objectionable constitutionally, but a legitimate, defensible disparity nonetheless. That is the sole way that we have proposed getting at that.

But, yes, once we have defined substantively what a thorough and efficient education ought to include and we have funded that, the balance, we would contend, should go to the voters and should be subject to their absolute right to decide. It is not unlike what we ostensibly do now, in that we let the voters vote on everything, and then have the districts appeal to us. Only then does the State Department decide what is tolerable within thorough and efficient education and what lies outside that.

So we do it now, but not in a very effective or systematic way, and after the fact. We are proposing that it be done before the fact.

SENATOR MARTIN: Just one last point on this issue, and then I will relinquish my spot here.

It seems to me that the largest constitutional hurdle you will face is in this allowance for things beyond this core curricula, which some districts will have and others will not. Whether a Court would perceive that as enrichment and necessary,

or at least to put it in one way for one district if it is willing to fund it, but other districts maintain the position that they can't afford it, but would like to have it nonetheless, is going to be, I think, subject to constitutional challenge. I am not necessarily saying that the Court would go in that direction, but to what extent have you, up to this time, done some research that would assure you that the proposal, as it has been put into this fashion -- I think it is clearly going to be challenged; it has already been announced, essentially, that it will be -- will withstand that constitutional question?

COMMISSIONER KLAGHOLZ: Well, we proceeded on these bases: One is the literal language of the Constitution that requires a thorough and efficient education. We have tried to take those words and use them as the drivers of the system we are proposing be set in place.

The second consideration was the language of Court decisions in which the Court has required and directed spending be equalized at the average expenditure of the wealthiest districts. But it has also been suggested in various ways that it has used that standard in the absence of being provided a more substantive set of definitions by the Department of Education specifically. So, in addition to the language of the Constitution, we are trying to respond to those admonishments of the Court.

Thirdly, we believe, not just, again, rhetorically, declaring some spending as irrelevant or constitutionally insignificant, that we would actually, as you pointed out, revise the policies to, in fact, make that spending outside, entirely, the State system of educational funding, in that the

State would never require -- never fund it anywhere, nor require that it be funded anywhere, as it does now, both directly and indirectly through the appeals process.

SENATOR MARTIN: Why not just take it right out of the school system? I mean, then you wouldn't have the problem, if you are advocating that. It just seems to me that if it is important enough for one school district to fund it, include it in its educational program -- and many of these have been political decisions fought long and hard over the years in local districts -- you know, whether they should have certain types of sports, how they are going to visit different educational places, and so forth--

It seems to me that if you have identified what it is that is education, that should be it. Why not just take the rest and make it a municipal or a private matter that we parents approve of.

COMMISSIONER KLAGHOLZ: I think that is, in fact, precisely what we are doing, to make it a municipal matter. If we have defined it through interaction of the two branches of government that are outside a thorough and efficient system of education, I am not sure what authority we would have to do anymore than that, except make it a municipal issue. This is exactly what we have proposed.

We are also proposing a system whereby these definitions are not arrived at arbitrarily, but through an open public process extending six months during the appropriations process, so those adjustments can be discussed and debated, and they should be.

ASSEMBLYMAN ROCCO: Thank you, Robert.

Assemblywoman Barbara Wright.

ASSEMBLYWOMAN WRIGHT: Thank you, Commissioner, for your hard work.

One of my districts has already corresponded with me over this report, and they understand it more than I do. But there are a couple of things I would like you to respond to.

They said they were troubled that the descriptors like "basic" and "essential" were replacing words such as "excellent" and "high quality," and I did hear you mention excellence this morning, so I hope you will reiterate that.

Further, in reviewing the components of the model school, we have one of those 450-student elementary schools with 21 students. We found that when we looked at your model that it would be impossible for us to implement the core curriculum with the kinds of staffing that were recommended. We hope you will reexamine those.

For example, you recommend three staff positions for guidance/child study, librarian, and nurse. In our district, we have eight staff positions covering those areas, in addition to some of the other programs we offer.

We also feel that our positions do not include world language. We do not know how we could fund world language on the model that you pose.

In addition, on another note, we want to continue to ask you to address the enrollment increases, because we are a district with rapidly growing communities, and we are just unable to deal with the funding mechanisms on enrollments. It is just untenable.

But the larger questions are those I posed ahead. I know you can't answer all of them. I am trying to ask you, as you move through the process, if you would address some of these.

COMMISSIONER KLAGHOLZ: We will continue to do that. I would just say on the first point that we scrupulously avoided the approach of minimums and basics, which really has been the emphasis of the past 20 years of minimum basic skills and the three R's exclusively -- minimum basic proficiencies, and those kinds of things. Instead, we predicated this, or recommended that it be predicated on a full curriculum of standards that are not minimums, but competitive standards in different subject fields, and so forth.

So it is not an emphasis on minimums. But I think what we are going to have to get down to is the continuing debate over-- I have heard it contended that every expenditure is needed for excellence, you know, and that is the general contention. I think we have to look at it in specific terms of: What do we need for excellence, given those standards, and what don't we need? I think that is healthy.

Secondly, we need to do more analyses on -- or discussion on the relationship of the standards and the models, because our contention, for example, in elementary world languages, is not that there be a separate course or a separate teacher, but just that students achieve the proficiencies that are reflected in the standards, given appropriate resources, and we make some certain assumptions about that. Then districts could use whichever approach they want to get students to those standards.

But, you're right, that needs to continue to be discussed and analyzed as we move along, regardless of what happens with funding.

Then your third point on enrollment: I think we proposed a system predicated on enrollment, and we need to get to the point where we are using actual enrollment, which we are not now, as you know. This will be a difficult shift, because we abandoned it for a couple of years.

ASSEMBLYMAN ROCCO: We are closer, though, on Roman figures, right?

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN ROCCO: You are on Roman figures now?

COMMISSIONER KLAGHOLZ: Yes. Well, we made some adjustments to that, but we came closer in the last budget than had previously been the case.

ASSEMBLYMAN ROCCO: If we were to take Assemblywoman Wright's point, Commissioner, with regard to those districts where there is likely more personnel than described in the model, would the additional personnel then go into the portion that would go out to be voted upon by the public?

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN ROCCO: So if a district, in fact, wanted to have more than one guidance counselor, they could do that by putting that in the voting portion that goes for a public vote?

COMMISSIONER KLAGHOLZ: That is correct.

ASSEMBLYWOMAN WRIGHT: Well, Mr. Chairman, not to be argumentative, I was just asking the Commissioner to -- if they would relook at that model, because we think, based on the criteria you have set, that you may need to strengthen that

staffing, even before you go over and above it. We are just saying that as we have examined it, we do not see that it is adequate. We think your model is all inclusive, and so there should be some kind of a minimum. We are asking them to relook at that.

The other thing I just wanted to say on enrollment is that one of our districts has had enrollment increase of 27 percent over the past five years, and we were funded in the 7.5 percent. So that becomes an \$11 million cost to our district. I hear you saying that we are going to continue to look at enrollment, particularly those of us with rapidly growing school districts.

COMMISSIONER KLAGHOLZ: I believe it was Fiscal Year 1991, was it, where the decision was made to continue using FY 1991 enrollments, rather than actual. Again, once a decision like that is made and you are off the mark, it is all the more difficult to catch up, so to speak. I think we made substantial progress last year in terms of the budget, moving toward that, but not all the way.

ASSEMBLYMAN ROCCO: Senator Ewing?

SENATOR EWING: Senator MacInnes?

SENATOR MacINNES: Thank you, Mr. Chairman.

Good morning, Commissioner.

COMMISSIONER KLAGHOLZ: Good morning, Senator. How are you?

SENATOR MacINNES: Oh, I'm well, thank you.

I want to start by saying that this is a devilishly complex problem that we have all been handed. At a time when there is intense partisanship over many issues, I would hope

at this would be one where we could come together with a very bipartisan approach. I think this is too important to have one side or the other take advantage of it.

My bias is quite strong. In early 1994, I went to the Governor's Office, to the Chief of Staff, and asked if we couldn't form a bipartisan approach that would be directed at presenting a different standard to the Court than the one that was contained in the Abbott v. Burke decision, which is equalized spending as the sole judge between wealthy and poor districts, which is a standard, I think, that educationally makes no sense.

COMMISSIONER KLAGHOLZ: We agree.

SENATOR MacINNES: I am wondering. I commend the Department for the work that has gone into this. I think you were sort of handed a rattlesnake, and I think you were able to grab the snake right behind the neck, and you did pretty well. I believe this may be looked back upon as the beginning point of an evolutionary process. We may not recognize very much of this Plan when we get to the end of the process.

I am wondering if you believe that the proposal you have made, if it were adopted, would meet the test of Abbott v. Burke as set forth by the New Jersey Supreme Court.

COMMISSIONER KLAGHOLZ: First of all, I agree, in principle, on the idea of working collaboratively. I think everyone has the right intentions on this issue. Your description of it as a rattlesnake is not that far off the mark. It is a very, very difficult issue. Perhaps if we can avoid the pendulum approach to solving it, we will all be better off.

For the reasons I stated, yes, we think it would. We would not intentionally design a system that we thought didn't meet the test. But, more specifically, we looked at what is driving everything -- that is, the literal language of the Constitution, number one -- and what it said, and we tried to use that as the criteria, the primary one, for what we did. That is defining what thorough and efficient education means.

We paid attention to the Court's admonishments that we go beyond the Court's own standard and provide the Court with substantive ingredients that the Court could use in its own judgments. That had not been done before. More than anything else, we wanted to respond to those admonishments from the Court.

Thirdly, I think by revising the policies to distinguish, in a formal way -- a formal policy way -- between thorough and efficient activities and expenditures, and those that lie outside that, I think we have an argument to make on that as well.

Finally, we are proposing a system -- however you feel about the distinctions we have made -- that allows for further discussion of those distinctions. You know, I guess if you believe in democratic government, it provides a way of getting to these definitions on a continuing basis.

SENATOR MacINNES: Right. I do believe in democratic government, both small "d" and capital "D." (laughter)

In that regard, it seems to me that one consequence of the scheme you have laid out, Commissioner, might be the following: In a district that spends above that expenditure level which is considered to be State guaranteed for purposes of

meeting thorough and efficient-- Incidentally -- and I do not mean to be parochial in this regard -- every district in Morris County is above those numerical standards. In fact, every elementary district is above the allowance for secondary spent in regional districts.

COMMISSIONER KLAGHOLZ: May I just-- I have heard that comment, but one thing we need to be sure of is that it is a comparison of apples to apples, because our figures are only-- They only include regular education and part of special education. They do not include transportation funding. They do not include what we propose -- the technology and grant program. They do not include-- So they are not overall per-pupil expenditures.

SENATOR MacINNES: I understand.

COMMISSIONER KLAGHOLZ: We will provide that in the coming weeks.

SENATOR MacINNES: I understand. I am sort of guessing at what those numbers are. I believe that my statement will still stand probably, but if it doesn't, it will be only one or two districts that will come below the statewide number, when those are added back in.

In many of the towns, there will be, I am sure-- If this scheme were adopted, there would be an effort to say to the local citizens, "We believe that the expenditures above those which the State will guarantee are worthy educational expenditures. We do not consider them" -- in the words of the Department -- "to be excessive or, you know, municipal. We consider them to be integral to providing your children with the quality of education that you expect."

COMMISSIONER KLAGHOLZ: Right.

SENATOR MacINNES: "And, therefore, we believe this spending is required." I would guess that in some districts, those arguments would be compelling, and would offer to the voters an opportunity to support a budget where the difference between these State-guaranteed numbers and what that district would end up spending, would be very stark and quickly observable by the Court.

In your response about the constitutionality, are you contemplating such a scenario where suburban districts would want to hold onto those educational programs that they deem to be central, but which are not recognized in the State's (indiscernible).

COMMISSIONER KLAGHOLZ: Some may want to, but what we have proposed is a process by which those decisions get considered and validated, if you will. In other words, there are two options: One is to go to the local voters, and the other is to testify in the two-year process and present defense of the fact that they are essential, but with two differences. That is -- and let's be frank on this -- I have heard that justification made about every expenditure, even though we are way ahead -- some districts are way ahead of the rest of the State, the rest of the region, and the rest of the nation -- really, way ahead.

What the opportunity would be, would be to be specific about them and to say, "Here is where the model proposed by the executive branch is wrong," and then say how it ought to be adjusted.

The second major difference -- which I think is very important -- is not to argue just for my district, because the decision is, "What do all children need?" That is the relevant argument, that it be for all children, and the specific terms.

SENATOR MacINNES: In that respect, Commissioner, I do have a question that sort of leaps out. It follows on something Assemblywoman Wright asked about and Senator Martin asked about, and that goes to Section V of the report.

My question is this: Is it your suggestion that the formula provided for model schools at different levels represents a defensible policy not just on the efficiency side of the constitutional mandate, but on the substantive thorough side of the constitutional mandate, and that if everybody would just do at least this and no more, that the guarantee would be adequately implemented for purposes of the New Jersey Constitution?

COMMISSIONER KLAGHOLZ: I would say there is evidence among our existing school districts -- in their existing practices, rather -- that you can achieve high standards with the sound use of appropriate funds. I guess that is the way that we described it. I think, you know--

SENATOR MacINNES: What about the circumstance in the special needs district which continues to exist as a matter of litigation, if not as a part of the Department's proposal Plan? What about the situation in those special needs districts where they already meet this formula and where the education is visibly, noticeably, and totally unconstitutional in its effect on the kids; that is, the education does not meet the minimal

standards for providing these kids with a life chance? They ready meet this formula.

COMMISSIONER KLAGHOLZ: Yes. This is where we believe that we need to take far more seriously than we have the at-risk aspect of the Court's mandate, in that risk, too, was mandated. I think that has been a concept that has been corrupted. It has not been targeted just to districts with special needs. The uses of the funds have been pretty much unrestricted and, in our belief, not always used in the proper way.

But again, the concept I have is that the Court's requirement is an equal regular education program, and even if you do that, you can make two first grades the same. But given differences in the students, the results are not going to be the same, and that is where at risk comes in, not just for after-the-fact remedial programs, but really to get into the communities from birth on in terms of human service needs, health needs, preschool for every child, full-day kindergarten for every child. I think there is more potential there, frankly -- and this is an educational, not legal, statement -- for improving results than there is in equalizing regular education spending.

SENATOR MacINNES: Okay. Just as a matter of the comparability of the information you have provided, as I understand your proposal, you suggest that the pension and Social Security costs be incorporated into the local budgets, as was done, I guess, under the original QEA proposal. Do the numbers that you show for expenditure levels-- Do those numbers incorporate the pension and Social Security costs at the local level?

COMMISSIONER KLAGHOLZ: No.

SENATOR MacINNES: They don't. So that would be an additional amount. Would you raise your guaranteed number to reflect the inclusion of Social Security and pension costs?

COMMISSIONER KLAGHOLZ: Yes. I think that is the difference. I just want to comment on the rationale, that is this syllogism that the Court has required that the spending be equalized: Point 1.2, most of spending is employee salaries and benefits resulting from numbers of employees and levels of compensation. Therefore, overall spending parity is not possible without some parity of compensation and benefits.

We have proposed-- The way it is different is that there be -- just as every other part of the model -- a definition of acceptable tolerances using whatever criteria we have decided to use, and it is those costs that exceed those, the top of the range, that would be borne by local governments, the portion -- if I may use the term "excess portion" -- only.

Well, you said it in a better way, actually. The State would not contribute to that portion.

SENATOR MacINNES: Right. But that would mean that Senator Martin's concern about the fact that because of the higher cost of living in Morris County or Bergen County typically, and maybe in particular districts because of the experience of the teaching staff, for example -- that you can get a double impact on that number, which is a consequence, solely, of the market conditions. This administration seems to be a great believer in the marketplace as a way to make decisions, but just reflect the marketplace.

Secondly, the age and experience of the teaching staff. If you put those two things together, you would, in many cases, I would think, have what you deem to be excessive salary levels that would not be eligible for State funding, even though that is a consequence of our collective bargaining legislation; it is a consequence of where those school districts happen to be located in terms of what it costs to buy a house and to do the other things that you need to do to survive.

We went through this with the administrative penalty question. I continue to believe that there is an unavoidable -- and this is mathematical, it is not a matter of opinion-- I mean, there is a difference in what it costs to live in Cumberland County and what it costs to live in Bergen County. I am afraid, from what I have seen, that this formula does not adequately reflect those on-the-ground, market-driven differences.

I think it is something that we should consider as this discussion unfolds.

COMMISSIONER KLAGHOLZ: You just took the words out of my mouth. We should. I will just add to that, though, that as we seek to take the existing disparity, much of which, if not most, is salaries and benefits, and compress it to satisfy the Court, I think there are only three possibilities: One is that all differences in salary and benefits are legitimate and explainable. No differences are legitimate and explainable. Our position is that some are and some are not. Even within counties you see wide disparities, and it is the task -- you are quite right -- of separating that out in a reasonable way that we have to--

SENATOR MacINNES: But who will make that judgment? Will the Department of Education make that judgment?

COMMISSIONER KLAGHOLZ: We propose that we be the starting point in terms of submitting a proposal, but that in the final analysis the executive and legislative branches of government, every two years, through the appropriations process, with full public input over a period of six months, validate or modify those decisions.

SENATOR MacINNES: Well, I don't know if you have been to an appropriations hearing, but I would not call that a forum where I believe the questions of this character can be adequately dealt with, with an assurance of full public participation. I just don't think the budget process works that way.

COMMISSIONER KLAGHOLZ: Well, again, this is my reference allusion to democratic government. At least validate it through that process. I really think it could be done.

SENATOR MacINNES: But you would say that the proposal by the Department and the administration would be the beginning point for that in the form of a budgetary-- In effect, the budget reflects 98.6 percent of what the administration proposes typically. I am not sure that is the exact number, but it is something like that. So, basically, your answer would be, "Yes, it will be the Department that will make the judgment about which salaries, in fact, are excessive for bad reasons, as opposed to good reasons." Is that a fair picture?

COMMISSIONER KLAGHOLZ: Again, the executive and legislative branches of government would do it. Part of the

process would be not just, though, burying implicit assumptions in budget numbers.

Apart from that, we are recommending that there be a substantive report on thorough and efficient education that details all the analyses, both educational and fiscal, and that that be subject to a separate discussion.

SENATOR MacINNES: Okay.

Mr. Chairman, you have been very patient and gracious, as usual. I appreciate it. Thank you.

SENATOR EWING: Yes. I am glad you added those last remarks.

ASSEMBLYMAN ROCCO: Before we get to Assemblyman Malone, if I may just follow the scenario, let's say, the voting portion that is outside of the core, so to speak. You might have banned or (indiscernible) out activities identified in that particular category.

COMMISSIONER KLAGHOLZ: In our model, we have some of those in--

ASSEMBLYMAN ROCCO: Some in, some out.

COMMISSIONER KLAGHOLZ: Correct.

ASSEMBLYMAN ROCCO: Let's just look at the outages. You could go for four years under this scenario and you could have the public continue to vote it each and every year -- those additions?

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYMAN ROCCO: The fifth year, maybe the voters, for whatever reason, could, in fact, vote that down. Is that correct?

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYMAN ROCCO: Now, is that something that is singular, or could the ballot be identified by categories?

COMMISSIONER KLAGHOLZ: We propose-- As in all of these things, this is a concept document, and we need to, with you, work out the details of it. We are proposing that it be a specific justification of what we are asking the voters to approve that lies beyond the definitions that the State government has established specific.

Now, mechanically, how is that done? We have not made recommendations on that.

ASSEMBLYMAN ROCCO: Okay. That is something we will pursue further. That was certainly an issue where if it were singular, I think, and lumped together basically, we could have, maybe, 30 percent of your program out the door, basically, if the voters turned it down. Then it goes to the mayor, who -- having been a mayor, I can say this, you know -- is going to look at it politically, respective as to how much leverage you can get now in the school board. I think that is a concern of a lot of people.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN ROCCO: Assemblyman Malone?

ASSEMBLYMAN MALONE: Thank you very much, Mr. Chairman.

Commissioner, a degree of concern has been expressed to me regarding the Plan and its implications for vocational and technical education. Maybe you can sort of give us a little bit of an idea of where you are going in that area, and to what extent your Department is going to be supporting those activities.

COMMISSIONER KLAGHOLZ: Well, I will just make some general comments, and will then ask if the staff wants to supplement them.

We built in career education as one of the eight standards areas -- that is career education in the school and the work sense -- for all students -- K-12 in the standards. Some of the assumptions of funding are predicated on that.

What we have not done is build into funding assumptions for schools vocational program funding. Behind that is a view on our part that, really, the best way to provide that, either full four-year programs or partial programs or even individual courses, is through county vocational schools.

Now, funding of county vocational schools is through -- at least in part -- high schools, so we, frankly, punted on the categorical aid for vocational schools for now. But it is something that we need to continue to look at.

Rich, do you want to--

DEPUTY COMMISSIONER DiPATRI: I don't think there is anything to add, other than--

ASSEMBLYMAN MALONE: I guess I am worried about the punting part.

COMMISSIONER KLAGHOLZ: Yes, right.

ASSEMBLYMAN MALONE: I think people, in general, are worried about the punting part. I would very much like to hear something from the Department as to exactly what they propose to do to address those needs and the things we talk about, the technological society. We talk about the needs and the variety of ways of trying to work with students. I think it is important that we have a variety of segments within the State

that need adequate, efficient, thorough -- whatever adjective you want to use -- education.

As we go about the task, the pendulum goes back and forth on this issue. We have built and spent millions of dollars on vocational/technical education. To let that entire system go to wrack and ruin, only to come back 10 or 15 years from now and say, "Oh my God, we have to rebuild that entire system, because we cannot meet the technical needs of society," I think is foolish and I think it is irresponsible. I am not talking about you specifically, but on all of our parts.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: I think it is important that we look at that issue and maintain the integrity of that system, so that we don't look back and look very foolish.

COMMISSIONER KLAGHOLZ: I think there is misunderstanding on this one, in that, in fact, our goal is the opposite of the one you have that is a concern; that is, we see the vocational schools as high quality magnet schools that are underutilized. Why are they underutilized? Because other schools duplicate the programs, usually at a lower level of quality -- frequently, I won't say usually -- I might say usually -- and of spending. What we did in funding regular education, which was what we were charged with addressing, was to build out assumptions of high schools offering the programs that you offer. Why? Because we want the students to take them and benefit from those programs.

So I think it is more a question of clarification and further details as we move along.

ASSEMBLYMAN MALONE: I will be anxiously awaiting your clarification.

Regionalization: There is nothing specific covered in the report, but I think this issue has been battered back and forth as being a potential solution, and so forth and so on. Can you give us some feelings as to-- Do you have any thoughts about regionalization as it relates to this Plan? Maybe you could expound on that.

COMMISSIONER KLAGHOLZ: Yes. I think the large number of school districts we have is, in large part, the cause -- the primary cause, one of the primary causes of the disparity we have in practices and spending levels.

Point two, though, we do not advocate forced regionalization. Therefore, what we are advocating in the system is that we fund districts administratively not based on what they happen to be, but on assumptions that we could agree to of what they ought to be organizationally. They could retain the ability to stay the way they are without proportional State support, if they will go to their local voters.

The last thing we are doing is not just with carrots and sticks, but actually creating initiatives that could be used to allow consolidation. One you alluded to would be better use of county-based entities, such as vocational schools. Another one would be an initiative we have for consolidation and sharing of services, so there is an alternative to regionalizing or just staying the way you are and paying for it.

ASSEMBLYMAN MALONE: Do you have a threshold number as to the size of districts that should be verged or regionalized?

COMMISSIONER KLAGHOLZ: What we did was assume, for purposes of funding, certain sizes of schools and districts in the model program in Section V.

ASSEMBLYMAN MALONE: Let's take a district like Rumson, I think, Deputy Commissioner. What size of school district is that?

DEPUTY COMMISSIONER DiPATRI: Well, that is two elementaries feeding to a high school level.

ASSEMBLYMAN MALONE: Is that a K-6 district?

DEPUTY COMMISSIONER DiPATRI: It's a K-8 in Rumson and Fair Haven feeding to a limited purpose regional 9-12.

ASSEMBLYMAN MALONE: Okay. So the regionalizing of that would be something that you would advocate with the surrounding community?

DEPUTY COMMISSIONER DiPATRI: I think that would be a reasonable approach, yes, if only to reduce the administrative costs of a superintendent for each of the three districts, business administrator, etc.

COMMISSIONER KLAGHOLZ: I think that is key, because it is not regionalizing everything necessarily, because one thing we want is, we want certain services and functions to be consolidated.

ASSEMBLYMAN MALONE: I guess the major concern that most people would have would be the regionalization of dissimilar communities, something rural, something urban having different focuses, different local patterns that create some disparities in taxes.

One additional question.

COMMISSIONER KLAGHOLZ: Yet, on that, I think that is where consolidation of certain services can pay off and really achieve the goal in the same way; that is, to adjust transportation, purchasing, and maybe child study teams -- arranging that.

ASSEMBLYMAN MALONE: But not trying to get the purchasing process straightened out statewide, so we don't have -- (remainder of comment indiscernible; someone talking over Assemblyman)

COMMISSIONER KLAGHOLZ: Okay.

ASSEMBLYMAN MALONE: The cost to towns that do regionalize going to either the value of the community or the per-pupil cost that the individual taxpayers in those towns pay-- Has any thought been given by the Department in this process to how that funding on a local level is? Is it going to stay on the value to the community or go back to a people cost? What kind of thoughts do you have on that?

DEPUTY COMMISSIONER DiPATRI: Are you talking in terms of regionalization, the legislation that exists?

ASSEMBLYMAN MALONE: Just the regional schools that we have right now. Many of them have disparities in what they are paying into the regional on a per-pupil basis.

ASSEMBLYMAN ROCCO: This is not part of the Plan, is it?

COMMISSIONER KLAGHOLZ: No.

ASSEMBLYMAN ROCCO: Can we deal with that another time, Assemblyman?

ASSEMBLYMAN MALONE: Okay, fine.

ASSEMBLYMAN ROCCO: We still have Assemblywoman Bark, who has a few questions, and I think Mr. Garcia.

Assemblywoman Bark?

ASSEMBLYWOMAN BARK: Thank you.

First of all, I must commend the number of hours that have gone into this Plan, Commissioner, but I do have some concerns, and certainly I have concerns about regionalization. I will not take them up, considering what Chairman Rocco said, but I will say this much:

In my voting district, I have any number of K-8 districts sending to a limited regional. I would hope that you would look at the fact that these were created by the State, and yet the State has not created a method for them to undo themselves. I would hope that you would look at that in some kind of effort as you pursue your overall Plan. You do not need to respond to this at this time.

COMMISSIONER KLAGHOLZ: I would like to just point out that recently we did make a decision to allow a group of such districts to pursue deregionalization, as it were, in the Union Regional. I understand the issue, and we have had a change of policy.

ASSEMBLYWOMAN BARK: The issue is primarily financial.

COMMISSIONER KLAGHOLZ: Yes, exactly.

ASSEMBLYWOMAN BARK: Debt service, and that sort of thing.

The only other comment -- and this is a comment, not a question -- is, one of my concerns, as I have listened today, is that perhaps efficient is becoming the watchword, and the only watchword. Having served on a local board of education, I

am extremely concerned about the quality of education and that the end result, or the end product, if you will, is what is measured, as well as efficiency.

I would hope that in the course of all of this that there would be developed an appropriate accounting system that the end product, a well-educated child -- that we can document that that has occurred through thorough and efficient. I would urge you very, very strongly to make that a part of the Comprehensive Plan.

COMMISSIONER KLAGHOLZ: I agree. I think a focus on the bottom line educationally is appropriate, although I would say, in my personal view, that what we have had is an exclusive emphasis on the thorough part of it, and no emphasis at all on the efficient part. By injecting efficiency at all, therefore, it appears, perhaps, that that is the sole emphasis. I don't think it should be. We have tried to achieve a balance between the two.

ASSEMBLYWOMAN BARK: I really want to be sure that you have the means to document that in a couple of years that, "Yes, this has been a method by which we produced well-educated children."

COMMISSIONER KLAGHOLZ: Absolutely.

ASSEMBLYMAN ROCCO: Before we go to Assemblyman Garcia, Commissioner, I think Assemblywoman Bark's district and others down in our region, with the enrollment numbers and the growth-- When we talk about a two-year cycle, that can have a significant impact upon those districts.

COMMISSIONER KLAGHOLZ: Well, in fact, what we propose is that the per-pupil amount be set every two years. We could

communicate what it would be assuming certain Roman projections, but actually fund on real enrollments when we get to that point, so that we take that into account.

ASSEMBLYMAN ROCCO: Assemblyman Garcia is going to sum up.

ASSEMBLYMAN GARCIA: Thank you very much.

Another question, Commissioner: I briefly made a remark about facilities, but that is one of the most important pressing issues that I think affect our school children's ability to learn.

In 1990, the Department of Education conducted a study of the needs of the State. It estimated, at that point, that about \$6 billion needed to be spent to correct the facilities problem in the State of New Jersey. I know that under this current proposal we are adopting a proposal similar to the Washington Plan.

Can you elaborate on how that Plan would work? How many dollars will be set aside to fund the needs of the districts? What priority will be given? Especially the money. How much money will be allocated? I know we are not trying to get away from dollars here today, but dollars play an important role in the education of our children.

For example, in Union City, we were a Level III takeover school system. I went to that school system. We spent \$27 million of our own money within the last two years, or three years, and now we are fully accredited. Even though we are fully accredited, we still have 1600 students in grammar school, and our full-day kindergartens are over 30 children in each kindergarten. That is not within the models. I am using that

example, because I am familiar with it. All across the State, there are old facilities, and local property taxes will not be able to afford to build these.

How will the Washington State Plan coincide with the needs of the individual districts in our State?

COMMISSIONER KLAGHOLZ: Well, first, we don't have dollars. We will in the near future, and we will share that information when we do. But the concept we are proposing is that the State proportional funding of facility needs be based -- that the dollars go where they are needed most. That is the main concept. What that means is, where there is an actual projected need for students because enrollments are increasing, that it is to support facility plans that are economical and efficient, and that we not fund just anything, including the so-called -- the term has been used, the "Taj Mahal" portion of things. If we do, we are not going to have it where it is really needed to do the kinds of facility things we need.

I am just going to ask the Deputy if he wants to comment further on that.

DEPUTY COMMISSIONER DiPATRI: Just to elaborate on the point he is making, what the Plan calls for is one where the State will engage in supporting those needs that are essential. So unhoused capacity is a big factor here. If a district chooses to address its unhoused capacity needs, for example, and in addition chooses to build a 5000-seat football stadium, then the proposal here says that the State ought to engage in the most pressing needs and, therefore, share that cost among all the citizens of the State. It ought to be about things that are needed, not about what is made in a particular locality -- a

decision made there that all citizens should assist in paying that. So that is the major change here. It is a distinction between what is necessary and what is not. The State would only support -- as the Commissioner said -- on the same basis that we support foundation aid, property, wealth, and income combined, one's ability to pay.

So when you said you raised \$27 million in Union City-- As you know, the State assumed some significant portion of that \$27 million.

ASSEMBLYMAN GARCIA: Absolutely. I just want to make sure that that cooperation continues with other districts. That is what I am worried about here today. That is why we are all worried.

Secondly, my other question goes to: What is going to be the priority? Is it going to be based on capacity? Is it going to be based on-- We have some districts where just the facilities themselves are so old and so decrepit that substantial amounts of money need to be invested to improve the quality of those buildings. We have other districts, maybe, even some suburban districts, that have built brand-new schools. The enrollments have increased so much, my question is: Where is the priority? Will there be a two-tiered priority? Will there be funding available for all the districts that need it and have this type of capacity situation?

DEPUTY COMMISSIONER DiPATRI: Those are the two major criteria: unhooded capacity and obsolescence. Then there is the question: Is there enough? As you know, the current practice now is: There is a set amount of money. We then take all the bonded indebtedness of the State. People, on a quality

basis, then prorate that. So, in fact, we are down to, I believe, 61 percent of the bonded indebtedness the State is now supporting, as opposed to 100 percent.

Our hope is that with this Plan, where it supports those needs which exist, the State would then support 100 percent of that debt service.

COMMISSIONER KLAGHOLZ: If I may add to that, that basic principle-- What we are saying is, if we continue to indiscriminately support anything without making any judgments about the appropriateness of it, we will never get on top of the priorities, the technology needs, the facility needs, and so forth. Conversely, it is only by exercising those kinds of judgments that we can progressively get on top of those neglected issues.

ASSEMBLYMAN GARCIA: That's fine. I agree with that.

My second question goes to the core curriculum standards.

ASSEMBLYMAN ROCCO: This is your fourth question.

ASSEMBLYMAN GARCIA: Yes, my fourth question, my second one now.

I have been working on this for awhile, John. Please, I beg your indulgence, Mr. Chairman, just for one more question, if I may.

I couldn't let the Commissioner leave -- and this is probably my last question -- without saying this: There appears to be a slight contradiction between the core curriculum and what has gone on before, before this Education Committee. I will just take one example that comes to my mind right now, and that is the issue of world languages with bilingual education.

What we are saying now is that every school district will be required to teach a student who only knows English a second language by the time they are out of grammar school, where in terms of bilingual education, we passed a waiver bill and allow the school districts to do what they want, including just putting kids into English-only classrooms. So those students who already know a second language will be almost required to forget their second language and only learn English.

That type of contradiction worries me. I am wondering whether or not in the core curriculum there will be some standards devised to address this issue, because if bilingual education costs too much money to fund all local school districts, this addition of a second language, although laudable -- and I would support it -- will cost, probably, three times as much as the bilingual education programs.

How are we going to find the money to fund this world language curriculum as part of the core curriculum, or how much additional money will be provided in terms of that part of the core curriculum?

COMMISSIONER KLAGHOLZ: Well, I think rather than assume everything is the way it ought to be and so it is just a question of adding some things on, the assumption we make is that we ought to go back to square one and define what we consider priorities. World languages is one that we will recommend to the State Board of Education. The members of that Board have the ultimate authority to decide whether, in fact, it is one of the priorities. Again, I think it is. Then we formulate assumptions based on getting dollars to that priority,

rather than to some other things that are not listed among the priorities.

So, yes, we need to put resources behind it. We think we did that in our model. But it wasn't a simple process of accepting everything that exists and adding something on. We are talking about a reform educationally and fiscally.

ASSEMBLYMAN GARCIA: I would just like to conclude by saying thank you for your time in the preparation of this program. I do believe, however, that this program does fly in the face of the Abbott v. Burke decision in its totality, in that a lot of the local school districts which will be funding their additional programs outside of the core curriculum through their own local property tax rate will add to the disparities between the richer districts and the poorer districts. We will be going back to the system that created the need for the Court challenges to Abbott v. Burke.

That is my fear, in addition to the fact that some of the local property taxes, even in the richer districts-- I usually speak for the poorer districts, but some of the richer districts will be forced to raise taxes to pay for these programs. The issue of facilities without a dollar figure-- I do not believe we can really get to that type of equality in education, because the facilities, although we have a good methodology on how they assess the dollars, if we do not have the dollar commitment-- I would like to see that included as part of this Plan before we go forward as part of this process, so we can make sure that the moneys are there to improve the facilities, and not just the methodology to assess which project should go first.

COMMISSIONER KLAGHOLZ: Yes. We agree, and have said that we will provide those.

But on your main point, we believe that any disparities would be constitutionally insignificant. But that aside, they would be far less likely if we declare unnecessary expenditures to be what they are, instead of pretending that everything is essential.

ASSEMBLYMAN GARCIA: Well, that's true.

ASSEMBLYMAN ROCCO: Thank you, Rudy.

I would like to pursue Rudy's issue, world languages. I think that is a situation where most elementary schools would have to come up with an entirely new program to meet that particular criteria. In so doing, they would probably have to exclude some existing programs.

One of the things I think we ought to do in the Plan is not have schools scrambling in the marketplace for people, and to make certain, again, that we do not have anything so radically changing in the district that it just throws too much insecurity into the entire program.

COMMISSIONER KLAGHOLZ: I think there are ways to do it that would be chaotic. There is no question about it. So your point at the outset, having an opportunity to -- if we believe it is the right thing to get to it progressively--

I think world languages at the elementary level is an example of where, given flexibility on how to do it-- One way would be in-service for elementary teachers. One of the things we did, therefore, in our model, was to posit a pretty hefty amount of funds -- 2 percent of salaries -- for professional

development. It doesn't have to be a special class or a specialist, necessarily.

ASSEMBLYMAN ROCCO: It depends on how it is incorporated.

COMMISSIONER KLAGHOLZ: I agree.

ASSEMBLYMAN ROCCO: Senator Ewing?

SENATOR EWING: Senator Martin.

SENATOR MARTIN: Just one more area. Much has been touched upon, but there has been no mention, as I recall, so far with respect to the idea of November elections. To many of us that smacks of the idea -- the potential of having more of politics being brought into the school budget process, but with the likelihood that-- What you want to see happening, if I understand it-- You do not want to see that many school districts having to go out to a November ballot for additional moneys. You would like to see them all being able to make the adjustments so that they meet your model to a "T," although we acknowledge that there may be some districts, because of circumstances, particularly counties like ours and Bergen, where they may just have to be at least above the level.

The question I have is this, Commissioner.

COMMISSIONER KLAGHOLZ: It isn't, so maybe it will change your question if I just clarify. What we propose is, where a budget election is necessary, that that be in April, and that it be the election of board members, which would be needed almost everywhere -- that that be the November portion.

The reason we did that was in response to -- as we went around and conducted hearings of small turnouts -- when elections are held in the spring and the fact that that renders

the process -- I don't know whether it is true or not -- manipulatable, that if you have a particular ax to grind you can get 5 percent to 7 percent of the voters on it, and you can get people elected. So it was a difference of not the budget part, but the--

SENATOR MARTIN: The budget, if you had it, would occur in April?

COMMISSIONER KLAGHOLZ: Yes.

SENATOR MARTIN: Separate and apart. But the school board members--

COMMISSIONER KLAGHOLZ: Yes?

SENATOR MARTIN: --being voted on in November, you do not envision them running on a partisan basis?

COMMISSIONER KLAGHOLZ: No, no.

SENATOR MARTIN: But since everything else going on in November is partisan, isn't it somewhat inevitable that many of these candidates would become associated with at least the political parties that are also staging elections at that time?

COMMISSIONER KLAGHOLZ: Some of that exists now. I guess it is a question of-- This is something we heard at hearings and something we thought ought to be discussed, so we included it. It seems to me that no one system is completely free of disadvantages. So it is a question, I think, on balance, of: What do we want to achieve?

What you would get is greater participation, you know, automatically. I don't know. I mean, I have heard the argument both ways, equally mixed, from school districts that the current system is pretty politicized, so that part of it would be a virtual wash if you could control it.

SENATOR MARTIN: Last question, different gear: Mr. Tractenberg is scheduled to speak after you. I know he has been concerned. Is that right? (no response) He is involved with the question of the constitutionality, which we keep coming back to. My understanding of the Abbott v. Burke, the most recent decision, is that the Court insisted that funding would be equalized, to the dollar. At least it was purported. But they also had language at various times that said that the reason they were doing this was because they couldn't -- because they had no alternative system of really being able to equate thorough and efficient education.

Do you take the position that if there were to be thorough and efficient education, as it could be determined, in each and every district, that districts could then have different levels of funding and additional programs above thorough and efficient education?

I guess my question is: Once you reach the threshold, thorough and efficient, is it your view that you could have still more education? Many of us feel that more education is not a bad thing. Or, is it your position -- and it may not be one of the two choices -- that under sort of equal protection standards, that regardless of that, each district in New Jersey, essentially, should offer the same type, or level or effort of providing thorough and efficient education?

COMMISSIONER KLAGHOLZ: Our intention is exactly to provide the Court with the alternative system that it has said it lacks. That is number one.

Number two, if we do that -- and it is defensible and it makes legal sense, but also educational sense and common

sense -- things that lie outside that are constitutionally insignificant and, therefore-- In effect, in simple terms what we are trying to do is find a different and more meaningful way to arrive at a per-pupil target. The way we are doing it now averages up the wealthiest districts and says, "That's it." Underlying that are some, I guess, unstated assumptions -- educational assumptions, and the educational part of it is underemphasized. We're saying, "Rather than implicitly assuming, let's get down to it and define the things that are necessary."

Your point of more education is not bad. Really, not every expenditure produces more education necessarily. Some things are higher salaries for educators. Some things are more administrators than are elsewhere, and, arguably, more than are needed to do the job.

What we have to do is define this to capture those expenditures that are likely to make a difference in student learning. I think where we have been has been to argue, not in very specific terms, but in a vague way, that all spending contributes equally to learning and, therefore, it is all necessary and it all ought to be equalized. You know, we are challenging that, saying, "Let's get down to this and analyze it." If we do that, I think, we are also moving not just from one dollar standard to another, but we are moving the educational part of this to the primary position, and the fiscal aspect of it to a supportive position, which is where I think it belongs. Not dollars for dollars sake, but dollars for the sake of supporting specific things that we believe are going to make a difference.

SENATOR MARTIN: Thank you.

SENATOR EWING: Senator MacInnes, one last question.

SENATOR MacINNES: With follow-up possibilities, depending on the answer. Thank you, Mr. Chairman.

Commissioner, I want to share with you some strong reactions to the report that I have heard and try to capture them in one question and have you respond to see if we can clear away some of the language and get moving with coming up with a plan that we can all accept.

There is a view that we have switched, that the Department has gone from looking at the programs offered and some high-performing suburban districts that offer an array of diverse educational offerings, with a lot of advance placement emphasis, several different foreign languages, etc., from respecting the quality of those districts frequently paying high salaries to attract, presumably, better teachers, to get the marketplace to determine some of that, to a point where most districts are almost demonized in the Department.

I am characterizing this in a way that I would not necessarily do myself, but I am reporting on conversations I have had in a way that really sets those districts aside as not to be emulated but, in fact, to be condemned for their high-spending practices.

We set up a situation where if the Department's Plan were implemented in those districts, taxpayers who are, in all cases, likely to answer "No" to the question, "Do you want to pay more in taxes?" will be presented with a question where as much as 50 percent, 60 percent of the money -- of their property taxes that goes to support the local public schools, would be on

the ballot. They would have an opportunity with a "No" vote to eliminate 50 percent or 60 percent of their school property tax costs, a very alluring prospect, I can assure you, for a lot of taxpayers.

In those districts, if people respond solely as kind of economic animals, saying, "Yeah, I would love to have \$3000 taken off my property tax bill by defeating the proposal by the school district to spend that additional amount over what the State says is constitutionally required," we are setting up the conditions for the wholesale dismantling of programs that used to be characterized as the highest quality in the State. In doing that, we are setting up an incentive for parents who live in those districts and who can afford to, to turn away from public schools and turn to private schools.

That is a very direct characterization of some of the conversations I have had with people who are responding to your report. If you had the opportunity to reassure such critics, if you wanted to, what would you say?

COMMISSIONER KLAGHOLZ: Well, the first thing I would say would be that we are not making any stereotypical statements about any group of districts. But I think where we have been -- and you characterized that we based it on high-performing districts-- I would say what we tried to base it on was some fairly loose assumptions about high-performing students and why they perform at high levels. I think there are a variety of explanations. Some of them are advantages that the students and their families have. Some are what the school districts do. That is reflected in the fact that high-performing districts, I

think, no matter what measure, are not only among those that spend the highest.

First of all, it is untrue to say that all wealthy districts spend at high levels. They don't. There is a range. It is also untrue to say that high student performance is only in wealthy districts or only in high-spending districts. What we are trying to do is get to the specifics.

SENATOR MacINNES: I didn't say any of those things. I am not characterizing the argument that way. I think there is a lot of language in the report that suggests a point of view that says, "Yeah, this is--" Excessive is a word that appears frequently. There is an effort in the report -- properly so, by the way -- to point out that the family advantages that one brings to school are probably as important as anything else in determining how well they do in school. It starts with kids who come from parents who have high educations and a high degree of interest in education. They express that continuously and expose kids to lots of things. Those kids are starting with advantages that most kids who start out in the South Ward of Newark are never going to enjoy. That's true.

COMMISSIONER KLAGHOLZ: I agree with that. I would just say, what are we trying to emulate? The question is not just wealthiness. It is not just high spending. It is not just high achievement. We are trying to capture and emulate in our system those districts that have achieved high results using money in an appropriate way. Either we will miss the mark or gain the mark. If we miss it, then the argument can be made of leveling down, but not in general vague terms. What specific things have we left out of the definition that will level down?

There is a difference between-- Leveling down occurs if you eliminate things that are essential to get to the results. If you accept the existence of expenditures that won't do that anymore, then moving them out is not going to have that effect.

SENATOR MacINNES: I appreciate that. I appreciate that there are districts that are on the extreme in terms of their spending at the upper level. I am not really talking about those districts. I am talking about districts which when you hear the name of a town, you associate that with a high quality school district.

By the way, speaking as someone who represents Morris County, these are not wealthy districts. These are not districts that educate the children of wealthy parents. These are diverse districts that represent-- Yes, I would say the main contributors of students are middle-class families. I mean, a lot of wealthy families in these towns send their kids to private schools. In these towns, there are neighborhoods that are poor and have public housing. They have a diverse population. Yet, in those towns that I am talking about people say, "That is a high quality school district. Kids do well in those schools and they go on and have great opportunities." In almost all of those cases they spend noticeably more than would be permitted under this system.

I say that those districts would represent-- If the Plan was implemented as proposed, those districts would be at risk themselves, because the taxpayer would be given this opportunity to say "No" to higher taxes and, in fact, could vote for a tax reduction by voting against the add-on budget, if you

will. Without any appeal being possible under your Plan, you would witness what I characterize as the wholesale dismantling of educational programs, because you couldn't reduce the spending enough to get it down to the State level, without cutting into the muscle of quality education programs. You couldn't do it.

I am just asking, because this is going to come back, and it is going to come back, and it is going to come back. We need an answer. The answer cannot be by addressing the extreme high-spending districts. It cannot be to address the homogeneous wealthy, small districts. It has to be to address that wide band of districts, most of them maybe in Central and North Jersey, where, because of other factors, their spending is above the State level, and because of the way the Plan works, their taxpayers will be given this opportunity in order to stay where they are to enjoy the significant tax reduction.

I think that opens up the dangers that I talked about of those no votes winning, of those districts being put into a situation where they have to cut, cut, cut, cut, cut quality programs and educational opportunities, with the consequence that the parents who can afford to will cast about for other alternatives -- private education.

Now, I think that is a reasonable scenario, and I think we need to have an answer if we are going to proceed along the lines suggested by the Department's proposal.

COMMISSIONER KLAGHOLZ: I think we should try to reach that together, that answer as you suggested before. But, number one, in all the things you said, I thought you began to characterize the districts we need to emulate in a more

meaningful and specific way than we have been doing it in the past. You talked about reasonable challenges. You talked about achieving results. You talked about resources.

Point two, I am not sure I accept the assumption that all of them will be noticeably above what will come out of the Plan. That's all of them "noticeably above."

Then the third thing is, that is what the process has to decide and it is going to stand on its merit. It should not do what you fear. If it causes people to make reductions such that the potential for student achievement is reduced, that is not what we want to do. If it does leave out of statewide funding things that are irrelevant to that, that is what it should do. I guess we will see if anything like this goes forward.

SENATOR MacINNES: Well, I would just say -- and we don't have the numbers yet--

COMMISSIONER KLAGHOLZ: Yes.

SENATOR MacINNES: That is understandable and it is by design, and that is okay. We need to have this conversation without the numbers.

Looking at the formula, however, and looking at the numbers that are available for districts throughout northern New Jersey, I think you are going to have a fair number, and perhaps every district in Morris County, I don't know. Every district in Morris County is going to be above the State guarantee and, therefore, to preserve what is in place, and assuming that the Social Security and the pension costs are handled as you have said they will be handled, which is that there will be an

levation in the State guarantee to reflect the addition of Social Security and pension costs-- Is that still correct?

COMMISSIONER KLAGHOLZ: Pete, do you want to--

ASSISTANT COMM. PETER CONTINI: I just want to clarify your previous statement. There would be no pension, TPAF, or FICA within the regular education or the foundation amount. That will be assumed 100 percent by the state. It is only the excess above the model salaries and benefits that would be, then, part of what the voters would have to approve. So that, in effect, if you wanted to use the concept, would be a categorical aid to every district equally, based on what they are--

SENATOR MacINNES: Okay.

ASSISTANT COMMISSIONER CONTINI: So, there would be no need to modify the dollar amount.

SENATOR MacINNES: That is a helpful clarification. What you are basically saying is that in most of these cases, because of the way that works, the addition of Social Security, FICA -- that is Social Security, isn't it? -- of pension and Social Security will not lead to including more districts in the at-risk category -- what I am calling the "at-risk category." Is that right?

COMMISSIONER KLAGHOLZ: Do you want to comment?

ASSISTANT COMMISSIONER CONTINI: He asked a different question now.

Just to clarify, the only portion that would be above would be that which exceeds the level that the State would support. The modeled salaries and benefits would be inclusive. That would be 100 percent supported. Any cost above that in the

district, by either having high salaries or increasing numbers of staff, would be part of then what would have to be raised locally.

SENATOR MacINNES: But you are going to make a judgment about what the model salary is.

ASSISTANT COMMISSIONER CONTINI: That's right.

SENATOR MacINNES: The model salary is going to impact -- favorably in the South and unfavorably in the North, is it not? Aren't there regional differences?

COMMISSIONER KLAGHOLZ: Yes, and we propose a range of flexibility.

SENATOR MacINNES: All right. But putting that question aside, I am still concerned. I am assuming, by the way, by assertion, that most of the districts in Morris County are going to be above the State guarantee, if the level that is set is correct -- will be correct when all the numbers are in.

DEPUTY COMMISSIONER DiPATRI: Senator, may I comment on that? As you mentioned, you recognized that the day will come when the effects come out. But just three factors lead to the conclusion that maybe that is not true. Again, we do not know ourselves, but we will know shortly.

One, the data we provided, as you know, is 1993-1994 audited data.

Two, the range has not been defined, so without knowing what that range is -- is it 3 percent, is it 5 percent, is it 7 percent--

SENATOR MacINNES: What the band is of acceptable--

DEPUTY COMMISSIONER DiPATRI: Yes, around that number.

Third and finally, unfortunately, many people who have been making some decisions, you said, have been comparing apples and oranges. The regular education numbers we presented are just that, so it does not include the majority of the special education costs, transportation costs, bilingual costs, at-risk costs, and so on. All of that money is outside of that regular education, and that is a substantial amount of money.

So those three assumptions have not been identified. Therefore, while I recognize your concern about outside the range, I would be surprised if they are all outside the range, first and second -- all noticeably outside, where you used the number 60 percent. That was just for clarification.

SENATOR MacINNES: I don't think 50 percent or 60 percent are going to be above the range. I think some of them might be. But I think that there-- I will still bet that they are all going to be above the range, because you are talking about very low numbers in your 1993-1994 examples. When you take the 1993-1994 numbers, you are talking about very low numbers compared to the actual expenditures in Morris, Bergen, suburban Essex, and Union Counties.

Your band that you talked about by way of illustration-- Yes, it hasn't been set, but you are talking about a relatively low number there. I think you said 3 percent to 5 percent. What is it going to be?

DEPUTY COMMISSIONER DiPATRI: Well, I wouldn't take me on that. The percent was the point I was making, not the number.

SENATOR MacINNES: I am guessing that the band is going to be a fairly narrow one.

DEPUTY COMMISSIONER DiPATRI: Well, I think your point -- on this part, we agree -- is that some districts probably will have some portions of their current spending above the band. That must be true, unless we contrive a way to include all current spending in the definition.

SENATOR MacINNES: I am just saying that, unhappily, most or all the districts that I happen to represent, and that Senator Martin happens to represent, and that Senator Ewing happens to represent, I think, are going to--

SENATOR EWING: I'll take care of myself, thank you.

SENATOR MacINNES: You always have, Mr. Chairman. The jury is directed to disregard my previous remark.

I am worried. Frankly, I don't think we have gotten the answer back that satisfies the point of view that in the end the consequence of this will be major dismantling of high quality educational programs and a strong new incentive for parents who can afford to, to turn to alternatives other than public education.

That will remain a root concern of mine, because if we are going to do anything here as a part of this process, we have to defend the place of public education in this society, and we have to have a program that responds to that obligation to defend public education in our society. Frankly, I am not sure we are there with this proposal.

Thank you.

COMMISSIONER KLAGHOLZ: Well, we agree on the goal. The question is: Can we devise a proposal that does better than what we have?

ASSEMBLYMAN ROCCO: I just want -- before we go to the next presenter -- to pursue the Senator's comments. I think he makes a point. One of the factors I think we have to look at as we change and modify is, after a defeated budget goes down, it goes to the mayor at that point. That is where we have been getting the very political situations. If the mayor is up for election, or if they are looking to drive down the tax rate, or what have you, I think that can present a very difficult situation where education may be lost to a desire for a political purpose. Maybe the mayor is not the right place to take it. Maybe there is some other--

COMMISSIONER KLAGHOLZ: I would agree that we should look at that, but I think our primary test is just to make sure that educationally significant expenditures don't get there. That would be number one: Can we define it in such a way that we are sure that that is not happening? But beyond that, of course, we should look at the process.

ASSEMBLYMAN ROCCO: Numerous districts from South Jersey also are concerned. Both, basically, are above the models, so to speak, and would have some of the same problems. Take Haddonfield. You know, you are in a situation-- Well, actually, Haddonfield is pretty good--

DEPUTY COMMISSIONER DiPATRI: Haddonfield is probably in the model.

COMMISSIONER KLAGHOLZ: Probably in the model, yes, and keeping good results, too.

ASSEMBLYMAN ROCCO: --at this point. I think the concept of going back to the mayor really tends to bring in a greater political problem.

Jack?

SENATOR EWING: Thank you very much.

COMMISSIONER KLAGHOLZ: Thank you, too.

DEPUTY COMMISSIONER DiPATRI: Thank you very much.

ASSEMBLYMAN ROCCO: Thank you, Commissioner.

Because of a problem in scheduling, we are going to have H. Mark Stanfield--

SENATOR EWING: Stanwood.

ASSEMBLYMAN ROCCO: Stanwood -- I'm sorry -- from the Atlantic County Special Services School District, before we get to Professor Tractenberg. Good morning.

**H. M A R K S T A N W O O D:** Good morning to you. My name is Mark Stanwood. I have been the Superintendent of Schools for the Atlantic County Special Services School District since 1989. I also serve as the Chairman for the Joint Council of County Special Services School District, and sit on the Task Force on Special Education, which was created by the Legislature last spring and sponsored by the Senators and Assemblypersons seated here today. I thank you for the opportunity to address you.

The Atlantic County Special Services School District is a countywide school district designed to provide cost-effective programs for severely disabled children. Senator Palaia has visited the Cape May County Special Services School District. Senator Ewing has visited one of our schools in Atlantic County. We have met with some of you on an individual basis, and I think you understand some of the youngsters we serve, youngsters who are in wheelchairs, on gurneys, whose medical needs may be so significant that they need a special feeding apparatus or special suctioning systems.

We are able to serve these youngsters cost effectively because we do so on a regionalized basis. We can capitalize on pooled resources, savings of scale, and savings in specialization. Our programs are recognized by our parents, by government, and by citizens as high quality, based on the results of host school placement of our disabled youth.

Our programs are provided in neighborhood schools, the vocational school, and, most recently, the nontraditional classroom such as Caesar's Hotel and Casino, the Meadowview Nursing Home, and Shore Memorial Hospital in Somers Point.

The "Comprehensive Plan for Educational Improvement and Financing" represents an aggressive effort by Commissioner Klagholz to bring parity between wealthy and needy school districts. There are some provisions of the Plan which should be embraced, some which should be studied further, and some which should be immediately discarded for their disregard of some of the most basic tenets in public education.

The purpose of public education is to prepare all of our students for productive citizenry. "All" means "all," whether you are gifted, poor, white, or disabled. Many of our students at county special services school districts graduate to be gainfully employed in competitive work, sheltered employment.

This Plan presented by the Department of Education suggests that the funding of special ed -- which is specifically referenced, by the way, on pages 44 and 45 -- should be based on a singlewide cost, an average cost statewide. That average includes the very high number of relatively low cost kids, as well as the low number of high cost kids. In short, the most severe, the most needy youngsters will be shortchanged.

As I was driving here today, I was trying to think of a simple illustration of this. What I came up with is: If you could imagine 10 people lined up before you today, and 9 of those people are 6 feet tall -- as am I -- and one person was 8 feet tall-- Well, if you take the arithmetic average of those, you come up with 6 foot, 2 and a half inches. It is the average height of those 10 individuals. Yet that average reflects absolutely nothing special about that 8-foot individual. There is no compensation, there is no special recognition for that individual, yet it is an arithmetic exercise which is absolutely correct. But that individual has some special needs, and the average is not reflected.

One of the assumptions which underlies this provision in the Plan is that severely disabled, hence expensive kids, are evenly distributed throughout school districts. That is simply not so. In fact, a 1994 report from the Developmental Disabilities Council clearly shows that the rate of disability is not evenly distributed even among the 21 counties. It stands to reason that the most severely disabled youngsters will be hurt by this proposal. Funds will be short, and districts will be forced to do one of two things: either go to the local property base, or simply not prepare these youngsters for their productive adult lives.

The Department of Education will tell you that they have a provision in their proposal for these extraordinary expenses. In the report, they use the criteria of \$50,000. However, such a benchmark is inappropriate without a responsible support system for these youngsters costing less than such an arbitrary amount, but yet well above the average of a single

cost factor, those youngsters costing between \$10,000 and \$49,000. The most severely disabled school districts will receive, we believe, only about one-third of their expenses, at best.

Special education, and its current funding, has flaws. There is no doubt about it. Let's focus on solutions to those problems, rather than throwing the proverbial baby out with the bathwater. We should be working together to solve problems, not creating larger problems with solutions from an ivory tower.

I recommend strongly -- the Joint Council of Special Services School District recommends strongly -- that the Legislature amend this proposal to establish an additional high cost factor for the most severely disabled youngsters, those youngsters in the upper 20 percent, 25 percent range. They are frequently the most in need, and are certainly the most expensive. They are currently serviced in large local districts, frequently on a regionalized and cost-effective basis, through county special services school districts, such as the one I represent in Atlantic County.

But, without a high cost factor, neither the county special services school districts nor any of the local districts will be able to afford the basic programs for these high cost students.

That concludes my prepared remarks. Thank you very much for adjusting your schedule.

SENATOR EWING: Are there any questions? Assemblyman Garcia?

ASSEMBLYMAN GARCIA: If I may, I just have a question for you. I think under the Commissioner's Plan the State will

only provide additional funding as long as the classification rate for each district is within 10 percent. Do you feel that is an adequate figure, or, do you think that is just an arbitrary number and that each individual case or district should be looked at individually? What are your feelings about that 10 percent cutoff?

MR. STANWOOD: No, yes, and yes to your questions. I do not believe it is appropriate. I think right now, the State of New Jersey has the highest rate of classification in the country. It is over 15 percent, almost 16 percent. The national average is 12 percent. One could argue -- argue very well, and I would understand -- that that should not be. There are reasons for that which the Plan attempts to correct.

However, by sweeping away the youngsters who are apparently classified as eligible for speech correction -- as the Plan proposes to do -- that addresses about 30 percent of the current population -- the disabled population. So I think a rate which is 10 percent is very arbitrary, and not good public policy. I understand the effort, but I think there are better ways to attain a lower classification rate. It does not address the need. You can certainly redefine a standard many times, but that does not address the need of the youngsters who have been identified as needing something beyond the regular education system.

ASSEMBLYMAN GARCIA: Thank you.

SENATOR EWING: Mark, what is the average cost-- How many students do you have down there?

MR. STANWOOD: In Atlantic County?

SENATOR EWING: Yes.

MR. STANWOOD: We serve 560.

SENATOR EWING: And what is the average cost?

MR. STANWOOD: About \$21,000 per student. Our students range, as you have seen, from the medically fragile-- there is another group of youngsters that we serve as well. Those youngsters are those whose behavior is so out of control that they have been excluded from their neighborhood schools, typically middle and high school-aged kids who have been so out of control that the district excludes them. They are still entitled to a thorough and efficient education. Some of them, many of them, most of them in our center happen to be classified as emotionally disturbed, so they come to us. We have carefully recruited and well trained people to address the youngsters' needs, to help to teach these kids how to make decisions and the impact of their decisions.

It is understandable that they were very disruptive to the educational process in their neighborhood school. That should not be permitted. But they come to us. We are able to be successful with them because of our degree of specialization. That specialization is labor intensive. We are -- no doubt about it -- the high end. We are serving the high end kids, the expensive kids, so the single cost factor, as proposed here, would hurt those youngsters significantly.

SENATOR EWING: Has your group come up with any ideas about how we should do it?

MR. STANWOOD: We are almost finished. You will hear from us, Senator.

SENATOR EWING: Okay.

Are there any other questions?

ASSEMBLYMAN ROCCO: No. Thanks, Mark.

MR. STANWOOD: Thank you very much.

SENATOR EWING: Thank you, Mark.

Professor Paul Tractenberg, from the Education Law Center.

**P R O F E S S O R   P A U L   L .   T R A C T E N B E R G :**  
Senator Ewing, Assemblyman Rocco, and members of the Committee: Before I begin my presentation, I wonder if I may clarify the amount of time. I understand the five-minute limit. I wonder if we might be able to squeeze a little extra time, given the Education Law Center's central role in the history of school funding reform.

SENATOR EWING: We'll give you six minutes.

PROFESSOR TRACTENBERG: Okay.

SENATOR EWING: Let me just announce now that a group of us, unfortunately, is going to be leaving a little before 1:00 to go over to the Edison College where WOR is putting on an A-Plus for Kids Program regarding charter schools. There will be legislators here to continue this hearing, but certainly we are never going to get through by 1:00 -- which we had hoped to do -- with the number of questions, etc. The whole proceeding is being transcribed, so we will have a transcript. As soon as we are finished at Edison College -- those of us who go over -- we will come back here again. But there will be legislators here, because I think this is certainly well worthwhile.

PROFESSOR TRACTENBERG: The reason I asked, Senator, about the timing is that I have made available to the Committee members and staff a rather detailed statement. I do not propose to read it. Also, since nature abhors a vacuum and we have had

no hard numbers, we have come up with some hard numbers, which appear at the end of the statement. I want to try to explain those so you can -- when you have time to look at them in detail -- understand the points we are making.

I want to start by thanking you for the opportunity to testify this morning. I am testifying on behalf of the Education Law Center as its founder and as a current member of its Board of Trustees.

As you know, Marilyn Morheuser's voice, tragically, has been stilled. Her message, however, will continue to be trumpeted by the Education Law Center and by those of us who have joined her in the effort to finally achieve, for poor and urban students, the full measure of their constitutional rights. The delay already has been unconscionable, and it must end.

One historical note: More than five years ago, I testified before this Joint Committee about Senate Bill No. 2721, which became the Quality Education Act of 1990. At that time, I said the following: "It is with a strong sense of *deja vu* that I stand before you. In 1975, I appeared before the New Jersey Supreme Court to argue in the case of Robinson v. Cahill that Chapter 212 could not and would not meaningfully equalize educational funding and educational opportunities for the State's urban youngsters. Now I stand before you" -- this I said five years ago -- "to say the same thing about Senate Bill No. 2721. Just as Chapter 212 had inherent defects that sharply limited its equalizing capabilities, so, too, does Senate Bill No. 2721."

The decisions in the Abbott v. Burke case certainly bore out those predictions about the constitutionality of

Chapter 212 and the QEA. Today, in the words of that great scholar Yogi Berra, I certainly feel a sense of "deja vu all over again."

Our review of the Department's Comprehensive Plan leads us to one inescapable conclusion: If you embark down the path outlined by the Department, it will be yet another journey to certain unconstitutionality. However, the Legislature need not and should not, in my judgment, travel that road. In my testimony -- the formal presentation which you have -- and in the remarks I have an opportunity to make today, I will explain that the path the Department's Plan marks out leads backward away from the finish line established by the Court in Abbott. On the other hand, I believe that with hard work and cooperation we could cross that finish line in 1997 together, ensuring both that the Court's decree is met, and also that a solid educational foundation for future generations of urban school children is firmly in place.

In my statement, I note that the comments we make, although they may look formal, although they are inclusive of some hard numbers, are necessarily preliminary and tentative. That is because the Plan itself raises so many questions without answering them, and simply does not address some of the hard questions; does not indicate the impact of this Plan, as it is proposed, on individual school districts.

I want to do that in a moment, but I need to respond to a couple of points on which Commissioner Klagholz has relied so heavily, both in the Plan and in his testimony this morning.

First, the notion that this Plan can be constitutional, because the Plan seeks to define as excess

municipal spending amounts above the State Education Department-determined level. It seems to me fantasy, pure and simple.

Just to give you one example -- and I will not bore you with many references to the Court's language -- let me read one. This is from the last Abbott decision, July 1994: "It is the State, and only the State, that is responsible for this educational disparity, and only the State can correct it. The responsibility for substantive education is squarely and completely committed to the State; delegation of any part of the educational function to school districts does not dilute that State responsibility at all. All of the money that supports public education -- all of it public money whether the taxes are local or State -- is authorized and controlled in terms of its source, amount, distribution, and use by the State."

Local school districts are creatures of the State. They are not creatures of municipalities. You might find it instructive, as I did, to look back at the Department's draft Comprehensive Plan of February. Compare it in its description of excess spending to its final Plan. The language in the February draft Plan referred to unnecessary local spending. In the final Plan, that has been converted into wasteful municipal spending. It is not municipal spending. It is local school district spending and, as such, it is State spending. There is simply no way to hide from that reality.

Now, there are other problems as well, only a few of which I can go into, but let me try quickly:

Number one, the use of the hypothetical school district model. That is the lynchpin of the State's Plan. It

prothesizes a school district, and it will provide funding for thorough and efficient education for that school district. That school district is a K-12 school district. It has 3075 pupils. It has 3 elementary schools of 500, a middle school of 675, and a high school of 900. It is unlike the vast bulk of New Jersey's school districts.

The average size of a New Jersey school district is 1058. That is 58 percent the size of the model district. Many New Jersey school districts, and most of the special needs districts are dramatically larger in pupil enrollment. Half of New Jersey's school districts have less than 500 pupils in them. Only one-third are K-12. So the model district bears little relationship to the reality of school districts around the State.

Yet, what does the State propose to do in the Plan? The State proposes to treat every district, no matter how different it is from the model, as if it is the model for purposes of funding. Now, some districts smaller and some districts larger, by the State's concept, are less efficient than the model district. Therefore, they can produce less educational programming for the amount that is prescribed. That means that the great bulk of New Jersey districts will not be able to provide the programmatic elements that the Department indicates for the amount of money the Department proposes to provide them. That means they are at variance with the Department's concept of a thorough and efficient education.

Where is the recourse? The Court has said consistently for 25 years that it is ultimately the State's responsibility. What does the Department Plan say is the

recourse? "Oh, no problem. Those districts will go to their local voters and raise the money as excess spending." If the voters turn them down, that is essentially the end of the road. No recourse to the State. So we will have the great majority of New Jersey's school districts unable to provide the elements of a thorough and efficient education program, with no recourse except to their local voters.

I would submit that is as patently unconstitutional a system as I can imagine. But, let's go further. Let's look at the amount of funding that the State has suggested is necessary and sufficient for thorough and efficient education.

Using the hypothetical district model, it works out to \$6366 per pupil, and the State says that is based on 1993-1994 money. That is for regular education, not the total budget. But there is a kicker. The State has changed, in this Plan, the concept of regular education. It has included in it compensatory education and a major part, as you just heard, of special education, the education of speech-impaired students. Those are no longer going to be separate supplemental categorical items. They are going to be folded into the regular education program.

But even with that aside, districts will be expected to provide programming for substantial numbers of students with special needs, and they will be required to do it out of their regular education budget under this Plan.

Let's look at the tables at the end of the statement. They deal with the impact of this Plan on the special needs districts first, and on the I&J -- the high wealth districts --

second. Those are the two groups that the Court identified in Abbott as crucial to a constitutional result.

Now, let me explain what we have done. We have tried to go back to the year 1993-1994, because that is what the State provided us with, and look at what the effect on those districts would have been had the Plan that the State is currently proposing been in effect then.

SENATOR EWING: Is this after page 11, the first chart?

PROFESSOR TRACTENBERG: Yes. Well, actually, the first chart deals with a non-Plan issue, but an issue of impending unconstitutionality of the State's action, which has to do with the degree to which parity has been achieved through this current school year. But I think for present purposes we can leave that aside.

What I am saying now relates to the second of the charts. I have to say, these are very preliminary figures. We do not have access to all the data the State does. We have done the best with what we have access to. We have taken the 30 special needs districts. We have used the State T&E benchmark that is contained in the Plan, and we compared it to the actual regular education expenditures of the special needs districts in that year.

What is suggested in the far right column is the amount of funds that would have been lost by those districts had they been required to function under the current State definition of thorough and efficient education. The total is more than \$217.6 million.

I want to also say that if we look at the State Plan and the average per-pupil expenditure -- \$6366 -- and compare it back to actual numbers, average numbers in 1993-1994, we find that it is by far lower than any of them, even though, as I suggested, it includes additional educational responsibilities. The average of the I&J districts that year for regular education was \$8111, as compared to \$6366 in the State Plan.

The average of all school districts for regular education was \$7105, virtually \$800 higher than the figure that the State has now identified as a thorough and efficient education figure. In fact, their figure was \$500 less than the average of what the special needs districts were spending in 1993-1994.

Now, as high as these numbers -- the \$217 million-- I mean, we are taking districts which in that year -- 1993-1994 -- the Court said were not even close to parity. I have to say, parity is not some abstract numeric monetary concept. Parity was the Court's way of providing a proxy for what it would cost in the special needs districts to provide an excellent education, an education that would equip students to compete with their more advantaged peers. That was language repeatedly in the Court's decision.

The question is: Are the levels of funding the State is now proposing likely to meet that standard of the Court sufficient to equip urban youngsters to compete on equal terms with their more advantaged peers? I cannot imagine how one could reach that conclusion.

Let's talk for a moment about the impact on the high wealth districts, because I said recently that the one thing the

State Plan is likely to do, which almost no other has done, is to unify, to achieve, perhaps, a complete consensus among people throughout the State committed to public education. Senator MacInnes' constituents are not alone in fearing that the effect of this Plan may be to undermine the fabric of public education. So I think there is going to be a very broad consensus. I would be surprised if you find many favorable comments about the Plan.

Let me turn for a moment to the high wealth districts, the I&J districts. As we have calculated it -- and, again, this is a rough first cut -- the total losses which would have been experienced by the I&J districts if the Department's Plan had been in effect in 1993-1994 would have been \$353.4 million. That is on regular education. Plus, they would have lost another \$34.1 million, because the current Plan does not contemplate that those districts would be eligible for any form of at-risk aid, nor that they would get transition aid.

So we are talking about almost a quarter of the total regular education expenditure by the I&J districts being deemed excessive expenditure. I, like Senator MacInnes, marvel at the fact that it was not long ago that the State Department was referring to those very same districts as "educational lighthouse districts." Now they have become gross mismanagers of public money and colossal wastrels. It is a remarkable turnabout.

Let's try to particularize it. The top district on the list is the Livingston District. It is the top because its excess of spending is the largest in total -- \$17 million of excess spending. That is of a total regular education budget of something in excess of \$42 million. That is about 40 percent of

its total budget for regular education this Plan would define as excessive.

Now, the Plan is larded with references to lighting for football stadiums. I wonder how much of that \$17 million of excess money that the Livingston School District spent in 1993-1994 went for lights on football stadiums. I wonder how much of it went for smaller classes, higher paid teachers, support services, better science facilities, more computers, more advance placement courses, and on and on.

Now, which of those expenditures is the Department going to label wasteful and excessive? I think the problem is a very profound problem. I am trying to tinker with this Plan because I have no doubt that the Department will be willing to raise the benchmark figures a little bit. I am sure they have some figures tucked away that they can pull out when the occasion arises. But my belief is that that will not cure the problem. The problem goes much deeper than that with this Plan.

I think the Legislature must rise to the challenge. By rising to the challenge I mean not going down the path suggested by this Plan, but seeking out a better and more productive path.

I just want to say, I will be happy to answer questions. There is a lot of detail that I have not gone into which is in my written testimony. I want to say, this is a preliminary response. Still, I think it should be enough to persuade you that the approach is fundamentally flawed, both in constitutional terms and in policy terms as well. You have the opportunity to reject it, and I would suggest you reject it early on and pursue a better and more productive path.

I can say, on behalf of the Education Law Center and its new Director, David Sciarra, who has been appointed and will assume the position on January 1, that if you choose that route, to pursue a better and more productive possibility, the Education Law Center certainly stands ready to meet with you, the Governor and her staff, and the State Education Department to assist in the fashioning, at long last, of a fully constitutional plan.

I have to say, regrettably, we stand equally ready, though, to return to the New Jersey Supreme Court, as it has invited us to do, to protect our clients. We are representing 275,000 urban students, students in the special needs districts. If the State is not prepared to take the necessary educational and fiscal steps to meet the mandates of Abbott v. Burke, unfortunately, that is exactly what we will do.

Thank you.

SENATOR EWING: Thank you.

Senator Palaia?

SENATOR PALAIA: Thank you, Mr. Chairman.

Paul, it goes back to what I said when the Plan first came out. It is superfluous what we are doing, because, in effect, you are going to take -- it will be somebody, if it isn't the Education Law Center, it is going to be somebody taking us back to Court. Short of the Education Law Center coming up with their own plan, presenting it to us, us adopting it, we will always be in Court.

So where do we go with all of this? We put out a Plan and already, the first day, it is being ripped apart. So, in effect, you are saying, "We are taking pretty much of a stand

right now." You can change numbers here and there, but the bottom line is going to be that we will be back in that Court.

When are we ever going to resolve this? Your statement was about as negative as I have ever heard a statement on the first day of the Plan. You have said it, and I am sure you mean it, that we will be back-- "The Court has invited us, and we are going to be there." So what do we do with education? Do we keep spinning our wheels?

PROFESSOR TRACTENBERG: Well, with all respect, Senator, that is really not what I said, or not what I intended to say. What I intended to say was, there is an opportunity for cooperation to achieve the result that the Constitution requires. It is a result that has been spelled out by the Court with increasing specificity for 25 years. This Plan does not even begin to meet that requirement. A plan that met the requirement, we would be happy to work with. We would be happy to propose plans as we have done in the past.

I don't think the Plan is the problem. I think the problem is going to be to work it out in such a way that it is both constitutionally satisfactory and politically feasible. I understand that there is some opportunity for a disjuncture between the two, but I am not saying there is no plan that could ever work.

What I am saying is, this Plan will not do it, so you had better spend your time and effort in more productive ways looking at a plan that might do it. We would be happy to help you in that effort.

SENATOR PALAIA: Paul, bottom line, it doesn't matter what we do. Bottom line, it doesn't matter what we do. It is

always going to be hanging over our heads: "Here comes the Court, and they are going to make the determination." Yet, we are the lawmakers. We are the ones who have been elected by the people. We try to make this constitutionally sound. But you know, it is such a profound statement, what has been proposed, that you can always find something -- any phase of it, any phase of it -- that is not going to be either to your liking or to someone else's liking. And, according to our wonderful democracy, someone is always going to go back to the Court.

You can never satisfy everybody with the statement that has been proposed by the Commissioner, which has so many things involved with it, so many facets of it. You can never satisfy 100 percent of it, so, consequently, what we are doing, what we are trying to do working with the Court-- I don't know whether it is ever going to come to fruition. That is a sad state of affairs with our first day of testimony here, and that bothers me.

PROFESSOR TRACTENBERG: I think it is sad, and it bothers me as well. I would like to be here to say, "This is a wonderful Plan. It clearly will meet the Constitution." I have spent 25 years of my professional life -- most of it, I have to say, unpaid -- working on these matters. I would love for the result to be a result which actually achieved the kind of education for urban students that they are constitutionally -- and -- what Senator Ewing started the hearing with -- morally entitled to. There is no doubt as to what both the Constitution and morality require.

Unfortunately, I am here to say that there is also no doubt that this Plan will fall short. I would be irresponsible if I said anything else.

SENATOR EWING: Are you one of the judges? Are you going to determine what they are going to say?

PROFESSOR TRACTENBERG: I am not. I would not presume to.

SENATOR EWING: Well, you're saying that they are going to find it unconstitutional.

PROFESSOR TRACTENBERG: I think history suggests that we have been relatively good predictors of what the Court would find constitutional and what not. The New Jersey Supreme Court has spoken 10 times on school funding issues, each time striking down the State's program.

SENATOR EWING: Well, we can keep trying.

PROFESSOR TRACTENBERG: Yes, but--

SENATOR EWING: Also, you made the offer previously. Why don't you come forward with a plan? You have been around long enough. You and I have talked long enough. We have always been open to what your suggestions are. See what they are. You know, put the words in -- what you are saying. Show us a plan that you think of so we can compare, and pick out pieces and parts that we might use and might not use.

Don't sit there and just say, you know, "This is lousy. It is no good. It is never going to pass muster in the Court, and we are going to sit back and not do anything about it." Do something about it.

PROFESSOR TRACTENBERG: I think, in truth, Senator Ewing, the Education Law Center is on record with a lot of plans over the years. We would be happy to come up with another one.

SENATOR EWING: That's right, exactly. That is what you are getting paid for. That is what you raise money from all these unions and people for, to do that.

PROFESSOR TRACTENBERG: Well, at the moment, I think it instructive that we are the only ones to come forward with any hard financial data. The Commissioner and his six staff people have not been able to do that yet.

SENATOR EWING: Yes, but just based on some figures that you picked out of the air as well. We are waiting to see what the Department does.

PROFESSOR TRACTENBERG: These are Department-generated figures. They are 1993-1994 data according to the State, because they are audited final figures.

SENATOR EWING: Those are, yes.

PROFESSOR TRACTENBERG: That is what we have used, Senator.

SENATOR EWING: Compared to what you think might be in the overall Plan when it comes out. That is where you are making the difference.

PROFESSOR TRACTENBERG: We are not clairvoyant. All we can do is pick out the few numbers that the Plan provides, and we have used those. If there are other better numbers, we would love for the State Department to come forward with them.

SENATOR EWING: Senator MacInnes?

SENATOR MacINNES: Thank you, Mr. Chairman.

The Senator has offered to participate in the process of coming up with an alternative plan. This is dead on arrival as far as you are concerned in terms of the rough constitutional screenings that you apply.

PROFESSOR TRACTENBERG: Right.

SENATOR MacINNES: My question would be: First of all, is there a way-- Do you leave open the possibility of a plan which would take off from where the Department took off, which is to come up with a nonfinancial description of what constitutes a thorough and efficient education -- to come up with a program, or input, or, you know, I don't know -- we get all these terms -- that defines what constitutes a supportable, feasible -- both morally and financially, and from a policy standpoint -- what a kid should get in a New Jersey school when he or she arrives, and to have that definition complement or supersede what I consider to be the surrogate definition that the Court has arrived at, which is parity, financial, economic, you know, fiscal parity between the wealthiest and poorest districts?

I think that is, frankly, no better measure, in some ways, than what the Department has offered. But do you leave open the possibility of -- well, let's call it a programmatic definition of T&E to return to the Court with? Could that be a part of the Plan?

PROFESSOR TRACTENBERG: Absolutely, except that it has to be a high level program, not what the State Plan opts for, which is a very low level.

SENATOR MacINNES: High level being sort of the duller--

PROFESSOR TRACTENBERG: It has to be a program of excellence, not bare adequacy.

SENATOR MacINNES: Not middlemost?

PROFESSOR TRACTENBERG: Right. I think to do that the dollar chips have to fall where they do. That is where the politics comes in, I recognize. But if one were to look at it from a pure point of view and say, "We are going to unleash the educators and say to them, 'Come up with a specific program prescription for an educationally excellent program. Don't pay any attention to dollars. We will deal with that later,'" and then cost it out, my guess is that you would wind up with a dramatically different program and a dramatically different dollar amount than is in the State's Plan.

I think the problem -- if I may be so bold as to suggest one of the problems -- these 25 years is that the process has been reversed. I agree with Commissioner Klagholz. We have decided how much money we could afford, and we backed into an educational definition from that. I would suggest that that has to be what is going on here as well.

SENATOR MacINNES: Is it your sense that this proposal, if it were fully implemented, would result in no increase in the State financial commitment to public education?

PROFESSOR TRACTENBERG: Oh, I think it would be a significant reduction of the State's--

SENATOR MacINNES: So, from a budget standpoint, the Commissioner's Plan is a cost saver?

PROFESSOR TRACTENBERG: Right.

SENATOR MacINNES: It reduces the total number of dollars the State has to pony up for public education.

PROFESSOR TRACTENBERG: Right. If the local districts do not approve excess spending, it is a taxpayers' dream as far as State and local revenues. What it will do is dramatically drive down total expenditures on education.

SENATOR MacINNES: I didn't do so well in math. Can you give me sort of a magnitude of what you are talking about in terms of the total reduction?

PROFESSOR TRACTENBERG: Well, the tables in the back suggest that for special needs districts \$217 million will be "excess spending," and for the high wealth districts, almost \$400 million. Now, that does not include all the intermediate districts.

SENATOR MacINNES: But the \$400 million, is that what would be reflected in State assistance, or is it a combination of State dollars and property tax dollars?

PROFESSOR TRACTENBERG: It is a combination. For the wealthy districts, it would be mostly local dollars.

SENATOR MacINNES: Okay.

PROFESSOR TRACTENBERG: For the special needs districts, it would be mostly State dollars.

SENATOR MacINNES: So in terms of the-- We are talking about at least a couple of hundred million dollars?

PROFESSOR TRACTENBERG: Yes.

SENATOR MacINNES: Your view would be that any programmatic description has to be noticeably above the \$6366, or whatever number the State Plan averages out to?

PROFESSOR TRACTENBERG: Well, let me share, if I may, one interesting bit of history: In 1990, as part of the QEA process -- much maligned though it is -- there was a study done

of what it would cost to provide a slightly better than adequate elementary school program. The amount that was arrived at was \$5835.

SENATOR MacINNES: In 1990 dollars?

PROFESSOR TRACTENBERG: In 1990. That was slightly better than adequate. That is not my definition of thorough and efficient. Just think about the word "thorough." Look it up in the dictionary. It means complete attention to every detail. It does not mean barely adequate. So we go back to constitutional sources and their common meaning. It seems to me a barely adequate education is not what the Constitution had in mind.

SENATOR MacINNES: If we got to a thorough and efficient programmatic description, would you be willing to argue with the Court that the financial parity standards could be abandoned and your clients would still be protected?

PROFESSOR TRACTENBERG: There would have to be parity in reaching that prescription of an excellent education, plus, as the Court indicated, there would have to be supplemental programming to meet the special educational needs of disadvantaged students.

SENATOR MacINNES: That sounds like "No."

PROFESSOR TRACTENBERG: No, no, it's not. I tried to be as specific as I could, Senator.

SENATOR MacINNES: Would you--

PROFESSOR TRACTENBERG: I have never understood the Court's standard as being a mechanical parity standard, meaning that they didn't care about educational quality, all they cared about was shuffling dollars. What they were saying was, "We

want -- and the Constitution entitles -- urban youngsters to receive an excellent education, one that will enable them to compete with their advantaged peers."

The Court said -- and I don't think this was lacking in common sense -- "Since we do not have the kind of programmatic definition of an 'excellent education' such as you are describing, let's look at what the wealthy districts are spending," because everything the State Department was saying up until then was that those were the "lighthouse districts." Those were the districts providing excellent education. So let's model what we give to the urban youngsters, at least for openers, on what excellent school districts, lighthouse districts, are providing for their advantaged students.

SENATOR MacINNES: If we went through that process and ended up with a situation where in some I&J districts-- The Court uses wealthy. As I tried to point out, an awful lot of these districts are not made up of the children of wealthy parents. They are made up of children of New Jersey parents, and they reflect all that.

But using that, if we ended up with a system where because of local choice the districts wanted to spend more than whatever this higher standard that we would jointly try to seek would allow, would the Center see that disparity between continued higher spending by some districts over special needs districts as proof of maintenance of an unconstitutional system?

PROFESSOR TRACTENBERG: Well, let me respond to that in a fund way: I am personally on record -- and I emphasize personally, this is not an official Education Law Center position -- as supporting a high foundation program; that is, an

amount sufficient to provide an excellent education, limited local leeway, and the numbers that get used are something like 10 percent additional funding, and access to that add-on funding being provided to all districts on an equalized basis. So the poorest urban district, as well as the wealthiest suburban district, would both have access to extra spending and the State would equalize their ability to actually achieve it.

I think, in terms of the politics as I understand them, it is essential to have a limited local add-on in order to maintain a high foundation program, because once taxpayers and residents of the wealthy districts realize that they have unlimited local leeway, it becomes in their fiscal interest to drive down the statewide guarantee.

One last bit of history: When I first got involved in the suits of 1970, the statute being challenged was the minimum foundation statute. The minimum foundation was designed by the State Education Department and the Legislature to be the cost of an adequate education. At the time we brought the challenge, the State's minimum foundation level was about 40 percent of the average of what school districts were actually spending. That, in my view, is the almost inevitable result of having unlimited local leeway, permitting wealthy districts to supplement the State amount out of their local resources.

So I think if you truly want an excellent and equal education, you have to do it by setting a high foundation amount, by limiting local leeway, and by giving all districts access to additional expenditures.

SENATOR MacINNES: One last question, if I may, Mr. Chairman: In what way, Professor, is the educational

opportunity of a child in Paterson negatively affected by the decision in a nearby community to spend more money than is being spent in Paterson, if that money is spent by the local taxpayers who agree to its expenditure? In what way does that harm the kid in Paterson?

PROFESSOR TRACTENBERG: Because the court has defined the educational entitlement in equality terms and comparative terms and said, "The education which will equip the Paterson student to function in the world is an education which will permit that student to compete with someone who comes from Millburn, Livingston, or Cherry Hill." So long as the Livingstons, Millburns, and Cherry Hills are permitted to spend substantially more -- and I do not believe for a moment that is all wasteful spending--

SENATOR MacINNES: I am pretty sure it is not.

PROFESSOR TRACTENBERG: Indeed, the superintendent in the Madison School District was quoted in this Sunday's New York Times in an interesting way. He said, "In response to the notion that there is little correlation between high spending and high achievement, the resources are what provide students with the opportunity to excel. Having money means having quality programs, which, in turn, means stimulating the students."

I could not have said it better myself. I agree entirely. The only thing I would add, and what the Court has added, it is even important for urban students than for advantaged students. I think in a competitive sense, in the sense of lack of equality, the Paterson student is, in fact,

But if the students in advantaged districts get to spend more, which buys better programs.

SENATOR MacINNES: Notwithstanding the fact that in the special needs districts, from your own tables, it is clear that students in the Newark school system, for example, are the beneficiaries of a program that spends considerably above the level -- according to your own tables -- of some of the school districts that are on the I&J list, where the differences in the quality of the education are clearly observable. So, in those terms, we already have a case study that the emphasis on the dollar equality does not produce the results that we would all like to see, which is an equal shot for everybody in this State. It does not work out because of all sorts of other factors which intervene.

Shouldn't we be trying to incorporate into our program those other factors that influence educational achievement, rather than being led blindly by the dollar surrogate figure that the Supreme Court landed on because no intelligent alternative was offered by the State?

PROFESSOR TRACTENBERG: But I think there are programmatic elements which we know something about that have improved the achievement of exactly the sort of students we are talking about in the special needs districts. Those programmatic elements require dollars, and they are dollars which do not seem available in the State's Plan.

For example, the State's Plan talks about class size of between 21 and 24. There is a lot of research that suggests that if you reduce class size in urban districts below 15, you will see a marked improvement in achievement. That is more

expensive. The State's Plan contemplates one guidance counselor for an elementary school of 500. You already heard from a member of the Assembly Committee. There is a school out there functioning very well, but it has substantially more guidance counselors. Those are programmatic elements. They also cost money.

SENATOR MacINNES: But, you know, we can go through that, and you can hope -- and that is all it is right now, a hope that if we got to that level that permitted 15 kids in a classroom in a city, that the results would be just as good as they are in the Madison School District. In fact, you have, in the City of Newark -- schools in the poorest neighborhoods in Newark, where there are class sizes of 21 and 22 and where the kids are performing about as well as the kids are in Madison. It does not reflect in the end all the program elements that Commissioner Klagholz talks about, nor the financial investment that you are talking about.

It is clear that there are lots of other things that need to be included in our thinking, I believe, if we are going to get to that. I hold out the fact that there are such schools in the City of Newark -- a much maligned place, and for good reason in terms of what I think the School Board and some of the leadership of the schools there have allowed to go on. In the midst of all of that, there are schools teaching kids from very poor families, and teaching them very, very well.

That has to raise the question: How can that happen? I think we should try to answer that question as we try, in a fashion, a response to the Supreme Court's requirement.

I would hope that we could include some things that do not lead us mindlessly back to the surrogate standard that the Court has set. I would hope that you would be a part of that.

PROFESSOR TRACTENBERG: I am happy to be a part of it. On the other hand, I guess where we part company is over the notion that the Court standard is mindless. I don't think it was mindless. I think it was the best proxy the Court had for a definition of an excellent education.

SENATOR MacINNES: I will accept that, because there was no programmatic alternative that was really offered by the Department of Education or by the administration, and there should have been. Maybe if that had been offered the Court would have landed at a better proxy. So I accept your position. I will not call it "mindless" anymore, but I will call it "unfortunate."

PROFESSOR TRACTENBERG: How about incomplete? Those of us who have been involved in these school funding fights for decades now used to say early on that equal or adequate money was the necessary, but not sufficient element to actually equalize educational achievement. I still feel that way. It is a very complicated business. If it were easier, presumably the State takeover at Jersey City would have borne a lot more fruit in terms of achievement results.

SENATOR MacINNES: Right.

PROFESSOR TRACTENBERG: We don't know how to do it very well. I think what we do know is, we cannot do it without adequate resources. Even in Newark -- look at the figures, 78 and 91 -- it is below the average of what the advantaged districts have.

SENATOR MacINNES: Fine, but it is well above the expenditure levels in many of the advantaged districts, so-called.

PROFESSOR TRACTENBERG: It is.

SENATOR MacINNES: Thank you.

Mr. Chairman, again, thank you for your patience.

SENATOR EWING: Assemblyman Malone?

ASSEMBLYMAN MALONE: Thank you very much, Mr. Chairman.

After sitting and listening to this for the last 10 minutes, I guess I sort of agree with Senator Palaia. I mean, I am not sure that we are not just going through an academic exercise, and nothing that we do is going to satisfy you and your constituents -- or you and your clients. It seems almost like it has become a lifelong work and it is never going to end.

PROFESSOR TRACTENBERG: I can tell you it is a career I would love to see end, but I would love to see it end with success, not failure.

ASSEMBLYMAN MALONE: What do you feel would be, if you were king-- What amount of money do you think it would take to satisfy your desires in solving this problem, above and beyond what we have already spent? There must be some magical dollar figure that you think is going to--

PROFESSOR TRACTENBERG: No, I absolutely do not-- I am not a professional educator. I could not do what Senator MacInnes, I think, correctly said has to be done, which is the identification of the components of a truly excellent, high quality education. That is not my skill.

We have some very clear instructions from the Court. Certainly, until we get something to replace that that is constitutional, those are everybody's marching orders. That is whatever the average being spent by the high wealth districts is. That is the benchmark until we have something that can satisfy the Constitution and the Court that meets the needs.

ASSEMBLYMAN MALONE: Do you think you are sort of forcing this Legislature into constitutional changes that will rectify this thing so that the process will end?

PROFESSOR TRACTENBERG: Well, I certainly hope not. I don't think that would be the moral thing to do, and I think that is a part of--

ASSEMBLYMAN MALONE: Stop with the moral thing. What I perceive you said in the beginning means never having an end to this situation, in that you really are almost saying to the Legislature, "No matter what you do, we are going to oppose it," and, therefore, you give us no alternative other than to say, "Look, let's try to end this thing in a constitutional way." I don't know if that is really the best way to do it. I think someone better start thinking most seriously about what we are doing and why we are doing it, and then come up with a solution.

PROFESSOR TRACTENBERG: Well, I would like to come away from this colloquy with a positive result, which I think for me goes back to Senator Ewing's statement, "Well, come with a plan." We will come with a plan. We are happy to work with any plan. I do not for a moment believe that we are so committed to the Court process, because a lot of my teaching in law school has started to focus on alternative dispute resolution. I have written a book about the benefits of

alternatives to the courts. So I am not, by background or predisposition, someone who must be in the courts to survive. I think it is a wasteful process. I think we spent 25 years litigating this issue, and the resources that have gone into litigating it and into devising plans which have no chance to succeed, could have been much better spent, and I hope we will do that.

ASSEMBLYMAN MALONE: The Legislature, in general, is tired of it. I think the public, in general, is tired of it. I think if we go to constitutional reasons, the public will probably support constitutional amendments to end this dispute.

I don't know for certain that that is the way to resolve it. I would suggest, as one person, don't force that situation.

Thank you very much.

ASSEMBLYMAN ROCCO: Rudy?

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman.

First of all, I want to thank Professor Tractenberg and the Education Law Center for their continued fight on behalf of the children in the I&J districts, and especially the urban districts.

Secondly, I would like to say that I don't like to kill the messenger. It is not the Professor's fault that he has to come here today and testify and say that this Plan is dead on arrival. I think that decision was made by the people in the Department of Education who presented a Plan that flies in the face of the Abbott v. Burke decision.

I think the question everyone keeps talking about is money. I agree with Senator MacInnes. We could move away from

money. Let's talk about the core curriculum. I went to Columbia University, the cornerstone of the core curriculum in education. If this core curriculum resembled something similar to what I was given at Columbia University, I don't think Professor Tractenberg would be here arguing--

SENATOR MARTIN: I hope it won't cost that much.

ASSEMBLYMAN GARCIA: -against the standards that are being presented to us today.

But I think what is obvious here is the distinction the State is trying to make between what the State is spending and what is local spending outside of the State's control, which will not be counted as part of the funding disparity. It is totally unconstitutional based on the face of the decision in Abbott v. Burke. So we are attacking the messenger for detailing it, pointing out some of the points that are totally obvious, that are mistaken in the Plan that is presented before us today.

Secondly, I think the question we should determine is whether or not we are going to end up in litigation over this, and what the effects will be. Maybe, Professor, you could help this Committee. If this were to go forward, the Plan that was presented by the Commissioner of Education, and, rightfully, it ended up in Court, what happens during that time frame? Are we just buying time here by presenting another Plan that will not meet constitutional muster? Sometimes the litigant isn't to blame for bringing the Court case. Sometimes it is the defendant that should be held responsible for forcing the litigant to go to Court to pursue this type of challenge. Are

we not buying time by presenting this type of proposal -- I mean the Department of Education?

PROFESSOR TRACTENBERG: I cannot speak to the motivation. Certainly, here we are 25 years after the effort began, and we seem to be approaching square one. The Department's numbers are actually lower than the numbers we were talking about in 1990.

I think there is a problem. I wish I were smart enough to pinpoint its exact location, but it is a continuing problem. I don't think it is that we particularly raised our standards. I think the Department's Plan has lowered the State standards.

ASSEMBLYMAN GARCIA: You challenge this Plan. If this Plan is approved and it goes through the legislative process and you challenge the Plan in the Court, what happens in the interim? What funding plan will be adopted? Will we continue with the same plan we have now?

PROFESSOR TRACTENBERG: I think based on recent history the answer is probably no plan. I mean, there really hasn't been a school funding plan in effect for the last several years, because the State Department announced it had given up on the QEA as a constitutional plan. That is why we are here.

ASSEMBLYMAN GARCIA: My last point, and I think this also answers Senator MacInnes when he raised the point about what effect it will have on the child in Paterson if a child in, wherever, is getting that much extra in educational opportunities. Certainly, I don't think we can pick and choose what children are educated today. I think we have to create a level playing field for all of our students, regardless of where

they live. So I don't think we have the luxury anymore, especially when you view the fact that although educational costs are rising, the other social costs associated with not educating these children are rising more dramatically than educational costs ever rose.

I think the question becomes-- We cannot have selective education and only afford those children who live in those towns where the property taxpayers decide to give those children an additional educational push, the opportunity to afford real educational success.

Thank you, Mr. Chairman, for your indulgence.

ASSEMBLYMAN ROCCO: What do you perceive the gap to be at this point?

PROFESSOR TRACTENBERG: In dollars?

ASSEMBLYMAN ROCCO: Yes. I mean percentagewise. Are we talking about 14 percent, 15 percent?

PROFESSOR TRACTENBERG: Well, in terms of the Abbott requirement of parity?

ASSEMBLYMAN ROCCO: Yes.

PROFESSOR TRACTENBERG: I think we are still looking at about \$400 million to close the parity gap, and that really does not address the question of supplemental or at-risk aid, which is--

ASSEMBLYMAN ROCCO: What percentage is that? That's about somewhere between 14 percent and 16 percent?

PROFESSOR TRACTENBERG: Yes. In our calculations, which are in the table, that is the current status. That is this year's parity level. It is complicated because we don't have final enrollment numbers, but it looks to us like either

83.3 percent or 86.3 percent, depending on which enrollment estimates are more accurate. But we are still basically 14 percent to 16 percent.

ASSEMBLYMAN ROCCO: So we are actually 14 percent, depending-- But progress has been made, has it not?

PROFESSOR TRACTENBERG: It is essentially the same. We were at 84.1 percent two years ago. We are somewhere between 83 percent and 86 percent.

ASSEMBLYMAN ROCCO: How about five years ago? Five years ago where were we?

PROFESSOR TRACTENBERG: Well, I am talking about in reference to the Court decision at the end of the 1993-1994 school year. We were using that year's numbers, and that year's numbers suggested we were at 84.1 percent of parity in regular education. We are now either slightly less or slightly better than that, but not nearly far enough along by that standard.

ASSEMBLYMAN ROCCO: Additional moneys were pretty extensive that went into the districts -- the special needs districts -- and the gap has closed to some degree.

I ask the question: How was that money used? That presents a whole different story than what we are around for today, but we certainly appreciate the Law Center's involvement.

PROFESSOR TRACTENBERG: Thank you.

SENATOR EWING: Senator MacInnes? I mean, Senator Martin.

SENATOR MARTIN: He is not here right now.

A couple of things, just an initial observation: I don't always agree with your positions, but I share your conclusions, at least initially, with the fact that the

proposal, as presented, appears to me to be unconstitutional, and it is not a close call.

Given your background and where you have been all these years pursuing concerns for the special needs districts, have you ever-- Maybe it is as an aside, but the extent to which attention has been directed at the special needs in comparing with the I&J districts, if that were taken care of, that somehow the middle of the pack districts, the not so at risk and the not so affluent districts, the ones in the middle, were left behind, would that be your next call? Do you see a problem with them being sort of left out of the debate?

I understand why you have engaged in looking at the special needs districts all these years, but assuming that that approach is correct and there needs to be major catch-up for them, if that were accomplished, is there something fundamentally wrong with not having the other districts also being able to receive as many benefits as potentially the at risk could by achieving parity with the I&Js?

PROFESSOR TRACTENBERG: I think it is a problem. In fact, in the Abbott case, the Education Law Center's argument was not that the Court should invalidate only the funding as to special needs districts. Those are our clients, so we obviously emphasize them, but what we requested of the Court was that it find the Quality Education Act unconstitutional in general, which the Court chose not to do.

SENATOR MARTIN: So what you are-- I mean--

PROFESSOR TRACTENBERG: But, yes, I think all students in the State have a constitutional right to a thorough and efficient education. I think the violation of that right is

clearest in the case of the special needs districts, but there could certainly be a viable claim brought on behalf of others as well.

SENATOR MARTIN: To keep it short, Assemblyman Malone talked about the potential of a constitutional amendment that would somehow circumvent the constitutional laws that you saw raised in Abbott. I would assume, however, that you would pursue other strategies on equal protection grounds both in State Court and Federal Court to achieve your objectives, and that mere tinkering with the language of thorough and efficient education in the State Constitution -- I shouldn't call it "mere tinkering," but changing that to try to deal with Abbott v. Burke would not necessarily end in litigation of the issues that Abbott v. Burke is founded on.

PROFESSOR TRACTENBERG: I agree with that entirely. I have had the occasion, I think twice, to testify on resolutions proposing to amend the thorough and efficient education clause, and that is one of the number of points I made in opposition to those efforts. I hope any future effort, like the past efforts, will not succeed. I do not think it is good public policy for the State.

ASSEMBLYMAN ROCCO: I think your five minutes are up.

(laughter)

PROFESSOR TRACTENBERG: Thank you. I appreciate the extra minute, though, Senator.

SENATOR EWING: We will wait for that plan.

PROFESSOR TRACTENBERG: It will be there.

Thank you.

SENATOR EWING: Thank you.

Stacy Holmes, Superintendent, Glen Ridge Schools.

**S T A C Y J. H O L M E S:** Thank you for this opportunity to pose three questions that I feel must be answered by any honest and ethical review of the Department of Education's Comprehensive Plan for Educational Improvement and Financing.

My name is Stacy Holmes, and I am the Superintendent of Schools in Glen Ridge, New Jersey.

My first question is: Where is the Commissioner's fantasy school district? His Comprehensive Plan asserts that a thorough and efficient education can be provided at \$7000 to \$8000 per pupil in a 2500-student K-12 district with a particular staffing pattern, pay scale, and curriculum. Where is there such a public school district?

Parents in my district would like to visit the Commissioner's district to check out the advance placement test scores, college placements, and the close-knit community culture, all things that they have now in real life in their school district. I suggest, of course, that there is no such district as the Commissioner has proposed. It appears to me that the Commissioner was given a cost per pupil and did the best job he could to reverse engineer a paper school district to fit under the cost per pupil he was assigned.

There is apparently no authentic research in this State, or any other state, to find a district, even just one district, that is doing something close to what the Commissioner calls a programmatically thorough and efficient system of education in what he would claim is an efficient size, configuration, and cost per pupil.

I ask the Senate and Assembly to demand a reality check from the Department of Education. Make them find in the real world and point out to the people of New Jersey one reasonable living example of their paper fantasy school district. Real children are working hard today in New Jersey's public schools to prepare for a future that may not be as bright as their parents' were only a generation ago. This is no time for social science fiction.

My second question is: In what way does the State take responsibility in this Comprehensive Plan for conditions the State itself created? Education costs too much in New Jersey. Agreed. Who is to blame? Either the local boards of education or the State is more responsible for making the costs go up too high. One or the other. The current Commissioner's Comprehensive Plan seems to posture as the State's rescue mission for local boards of education, saving them, it would appear, from their own best local judgment as to what a thorough and efficient system of education is and what it should cost.

Some of us will not be so easily distracted from our focus on the true cost culprit. How much of these high costs can be attributed to the State's action to pass the minimum teacher salary law and fund it for less than two years? How much are the pension system, State Health Benefits Plan, collective bargaining law, and the tenure law contributing to these excessive costs? How much does it cost for the State Department to write regulations that expand rights already provided under Federal statute and code? How much does it cost local districts to provide programs that this Legislature likes enough to make into laws, but not enough to fund?

Education in New Jersey is a guarantee under New Jersey's State Constitution to its children. It is a State function. Commissioner Klagholz has been at pains to remind us of that in the Comprehensive Plan. To fix what is wrong with a State function by redesigning only local institutions and by remaking only local decisions is disingenuous and dishonest.

My final question is simply: How will fairness in property tax burden be introduced into the new funding formula for education in New Jersey? Fairness does not exist now, and I have submitted some supporting documentation to prove that to you.

My school district receives less than 6 percent of its budget from the State. The citizens of Glen Ridge tax themselves on an equalized property tax basis at a rate higher than that paid by any property taxpayer in any of the special needs districts. The current use of property taxes requires Glen Ridge and approximately 80 other districts to tax at a rate 30 percent above the State average on an equalized property tax basis. These 80 districts include those with costs per pupil above and below the State average. They include special needs districts, foundation aid districts, and transition aid districts, and they happen to fall in about 17 different counties.

Their enrollments vary from less than 200 to more than 20,000. They include K-12, K-8, and regionalized districts. They are the victims of the random fiscal violence known as the QEA. Meanwhile, about 40 other districts get away with property taxes that are more than 30 percent below the State average

property tax on an equalized basis, with budgets for these 40 low-tax districts averaging more than \$10,000 per pupil.

The Commissioner's Plan fails to address this disparity, even though the point has been made, with supporting documentation, on many occasions to the State Department of Education. How will the Legislature repay these 80 districts which were so unfairly victimized by the current funding scheme, and how will we make sure that no new funding formula hits property taxpayers too hard in some municipalities and hardly at all in others?

In summary -- going back to my three questions and attempting to suggest answers to them -- I hope you feel that a nonexistent paper fantasy district should not displace real life educational excellence. I hope you are ready to acknowledge that there are many institutions in Trenton that must admit and deal with their own part in creating today's high costs per pupil in the State of New Jersey. Finally, I beg you to repay the victims of QEAP and prevent drastic differences in local property tax impact for education ever happening again in New Jersey.

Thank you for your consideration of my remarks today.

ASSEMBLYMAN MALONE: Thank you very much.

The next speaker will be Bob Bonazzi, Executive Director, NJEA.

**R O B E R T   A .   B O N A Z Z I:** Good afternoon, members of the Senate and Assembly Education Committees. Thank you for the opportunity of allowing us to talk with you today about a subject that is of such extreme importance to all of us and to this entire society.

My name is Robert Bonazzi. I am the Executive Director of the New Jersey Education Association. I have with me today Dr. James Reilly, our Director of Research, and someone that many of you know as an expert on school finance. Should you have any questions, both Dr. Reilly and I will be glad and happy to address them.

SENATOR MARTIN: I just want to say here, I apologize that there are hardly any members here. I think this testimony is really important. I guess we will proceed, but I-- At least let me speak for the Senate. To the extent that anyone is speaking now, and after you gentlemen speak, if there is anyone who wishes to reappear, I will make myself available. I think the people who are speaking today have input that I think all of us need to hear.

I apologize. I guess you should proceed, but I just feel uncomfortable that my colleagues are not listening to what you have to say.

MR. BONAZZI: Well, thank you, Senator. I appreciate that. I hope we will have other opportunities to speak with you and other members, and perhaps with the Chairs of the two Committees, because we believe that what we have to say today is very important. We intend to be major contributors as we frame a plan for the future and for the well-being of the children in this State. So we certainly appreciate your comments.

Let me begin by saying that, ultimately, the Plan before us will be judged by how well it allows schools to prepare the next generation of New Jersey students to lead productive lives and shoulder the burden of this democracy.

This is the final standard against which we must measure the Plan's structure and provisions.

This Plan has many elements we can support. For example, we do not at all object to the idea of using some kind of a model, providing, of course, that it is a model for excellence, not a model for mediocrity.

Also, the Plan recognizes the importance of preschool and all-day kindergarten. These measures are long overdue and should be made available statewide. We are also pleased that the Plan proposes to use current year student counts to determine funding and the suggestion for mandatory local fair-share contributions.

I have to say this, however: This Plan also presents many educational problems. Senator MacInnes said, at the beginning, and we would agree with him, that this has those kinds of problems. They begin, from our perspective, with the way the Plan was devised.

When Governor Whitman first discussed school funding, she said the State must, "Put the textbook before the checkbook." When Commissioner Klagholz spoke at the NJEA Convention just last month, he repeated this assertion and gave four steps he was following to create the school funding Plan. He said his Department would:

- \* define curriculum standards;
- \* identify the programs needed to support those standards;
- \* determine the cost of those programs; and
- \* guarantee funding in that amount to all districts.

But this apparently was not the process that was followed.

NJEA believes curriculum standards should be developed, debated, and decided upon before a funding formula is actually put into place.

Instead, the Plan is based on "the efficient delivery of programs and services," using a hypothetical model. It labels anything outside that model as "unnecessary, wasteful, or excessive." The model is elaborate, but the Plan provides little information or educational research to validate the model.

We understand from the Commissioner that this is just an illustrative model to determine a process to get to a funding formula. But this model is seriously flawed, and should not be used as the basis for any final funding formula.

For example, why does a model school district have 3000 students? Will the formula's assumption remain valid in much larger districts? In the high school model, why does the Plan not distinguish between graduation requirements and elective courses? Current research is pretty clear that we must reach children where the children's intelligence is strongest, whether it is in music, mechanical drawing, or biology. Will all important electives in this Plan be reduced? How was the model's class size determined? Why does the Plan make no reference to advanced placement courses or other programs for the gifted and talented children in our society?

Consider how the Plan proposes to deal with special education. It abolishes two important classification categories altogether. Then, it lumps all the other categories together

and caps the number of students eligible for funding. All of that ignores the reality of the special needs of many children.

Special education is not alone. The Plan claims to achieve "efficiencies," but, in fact, it could reduce services, restrict course offerings, and lower standards. Ladies and gentlemen, it would put the light out in our lighthouse districts.

We're skeptical about the ability of the Plan's model to respond to the varying conditions in our State. To achieve equality, we must ensure that all students have more educational opportunity, not that some students have less. In fact, the formula appears to be based on averages -- average students with average needs in average schools. But those who are on the front line of education can tell you, there is no such thing as an average school, and there is certainly no such thing as an average student.

This document will not provide funding for quality schools. Rather, we believe, it will allow the State to renege on its obligation to future generations of children.

Moreover, we question whether this proposal meets the standards of the Abbott decision. The Plan purports to offer program equity, rather than fiscal equity. NJEA believes it may be possible to do that, to create a plan with program equity. However, this level of program equity would be insufficient to meet the Abbott standards in this Plan.

Finally, we must dispute the Plan's cap on teacher salaries, pensions, and Social Security funding. This cap would threaten the very heart of a quality education in this State. No variable is more important to a quality education than the

r lationship between teacher and student. That is why we must attract the best and the brightest to our classrooms. You -- this Legislature, and past Legislatures -- have helped to make teaching a viable career for both the brightest students from college and for others entering the profession through the alternate route. We ask you not to undo your achievement. This Plan would destroy, in our view, that progress.

I began by noting that the educational problems inherent in the funding Plan are very formidable. During the course of this debate, however, we will identify these issues and will be involved in helping to solve some of these problems. In the State with the second highest per capita income in the nation, we can develop a program that will provide true thorough and efficient education for all children. But this Plan does not do that.

New Jersey has many of the best schools in this nation. Don't do to those great schools what California has done to its educational system. We hope you will move with care. Our children's future is at stake. Our society's future is at stake. We stand ready to work with you to create a funding plan that meets the real needs of children in this State, a plan that will allow our schools to prepare our students for the bright and prosperous future we know they can have.

Thank you.

ASSEMBLYMAN ROCCO: Thank you.

Are there any questions from the Committee? Nilsa?

ASSEMBLYWOMAN CRUZ-PEREZ: Yes, I have some questions.

I want to say good evening to everybody. I should have said something when the Commissioner was here, but I was waiting for NJEA to come in to ask some questions.

I want to ask NJEA how they feel about the Commissioner's assertion that the range of school employees' salaries around this State is excessive?

MR. BONAZZI: We have been looking into that, because, clearly, that is a problem that has been raised with us before. We do not see that disparity as great. In fact, we have some information that would lead us to believe that the disparity is much greater in the housing costs, for instance, than in the costs of the salaries of teachers.

So there is a lot to be done in that area. We are intending to do some work in that area and release some information on that.

Jim may want to comment on that.

**J A M E S P. R E I L L Y, Ed.D.:** We noted in the Commissioner's observations the variability of the range of salaries for school employees. We investigated that, as Mr. Bonazzi said, and we found that the variation in teachers' salaries does not strike us as being nearly as wide as the variation in housing costs. So there has long been sort of a common belief that variation in salaries tends to track variations in cost of living, which makes a lot of sense.

One standard deviation around the average teacher's salary in 1993-1994, the model year, of around \$44,000, was around \$5500, or about 12 percent. The average cost of a residential home, at that time, was \$163,000. One standard deviation was \$96,000, or 59 percent. So it seems to us that we

have a relatively tight distribution of salaries in actuality, and that they appear to be attempting to match, through the local negotiation process, the living costs.

SENATOR MacINNES: Say that again, please.

ASSEMBLYMAN ROCCO: Did you want to carry on with the same question, Senator?

SENATOR MacINNES: I just wanted to ask if he could repeat the last phrase. It sounded like he said the negotiated settlements are tracking living costs, despite this wide disparity and the standard deviation between salaries and housing costs.

DR. REILLY: Well, it seems that variation in salaries is linked to variation in living costs. That was all I was trying to establish. Actually, the variation in living costs at least is measured by the cost of residential housing. It seems to be much greater than the variation in salaries, suggesting that perhaps the process isn't completely successful in adapting variations in living costs. It is more restricted.

MR. BONAZZI: Also, I think it needs to be noted that the market forces are driving salaries, as they always have. We think they will continue to do that. We have seen that as we tracked those salaries through time. Market forces are really having a very great effect on the salaries and the salary settlements.

ASSEMBLYMAN ROCCO: Nilsa?

ASSEMBLYWOMAN CRUZ-PEREZ: Yes. If district salaries are above the salary guide, the municipality will have to pay the difference. What will happen if towns cannot afford to pay the difference? Let me give you an example, okay?

I represent the 5th District. The City of Camden is in my district. Forty percent of Camden's population is poor; 10 percent is middle class; and 50 percent are under the age of 25. That means that the kids will not receive the proper education, because we cannot afford to find homes and pay property taxes. It is not going to get the voters' approval, not because we don't want a thorough and efficient education for our kids, but because we cannot afford to pay that kind of money in property taxes. I speak for myself, because I live in the City of Camden, which happens to be the fifth poorest city in the whole nation.

That means that because we cannot afford to pay property taxes, the teachers won't be able to come to work in the city. They will go someplace else where they can get paid what they deserve.

MR. BONAZZI: That is correct. If market forces are at work and you drive down the costs by driving down salaries in those districts, it will be difficult throughout this entire State to remain the kind of school system that provides salaries for the best and the brightest, you know, to come teach in our schools.

One of the great advantages that New Jersey has is that we have people who come here, make a career here, who leave other professions and come into the teaching profession. This Legislature, and other Legislatures before them, have provided for alternate routes in order to make that possible. That is a real concern of ours. We are concerned that that would have an adverse effect on the quality of education in this State.

ASSEMBLYWOMAN CRUZ-PEREZ: So you are telling me that the children in the City of Camden are not going to receive -- according to this Plan -- the proper education they deserve, because we happen to be poor?

MR. BONAZZI: We are very concerned about that, yes.

ASSEMBLYWOMAN CRUZ-PEREZ: Well, I have many other concerns, but they were addressed by Senator MacInnes and Assemblyman Garcia. They are still not clear to me either.

I am very concerned about the Plan. What you just said really concerns me. You know, my kids go to public school, so I am very, very concerned.

ASSEMBLYMAN ROCCO: Thank you, Assemblywoman.

Are there any other questions from the Committee? (no response) Hearing none, thank you both.

ASSEMBLYMAN MALONE: Just one quick one.

ASSEMBLYMAN ROCCO: Assemblyman Malone.

Mr. Bonazzi, would you hold on for one second, please?

ASSEMBLYMAN MALONE: Is the Association going to write a critique of this Plan and make it available?

MR. BONAZZI: We have done an analysis of the Plan and some of the educational issues involved there. We will continue to issue papers, reports, and studies as we generate them. We intend to be very actively involved with this, because we think there is a way to frame a solution to this problem. We are, ultimately, always optimistic. We are educators, and you have to be optimistic if you are going to be an educator. So we are going to try to do that.

ASSEMBLYMAN MALONE: I would appreciate anything you do on this.

MR. BONAZZI: Certainly. Thank you.

ASSEMBLYMAN ROCCO: Thank you.

We are going to jump to Lynne Strickland, from the Garden State Coalition of Schools, and then to Valerie Vianco.

**L Y N N E S T R I C K L A N D:** Good afternoon.

ASSEMBLYMAN ROCCO: For those who are going to follow this testimony for the rest of the day, there will be a few members remaining. We have to run over to the other session on charter schools, which has been a commitment for Senator Ewing, myself, and other members of the Committee. We shall return.

Ms. Strickland?

MS. STRICKLAND: I guess it is afternoon now.

Our President, Larry Feinsod, will present, and I will be here if there are any questions.

**L A W R E N C E S. F E I N S O D, Ed.D.:** Thank you very much.

My name is Larry Feinsod. I am President of the Garden State Coalition of Schools. I am also Superintendent of Schools in Madison, in Morris County. And, yes, I was quoted by Professor Tractenberg.

As many of you are aware, the Garden State Coalition of Schools is a statewide organization composed of 110 public school districts, primarily suburban, that focuses on the interrelated issues of excellence and equity in academic achievement, educational practices, and school finance. GSCS believes that equity should be achieved by improving education, not by diminishing quality and eliminating school programs which have led to high student achievement.

The overriding issue that stands out when reviewing the Department of Education's Comprehensive Plan for Educational Improvement and Financing is that implementation of this Plan will result in exactly what we are worried about -- the erosion of quality school programs for all children. Many questions arise from this proposal that must be studied in depth. Nonetheless, given the short time we've had available prior to these hearings to analyze the impact of this Plan which has yet to be translated from the hypothetical to the practical, we already have the following concerns:

First of all, the suggestion to move the election of school board members to the November elections is a bad idea. Overwhelmingly, our districts do not experience partisan party politicking now, and we feel that advancing the elections of school board members to November would, in fact, foster partisanship which would deteriorate our first priority -- the advancement and well-being of public education.

Next, the T&E foundation target we find to be very low. Garden State Coalition districts, and many districts throughout the State, will be over the "target box" from the onset.

Next, districts that are above the box will be required to go for a public vote for expenditures that will be billed as "excessive" and "unnecessary." For your information, the last three pages of the Plan are entitled, "Unnecessary Municipal Spending on Schools" and include the words "unnecessary" and "excessive," and words related, such as "overspending," 31 times. Can you imagine -- just to deviate from my notes for a second -- going to the electorate and having

terms on some official ballot or program called "excessive" and "unnecessary"? I mean, if that isn't unfair, I don't know what is.

I might also add that the Daily Record, an important newspaper up in Morris County, reported that no district in Morris County would fall within that target box range. Other areas, such as Bergen County, and, in my judgment, suburban Essex and Monmouth, clearly will be in a similar situation. I have the article from the Daily Record in my hand here. My judgment is that it is probably as close to apples to apples as the paper can get it. Not one school district in Morris County, as I said, would fall within the box. All the districts are spending -- again, this is in 1993-1994 dollars -- above that State threshold that the Commissioner talked about.

Districts are also being asked in this Plan to absorb certain special education costs, such as speech impairment, that to date have been flowing to districts as categorical aid. In the Haddonfield School District in Camden County, this would mean an additional \$150,000 would have to be raised locally, or more programs would have to be cut.

I might add, also, while the Plan suggests a flexible range be put within the T&E foundation budget, there are no specific percentages mentioned. So that brings us to cost differences across the State for housing and cost of living. Once again, we believe regional cost differences must take place in order for any plan to be fair.

State policy as recommended in this Plan would then require localities to absorb costs that the State has been funding to date. GSCS districts are already required to support

85 percent to 95 percent of their school budgets locally. If the voter does decide not to downgrade from status quo, local property taxes would be hiked just to fund the education program as it exists today.

With enrollments growing at a fast pace in the suburbs, combined with less dollar-per-student aid going to the majority of our school districts, property taxes have still risen statewide from an equalized rate of \$.99 in 1991-1992 to \$1.24 for the 1995-1996 school year. At the same time these increases have been occurring, spending growth rates in the I&J districts have only averaged a little over 2 percent a year since 1991-1992. Policies that reduce funding, when combined with growing enrollments and mandated student needs, lead to having to find the requisite funds from somewhere. Outside of private foundations, GSCS districts' only consistent source is the property tax. The Plan will increase reliance on property taxes, in our judgment, especially in the suburbs.

Realistically, there is no room for growth here. The voters will be placed in a very difficult position. They will be told, on the one hand, that the State has determined that students can be provided with a fine education determined by the Department of Education's cost model. On the other hand, local school districts will be telling their voters the truth when saying that voting against the additional budget for education support will result in the children receiving even less of an education than they are receiving today.

If this Plan were in effect for the 1993-1994 school budget in the District of Madison, the Madison voter would have been confronted with having to pass on an additional expenditure

for education support of \$4.9 million. I realize that Professor Tractenberg came to about \$5.5 million, so we may be off, but we are still talking about millions of dollars, whichever figure is correct. If that budget failed, and if the municipality did not restore any of that funding, that loss of revenue would have meant reduction in teaching staff, advanced placement programs, extracurricular activities, and interscholastic sports. They would be gone.

In Haddonfield, in Camden County, the projected additional education support for 1993-1994 would have been \$2.2 million. If 5 percent is applied as a flexible range, the Haddonfield figure would still amount to \$1.7 million from a \$13.3 million budget for T&E foundation budget items.

Now we will go to Ridgewood in Bergen County. That amount is estimated to be in the \$8 million range of what the taxpayers would be asked to vote on. Ridgewood, with a pupil population of 4900, has the largest enrollment in Bergen County. They are a district that has had an increase of about 10 percent in elementary population since 1991-1992, and since 1990, has eliminated 29 teachers, 3 central office administrators, and others, as well as contracting out for custodial and maintenance personnel. This is just an example of the cutbacks and the belt tightening that our suburban districts have been undertaking in the last four to five years.

Lastly, it is hard to believe that the Legislature will not see the inherent problems in this Plan and see that they far outweigh its stated benefits. Quality education may not be cheap. None of us are insisting that cost should not be a factor. But please be advised that Garden State districts

routinely send 98 percent to 99 percent of their students on to higher education. Our combined SAT scores average over 1000, and generally 95 percent of our student bodies participate in the SAT tests. We are achieving. Do not allow the perception to persist that New Jersey does not have some of the finest school districts in the nation. We do. Do not suppress the opportunity for striving to be the best from any of us -- the special needs districts as well. We all must have something fine to aim for, for the well-being of all the students in this State, and for the health of our State as a whole.

One last item that I just want to quickly mention is that part about the pension and Social Security costs. Since 1955 -- if my history serves me correctly -- the State has entered into an agreement with the education community regarding those costs. To thrust any of those dollars on local school districts, and thus on the backs of the local taxpayers, is wrong.

Thank you:

ASSEMBLYMAN ROCCO: Thank you, Larry.

I just want to say that we appreciate the work of the Garden State Coalition. It has provided us with some real balance in the whole process over the years. I know I, for one, very much appreciate the work of the Coalition and its not reaching the stage where everything is average, average, average. We do have excellent schools, and we want them to continue. We always talk about feeding internationally, but, at the same time, we do not give our schools the opportunity to do that very often. I can tell you that we are in your corner in that regard, and we do not want this Plan to do that. That is

why we mentioned to the Commissioner that each time we have to go back and revote different portions of the budget again, be it, you know, \$1.5 million such as Haddonfield, or \$4 million, or \$5 million, or whatever it is, and then you have the mayor looking to cut it, I think we could have some real substantial problems. There are things that we will have to work on.

Possibly, as you always have done, if you could give us comments, recommendations, modifications and possibly be in a position to make this work, we would certainly appreciate it. If not, then certainly you will provide support.

I must run to the charter issue right now, but we will be back, I guess. Senator Martin?

SENATOR MARTIN: I am scheduled to go over there, too.

ASSEMBLYMAN ROCCO: Assemblyman Malone will run the show at this point.

SENATOR MARTIN: Congratulations on your excessive women's field hockey team, by the way -- the State champs.

MS. STRICKLAND: Thank you very much.

DR. FEINSOD: Thank you very much.

ASSEMBLYMAN MALONE: Brenda Considine, Special Assistant, ARC of New Jersey.

**B R E N D A C O N S I D I N E:** Our written comments are going to be faxed up later in the day, so all I have are some oral comments at this time.

ASSEMBLYMAN MALONE: No problem.

MS. CONSIDINE: Thank you very much for the opportunity to present testimony. I will be very brief.

My name is Brenda Considine. I am an Assistant at the ARC of New Jersey responsible for special education policy. The

ARC, formerly the Association for Retarded Citizens, is the State's largest nonprofit disability organization. In addition to my role at the ARC, I serve on the State's Legislative Task Force for Special Education. You heard earlier this morning from a colleague of mine, Mark Stanwood, who also serves on that committee.

I am going to limit my comments on the Plan to how it affects special education. Many of the assumptions that the Commissioner has identified in the report are areas that our organization, for a long time, has felt were problematic. We support his general assumptions and his funding assumptions. I am going to direct my comments to three specific areas where we think the Plan could be improved.

The Commissioner of Education described problems with the current system in his underlying assumptions. For the first time, we have a Commissioner of Education who has publicly acknowledged the inequities in our special education funding system and identified the need to reduce unnecessary segregation of classified pupils as one of his goals. We commend the Commissioner for that. The Federal government has cited the State of New Jersey for our high rates of segregation, and we are pleased that the Plan makes an effort to address some of those problems.

Under the Commissioner's Plan, special education aid would no longer be linked to a pupil's placement. In that respect, the Plan proposes a placement-neutral funding system, and we support that.

The Plan specifies that each of the funding provisions apply to special education pupils in their home districts,

whether programs are provided in the district or through tuition arrangements at private schools and special services school districts. We also support that provision. We believe that State aid should go to the local district of residence, so that local decision makers and parents are able to make informed decisions with all of the financial resources available to them.

The Plan goes on to propose a hybrid of State funding systems in order to deliver State special education aid to the local school district. It is interesting to note, through my work as a member of the Task Force, that just about every other state that has undergone special education reform is looking at a hybrid model that combines different models for funding different types of special education.

Part I is a census model for some costs. The Commissioner proposes certain special education costs, including the costs of serving pupils eligible for speech correction, be funded as part of regular education. This, he believes, would negate the need to classify pupils, thereby reducing New Jersey's high rates of classification. As you know, currently we classify around 16 percent of our public school students.

We support the goal of the Commissioner, but we think the Legislature needs to be mindful of the fact that current Federal funding for special education is based on what is called a "head count" model. Flow-through funds are received from the Federal government in the amount of approximately \$350 per pupil. If speech eligible students are no longer counted, we would risk losing that Federal aid, assuming that the Federal government continues to fund special education based on a head

count model. This Legislature needs to be mindful of how that would affect local taxpayers.

The second method of funding that the Commissioner proposes is full funding through categorical aid for statewide average excess costs. I don't need to go into the details there, but basically the ARC of New Jersey is concerned that a single dollar cost average statewide is going to be a problem. My colleague, Mark Stanwood, described how that could affect public school students. But, put simply, because it will reflect an average cost to educate all students ranging from those with mild disabilities to more complex multiple disabilities, it will likely reflect an amount far lower than the average cost of educating students whose needs are very severe and profound.

What we would propose is that the Commissioner identify three different levels, that the State funding be indexed according to the nature of the student's needs. We would propose something like minimal, moderate, and intensive supports as a way of identifying those students according to the nature of their need. It would also provide the State with an opportunity to monitor the way in which services are being delivered. The current model is a pseudo block grant, capping out at 10 percent, and we are concerned that there would be inadequate monitoring of the provision of services at the local level.

On the issue of the 10 percent cap, we certainly support the Commissioner's goal of reduced rates of classification, but we are concerned that an arbitrary cap may not be the best way of doing that. In New Jersey, because we

have so many school districts, the law of averages is going to be very difficult to apply.

We suggest, instead, that the State establish target rates of classifications for each district, gradually decreasing the percentage of classified students over time. Districts whose classification rates exceed their prescribed target level could be subject to State review and monitoring to determine if it is local practice that is adding to the high rates of classification, or if, indeed, there are some regional variations that result in an increased rate of disabling conditions.

On the issue of extraordinary costs, we certainly do support the Commissioner's Plan to provide some relief to school districts which are providing services to pupils that are extraordinarily expensive. He suggested the rate of \$50,000. Again, we support the goal, but we are concerned that one single statewide dollar amount may not work in a State as diverse as New Jersey. Just as an example, you could have a very small school district, K-8 with perhaps 300 or 400 students, which needs to place one child in an in-State program that costs \$35,000 or \$40,000. They would fall below that cap, that threshold, but the impact of that single student on a small district would be far greater than the impact on a district large enough to absorb those costs.

What we propose, instead, is that a dollar figure be identified that is more individualized to the local school district and reflects local circumstances; for example, a certain percentage of a local district budget or a certain factor of the amount spent on nondisabled pupils. That way the

trigger for that would be indexed to local factors, instead of a statewide average.

We certainly do have more comments, and we will be working with other organizations on areas that affect special education.

I would be happy to answer any questions.

ASSEMBLYMAN MALONE: One question on the special ed situation: How much would you say, if you took strictly education and looked at what the costs were -- associated costs for giving particular services to a special ed student who is an extraordinary case-- If you could separate those costs -- and you don't have to do it today-- I think what we do in education sometimes is associate a number of costs that are not strictly educational costs in the education budget. I think what we should do is maybe differentiate.

For example, another department of the State may or should be responsible to handle some of the other costs that are incurred by taking care of a student with special needs. That is something that you and I could talk about. I have a great deal of respect for the ARC. That may be something that I would follow up with you at some other time.

I think we should try to look at some of the other agencies of the State that should be providing services to school districts, so that we don't have overlapping types of services in school districts. I will be getting back to you on this issue.

MS. CONSIDINE: Currently, for certain special education services, and I am speaking now only of related services, the Department of Human Services does fund the

residential component of placements that are made for reasons other than educational reasons. But the Federal law requires that if the placement is made by the school district for reasons of education, the costs of that do fall back on the school district.

ASSEMBLYMAN MALONE: Thank you very much.

MS. CONSIDINE: Thank you.

ASSEMBLYMAN MALONE: The next speaker will be Robert Boose, Executive Director, New Jersey School Boards Association.

**R O B E R T E. B O O S E, Ed.D.:** I was going to say "Good morning," but I better say "Good afternoon." If it lasts any longer, I will say "Good night."

Basically, given the time and the fact that the entire Committee is not here-- I appreciate your sticking in. I do want to say, on the record, that I concur with what Senator Martin said. On the first day of testimony, to have another item agendized for the day, I think, sends 5000 school board members in this State who are responsible to deliver the educational program for 1.1 million kids -- to have all that taking place and not have an opportunity to be heard by everybody, I think, is the message that the Legislature, hopefully, is not sending.

Basically, I am going to focus on the standards, because I believe the standards are the lifeblood and the keystone of all we have talked about today. We keep dancing around this issue. I don't want to spend time on special education, but I do want to share with you that this Plan has a reference to special education, and we still don't know what

even the legislative task force is doing, in terms of their final recommendation. Yet, we have a Plan.

We don't have the outside consultant -- MGT's work, which the State is paying close to \$200,000 for. That is not known to us. Yet, we still have a Plan.

Shared services is an issue which we think needs to be part of this Plan.

I am ticking off some of the major points where I think the Plan, in its inception, was supposed to embrace, but it is still a work in process.

Vocational education has a one-sentence paragraph saying that we are going to fund it the same way, and that is the way it is going to be. Yet, we are talking about going to the transition from school to work. We are talking about going into the next century using technology. We are disappointed that there is not enough in there to give us a sense of direction on vocational education. I believe you made a very excellent point on that this morning.

There are a host of funding issues which, I hope, the Legislature will take the time to sit down and deliberate on. Transportation facilities, pension, and Social Security-- You have heard some of the responses about the pension and Social Security, but the impact of that is still not truly known. Pensions in this State are a State responsibility. It is going to be very difficult to download those costs on school districts. It was tried before.

How do we make this happen, given the fact that we are going to have new standards, hopefully, and yet we have a State that gives a lifetime certificate. There is no recertification

proposal here. There is no issue for boards to deal with seniority and tenure issues. These are the things that are going to make any plan come to life. Still, we do not see that in the Plan. That is why we continue to be disappointed. We do not want to be negative, but we feels it is our responsibility to share with you those issues, along with collective bargaining. We have contracts in place. We cannot deny those contracts.

The Plan states, on page 24, that the new funding system must be based on a thoughtful analysis of what ideally ought to be, not what currently happens to be. This Plan embraces what happens to be. It is not telling us what ought to be. So when we talk about the standards, we are saying, "We need to know how far and how high do you want Johnny and Jill to run educationally, and to jump educationally." Everything else flows, facilities flow. How will we know how many teachers to have or what to train them on if we don't know the standards?

If we are talking about hypotheticals, and we are told that the hypothetical in this Plan is the current standards, we are also told that the current standards aren't doing it. If they are not doing it, why would we even embrace a hypothetical model around standards that we are not happy with? You, as legislators, ought to know exactly what the forward thinking is, and then decide at what level.

We are delighted that the Department has pushed toward the standards, but we are still not happy with that work in process. In January, the board will be given it.

One of the goals that is stressed in the Comprehensive Plan is-- It says, "Full funding and fiscal equity must not be

seen as an end in themselves." Well, when we hear the phrase, "textbook before checkbook," we really believe that that is what the administration is sending. This is a funding Plan. This is not an education improvement Plan. We want to see the textbook first, and then we will define where the dollars are going to be.

Both curriculum standards were not only for graduation requirements, but as one Assistant Commissioner has written -- and it will appear in our journal shortly -- "Curriculum content standards will help define the State's constitutional guarantee of a thorough and efficient public education." Since 9:00 this morning, everybody has been wrestling with that, but yet you do not have it before you. That would help you to get a clearer picture and would satisfy, I think, many people's minds about exactly what direction we are going to go. Those standards are the expectations for our students. In effect, it is telling these students, "This is what we want you to learn, and this is where we want you to learn it. If you don't learn it, here are the compensatory education programs we are going to use to make sure you achieve."

It is also a signpost for staff. It is telling the staff what we expect to be taught, and we expect to see those measurable results take place in the classroom, as well as school by school.

Most important, the standards are the foundation of the Comprehensive Plan, and they must be in place before you and the rest of the Legislature can ever judge whether or not it is even adequate. Let's not worry about the Court case right now. Let's worry about if we didn't have a Court case. Is this a

Plan that you would be happy with going back to your local school district and imposing? I would hope that you would want to make major improvements.

It is our understanding that these standards will go before the board in January. I know we are going to have other debates on this, but I would implore you to ask yourselves this question before you pass any bill: Is it going to be different, when you pass it, for the children who are going to go to school in the next century, in the next 10 or 12 years? Those first graders who will be second and third graders when you pass this and implement this, is it going to be different, or is it going to be the same? I hope it is going to be different.

ASSEMBLYMAN MALONE: Thank you very much.

I apologize for the fact that no one else is here. As a member of the Appropriations Committee, I know I will be seeing you again as this process goes through the length of time it is going to take for us to get to the bottom of it.

You bring up some very valid points. You should continue to do that. If you would like to send any additional information, or send other members of the Committee additional information, please feel free to do so.

DR. BOOSE: Mr. Chairman, I would like to address one point, and that is about the elections. We are doing an analysis across the country. If we were to look at the states that vote on school budgets, only seven states have a vote on the school budget. So that is not a new idea that the Commissioner is bringing forward. We support that notion, because if we have a constitutional level, that is what the district should fund. We have a big problem where we are

setting that benchmark so low that it hurts a lot of children.

Secondly, if we look at those states that have school board member elections in November, there are 16, one of which is the District of Columbia. There is only one board there, and they get paid. Another is Florida. They are county school boards, and they get paid. Another is Maryland. That has a county school system; half of those are appointed and half are elected.

So what we are really talking about is having an election in November that will become partisan in time, yet the rationale was, "Well, we don't get a great turnout. We get 15 percent." The most recent election in November wasn't all that great. It was in the high 30s.

We live in a representative democracy which says, "You have the right to vote, and you have the right not to vote." If people in your town do not wish to vote in their school elections, they either must be very happy with what is going on, or they have chosen not to vote. But there is an elective process far away from the November process. I believe that issue is something that should be retained. Hopefully, you will look at that, because I don't see the sense of having board members elected in November, and then a budget coming out in April or May, which, by the way, could have the lowest turnout of any.

So if the logic is concern about public input, is it just because we are concerned about who is going to get elected to the school board? I hope that is not the case.

ASSEMBLYMAN MALONE: I think it might be more appropriate if they had the budget in November and the other situation--

DR. BOOSE: At least we would know what we have to follow a year earlier, wouldn't we?

ASSEMBLYMAN MALONE: --as a nonpartisan election. But we will see how that corrects itself.

Thank you very much.

The next speaker will be Judy Kesin, Principal, Adult Learning Center, New Brunswick Adult High School.

J U D I T H E. K E S I N: Good afternoon. I am pleased to have the opportunity to be with you.

My name is Judy Kesin, and I am the Principal of the Adult High School and Adult Learning Center of the New Brunswick Public Schools, where I have worked since 1980. Annually, we serve over 1600 adults and out-of-school youth who need high school diplomas, literacy services, and English for nonnative speakers.

I am asking your serious consideration in opposing the Department's Comprehensive Plan for Educational Improvement and Financing which eliminates funding for accredited adult school programs, also known as adult high schools.

The history of adult education in New Brunswick illustrates the story across the State. The 1980 census indicated that in New Brunswick, 43 percent of the adults, 25 years of age and older, did not have a high school diploma. The number of people who earned diplomas through the district's previous part-time GED program was relatively inconsequential.

Since the Adult High School began in 1980, it has become the cornerstone of a comprehensive Adult Learning Center, where 1440 New Brunswick area adults have earned district or State high school diplomas. As a full-time Center, it has the staff expertise to access other grants, address local literacy needs, and open doors for many of our residents to become contributing members of our community as workers, parents, taxpayers, and voters.

The Adult High School's credit-based district diploma program offers adults the kinds of complex instructional activities needed to transition to college or job training, enter the military -- which does not accept the GED -- and prepare for the increasingly competitive, technological world of work.

On the practical side, adult high schools are extremely cost effective. In the current State aid funding formula, each adult high school student on roll as of October 15 -- carrying at least 15 credits -- is counted as .5 on the district's Application for State School Aid and, thus, generates half the amount of funds allotted for regular day school students.

The Adult High School's flexible format, with day and evening classes suited to the adults' schedules, allows large numbers to be served for a fraction of the cost of traditional day schools. In addition, many who enroll after October 15 -- 72 in New Brunswick in 1994-1995 -- are also served without additional cost to the district.

In yesterday's news, Governor Whitman linked welfare reform with pursuit of a high school diploma for teen mothers.

His plan referenced attendance at "night schools" as one alternative. At a time when the Governor is addressing these critical social issues, why would the State Education Department dismantle the very programs that have been most successful and most effective in working with this population?

In fact, the military, the court system, the Family Development Program, the Job Training Partnership Act, and many other community organizations rely on the adult high schools and their related literacy programs to refer clients who need high school diploma preparation and basic skills required to compete in the complex, technological labor market.

For the State Department of Education to destroy the underpinnings of these programs by proclaiming that "accredited adult school programs are not within the Constitution's guarantee of a free public education," is to ignore all the research which demonstrates the direct connection between a mother's level of education and her children's achievement.

The Federal Goals 2000/Educate America Act also recognizes the importance of addressing the literacy needs of adults: "By the year 2000, every adult will be literate and possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship." It is naive to believe that we can even come close to reaching that goal if this Plan becomes law.

In the end, it is the adults who demonstrate just how important education is to them. Last year, 1800 attended New Brunswick's literacy, ESL, and high school diploma programs. In June, 177 of these adults marched down the aisle to receive their high school diplomas. If you had been there, you would

have heard Edwin, a 26-year-old, speak of his former street life and his struggles to earn a high school diploma. Edwin persevered, attending part-time over a six-year period. Now working two jobs, he is a responsible husband and father. You would also have heard Sandra, the alumni speaker, a Human Resources Manager for AT&T. Sandra shared her personal story of success as a parent and worker since graduating from the Adult High School in 1981. She urged others to pursue their dreams for a better life.

Adult high schools and adult literacy programs, key elements for a prepared workforce and a healthy economy, must not be lost under the guise of educational reform. For all the Edwins and the Sandras of our State, I implore you to support the continued funding of adult high schools as an investment in our economy, in our future, and in our people.

Thank you.

ASSEMBLYMAN MALONE: Thank you.

Just one brief personal note. I have two associations, I guess, with your concern. Number one, I taught in New Brunswick for eight years back in the 1970s, and also I am the Director for Secondary Education in Somerset County in my real life. I hear what you are saying, and it is a great concern to many of us who work with adults.

I appreciate your comments.

MS. KESIN: Thank you very much.

ASSEMBLYMAN MALONE: Thank you.

Is Tom Stringer, Superintendent, Salem County Special School District, here? (no response)

Dr. Dwight Pfenniz, Superintendent, Morris School District? (no response)

Ms. Chiara Nappi?

**C H I A R A R. N A P P I:** I am a member of the Board of Education of the Princeton Regional Schools. As you know, the Princeton Regional School Board is a member of the Garden State Coalition of Schools, as well as a member of the New Jersey School Boards Association. So said, I need to emphasize that the views expressed in this testimony do not necessarily represent the views of any of the above-mentioned bodies.

The Comprehensive Plan is certainly an ambitious attempt to give a global look at the way education is defined, delivered, and financed in New Jersey. What concerns me, however, is the lack of consistency. Here I am not talking about the minor inconsistencies in the document itself.

What I am concerned about are major strategic inconsistencies. On one side, districts are asked to cut their costs. On the other side, expensive new requirements and restrictive as well as unnecessary mandates are imposed that will undoubtedly increase educational costs. I will limit myself to a couple of examples.

Educational issues have been dealt with separately in the "Strategic Plan for Educational Improvement," but obviously the two plans are intimately related. I am a strong supporter of standards, so I do not want my statement here to be interpreted in any way as an antistandards statement. Curriculum standards are the first step toward ensuring educational equity independent of the district's geographic location and socioeconomic status.

I applaud Commissioner Klagholz for finally putting into place the curriculum standards in this State. However, if you look at them and interpret them literally, the new curriculum standards require introducing the study of languages throughout K-12. Now languages start in middle school and they are optional. Mandating world languages from K-12 is a very expensive proposition.

The curriculum standards also talk of expanding the art program by introducing dance and drama through grade 12. Where do we get the money to do this? Where do we get the time? Are we talking of teaching dance, rather than writing or math? How is this compatible with the concept of academic achievement that the administration rightly emphasizes in the definition of T&E? If we do not want to cut out basics and academics, then the administration must be talking of longer school days, more teachers, etc. Who is going to pay for it?

There is also the problem of what it means to implement the curriculum standards in high school. The high school standards appear to be very ambitious in all subject areas. Are they minimal requirements for all students? How can they possibly be met in the current high school structure? It would require more staff, more time, more money. How is all this compatible with lowering the cost of education? I think all these issues should be addressed by the DOE when it comes up with a money figure for a T&E education.

There is also the issue of bilingual education. The Comprehensive Plan does not deal with bilingual education. It just says it is an "unchanged funding area." On the other side, it appears that the Department of Education is still pushing

A-66. A few weeks ago, the Office of Bilingual Education and Equity held a technical assistance session for bilingual educators to prepare them for the implementation of A-66, which, by the way, is not passed yet.

In many respects, A-66 is many steps backward with respect to what we have now. On top of that, it would be very costly and a true administrative nightmare to implement. The message of this bill is: If there are 20 LEP students in two consecutive grades, full-time bilingual programs must be established. If there are between 10 and 20 LEP students in two consecutive grades, then there must be part-time bilingual programs.

For us, in a district like Princeton, where there are children of 40 different groups, it would be extremely expensive, aside from the fact that we would have to shift from part-time bilingual to full-time bilingual for the Spanish kids. Now we spend half a million dollars on bilingual and related programs. If this law were approved, it would easily triple the costs. How is this compatible with the fact that we are asked to lower our costs?

I have the impression that the Department has two plans: One does something, the other one does something else, and they do not communicate with each other. I think it is their responsibility to make sure that there is consistency before anything becomes law.

Also about the funding: The Comprehensive Plan suggests a dramatic change in the way schools are run in New Jersey, but no significant departure on the way they are financed. Still, the financial burden would be on property

eners. At no extra emotional cost, one could try to implement an alternative financing formula which makes more sense than the one proposed in the Comprehensive Plan, and deals much better with the issue of educational equity.

The administration needs to read the message that the electorate is sending. The overwhelming approval of the constitutional amendment "State mandate/State pay" on November 1978 sends the powerful message that New Jersey voters want the State to pick up a more significant share of school expenditures, rather than relying overly on property taxes to pay for school programs and services. This could be the answer to the equity issue as well. Basing the funding of education on local taxes is the most inequitable way that we can fund education.

By the way, this is the direction that Michigan and other states have started moving toward under similar pressures as in New Jersey. They are paying a much larger share of school expenditures out of state taxes. I don't see why this could not happen in New Jersey.

My specific recommendation is that the State must provide baseline funding at a level considered adequate to deliver a thorough and efficient education. On top of that, school districts or individual schools must be permitted to provide supplemental funding through local revenues or voluntary contributions. This supplemental funding must not exceed 10 percent of the baseline funding, so as not to perpetuate or reintroduce economic disparities.

At the same time, we have to go to the heart of the problem. New Jersey needs to deal with the NJEA. Local

negotiations are inherently inequitable, on top of being very disruptive to the school community and disadvantageous to the taxpayers. Teachers' salaries should be negotiated at the State level. This should be the next step toward meeting the goals of educational equity, the declared goal behind the Comprehensive Plan.

My point is that if the Whitman administration is going to go through all this trouble to meet the Court order, it might as well go all the way and deal with the problems at their root, instead of dancing around them.

ASSEMBLYMAN MALONE: Thank you very much.

Frank Mikorski? (no response) Gregory M. Ficarra?

**G R E G O R Y M. F I C A R R A:** Thank you very much for hanging in there this long. I appreciate it.

I don't have anything to hand out, because I found out about this opportunity late yesterday, but I would like to address a very small, but important aspect of this, and that is health and physical education. I am the Athletic Director and Phys Ed Supervisor in the Perth Amboy School District. I am also involved with Middlesex County's athletic directors and phys ed professionals.

As far as phys ed is concerned, I don't think you are all aware of literature right now that adults in the United States, specifically in New Jersey, are doing a very good job of being aware of getting back into shape. We are working toward that end. However, our children are not. They are far behind children from other countries. Opponents of physical education may say that that is the way we are now, so we are failing in what we are attempting to do. I say, however, that there are

many other factors, such as work. I know in my district, every single one of them, we have a hard time fielding sports teams, because children are working. So there are a lot of other factors.

I feel that if physical education in any way is adjusted or cut back, it will have much more of a negative effect on the health of our children.

There is also a movement to substitute interscholastic sports. Now, keep in mind that I am involved in both, so I don't want this to have an ill effect on either one. But there is a movement to have interscholastic sports take the place of physical education. To that, again, I say that is two different areas. Sports is more for an elite group, for a group of children who have attained a certain level and want to compete at that level. Physical education, or physical fitness, however, is for everyone. I can only relate that to my two children, one being very much involved in three sports, and the other wouldn't do anything if it wasn't for physical education and my encouragement.

The other area I am very concerned with, and I know you are aware of it, is the social problems our children are faced with now, whether it be AIDS, drug abuse, or problems in family life. Those topics are readily discussed in physical education and health from kindergarten right on through. There are very good programs that are out there now. Discussions in the classroom are very, very sensitive, but they are very open and the children speak very freely, because the environment is very much relaxed.

I totally respect my peers' academic areas -- the math, the English, the sciences -- but many times-- You know, I can't think of too many times when children would come with a social problem to their English teacher, as opposed to their health or phys ed teacher. I have been there. I have heard many stories with regard to that.

The last thing I would like to speak to you about is the strong relationship between health and phys ed. We talk about things in health and we do them in physical education. We talk about children-- There was an old saying. I think it was one of our presidents who said, "Just say no," referring to drugs and alcohol. But it is not always easy to just say no. You have to know how to say no. You have to have examples. I think in physical education and health we definitely give children opportunities to say no, and we give them a way to say no.

I would like you to, if you haven't -- and I am sure many of you have -- stop by our classes, not just in Perth Amboy. Check out a step aerobics class or a roller skating class, or look into the eyes of the children who are discussing AIDS or a problem in their family. You will see that there is a lot of teaching going on there.

Finally, in closing -- and I mean it this time -- what I am basically asking for-- I can see that health and physical education are included in the eight core subjects, but nowhere, and I have been trying to follow this, have they said it will remain intact, kindergarten to 12th grade. Will it come on every marking period? No one has the answer to that.

So when you are discussing this down the line, I would ask that you please keep it intact the way it is, and whatever financial resources are needed, that they stay.

Thank you very much for your time.

ASSEMBLYMAN MALONE: Just one quick question: If students are involved in interscholastic sports, has there been some discussion as to allowing them not to participate in gym class during the season in which they are participating?

MR. FICARRA: There has been. That is already happening. Yesterday was the annual meeting of the NJSIA, which is the athletic governing body. There were some results from the Neptune School District, because they did a survey of this. There are school districts already that are doing that. During the season -- and it is not just varsity athletes -- if you are on a team and you are competing, you are waived from that.

I have mixed emotions about that. In Perth Amboy, if I have an athlete who is on a team and is attending every day, I will excuse him from phys ed, but only to receive academic help, if he needs help in another area. I really believe that if a phys ed program is run properly, there are two separate issues: what you do on the field, and--

ASSEMBLYMAN MALONE: That would be the reason, I would say, in many cases. Students who are involved in interscholastic sports, they are practicing after school, they have limited time. If not going to a gym class during the sports season allowed them to get some extra help, if they were able to do some additional homework, or whatever -- take another elective or some other class -- to me it would seem to be a more appropriate use of time. If they are involved in sports, as you

all know, they are doing much more rigorous activities than in a normal gym class.

MR. FICARRA: Sure.

ASSEMBLYMAN MALONE: So that is something, I think, that Jim Lawler, one of the individuals there, will get very close to.

MR. FICARRA: I agree, as long as it is a structured activity and not just going into a room--

ASSEMBLYMAN MALONE: A study hall.

MR. FICARRA: Right. Exactly.

Thank you.

ASSEMBLYMAN GARCIA: Thank you for your testimony.

MR. FICARRA: Thank you very much.

ASSEMBLYMAN MALONE: That concludes our list. Is there anyone else who has some brief comments?

Yes?

**P A T R I C I A E. R I S T:** My name is Pat Rist. I am a School Board member in Tewksbury Township, Hunterdon County. I also serve as the President of the Hunterdon County School Boards Association and of the Hunterdon County Educational Services Commission. I am President of the New Jersey Council of Educational Services Commissions. I served on the Commissioner's Task Force on the Consolidation of Services, and I chaired the Committee on Shared Services for New Jersey School Boards.

I would like to be able to tell you that I come today to give you remarks that represent any of those groups, but most of them have not met since this current report has come out. There has been no opportunity for those people who sit on the

Board of Education to discuss this report, which is the first time there were any numbers, and to make an intelligent analysis about how to fix their local district.

The reason my name is not on the list is because I found out about this hearing too late to make the arrangements. So, I'm here.

I cannot talk about many of the substantive parts of this report.

ASSEMBLYMAN MALONE: I think you will find that there will be a number of times that you will be able to attend hearings, whether it is on this round of discussions -- there are four dates that are set-- There will be several other hearings: December 12, December 19. Then there will be educational Committee hearings. There will most certainly be Appropriations Committee hearings. There will be ample time for you to be heard.

So don't feel as though this is your one shot at the system.

MS. RIST: I don't have a habit of disappearing. Once I figure out how to get my foot in the door, I keep showing up and opening my mouth. I expect you will hear from me again. But even the ones that are scheduled next week, are scheduled before the Tewksbury Board will have an opportunity to meet.

We are constantly told that we have no rights over and above those of a private citizen to demand information or that stuff be done by our administrators, unless we are sitting as part of the Board in a Board meeting. We cannot even go as Board members and ask our administrators to do the analysis, so

that it will be there for the next Board meeting. So even those that are scheduled next week are going to be too soon for us.

Let me get to the points I can talk on. The school board elections -- moving them to November. We have had a lot of people discussing the effects of politicizing the election. I have concerns about that. That is not my major concern, though. If a school board member is elected in November and is immediately seated the way they are now, they will immediately be part of the budget process -- developing the next budget.

One of the things that has become very obvious to me is that a new school board member does not understand school finances, and they need some time to begin to build that understanding before they get into the budget process. The elections in the spring give them at least six months to start asking questions and to begin building that understanding, before they have to go into the next round of developing a budget, and November is when that process starts.

My concern is that new board members, because they do not have the opportunity to ask those questions to build up that body of knowledge on school finance, will do one of two things: They will accept an administrator's recommendation without question, or they will reject it out of hand without realizing that it may well be required by State law. I do not think either of those votes bode well for the children or for the taxpayers.

So while I have concerns about the politicizing, I am much more concerned about the time lines relative to the budgeting process.

I think someone else brought this up, but I will reiterate that if you move the school board elections to November and you leave the budget vote for these excessive amounts in the spring, you are going to have phenomenally small voter participation in that part. If your concern is that small groups could manipulate tax rates, my God, I would think you would want to move things to the school budget election in the spring, not take things away from drawing attention to that.

One of the other things I have concerns about is an inconsistency that I see, and some other people have talked about inconsistencies on the part of the Department today. I think they are trying to do a lot of things at once, and probably there are times when not everyone in the Department knows what everybody else is doing.

They have come out and said that sharing services, that consolidating services is the way to go, that groups ought to be working together. You ought to have multiple kinds of kids on school buses, for instance, yet in the Plan they are talking about efficiency. They define efficiency by the number of eligible students, that is, the ones who live a distance from the school who are required to be bused. The number of children per bus divided by the number of seats in the bus will give you a number for efficiency.

There is no way in that formula to account for the fact that the rest of those seats may be filled and paid for by the municipality, which decided that they would do the courtesy busing, and the most efficient way to do that would be to put all the kids on one bus, and then split the cost. That does not

show up in the formula. The mind-set still seems to be, every school district will operate alone.

I would encourage you, when you are looking at new funding mechanisms and your incentives and penalties which are going to be included, that you make sure that the formulas that are developed are flexible enough to take into account nontraditional arrangements. If you don't, then it could counteract the whole idea of agencies working together to do things more efficiently.

Those are the things that I was prepared to speak on today. I will get back to you on the rest.

ASSEMBLYMAN MALONE: Are there any questions?

ASSEMBLYMAN GARCIA: If I may, Mr. Chairman, I would like to call you back. (laughter)

In all honesty, I would just like to get your feeling on what prospects there would be, maybe like Tewksbury okaying the May vote or the April vote, and that additional spending for the local Board of Education.

MS. RIST: I think the voters of Tewksbury have always been very supportive of education. I think the Board has also made an effort not to ask the taxpayers to just do "pie in the sky" kinds of funding. We have been successful in passing school referendums, but we have never asked for the Taj Mahals, we have asked for additions and alterations, with a piecemeal approach that says, "This is how far we can project down the road, and we can do that." That is the approach we have taken and we have been successful with that.

I know there is a constituency out there that will hear -- as somebody else said-- It is labeled as excessive. If

someone comes and says, "Won't you shell out more money for stuff that isn't necessary, that is excessive?" I have a feeling there is a constituency out there that will come out and say, "No."

ASSEMBLYMAN GARCIA: See, that is one of the questions I pose to myself. If we can find a core curriculum that has everything that is essential to producing a quality education for our children, then how-- Aren't all of these proposals doomed to failure, because, really, we are asking the taxpayers to fund things that are nonessential and irrelevant toward the education of their children.

For example, in Tewksbury -- and I don't know if these numbers are accurate -- you would lose almost \$834,000 in educational funding.

MS. RIST: Yes. That is on a \$5 million budget, by the way.

ASSEMBLYMAN GARCIA: I mean, that is almost 20 percent of your budget that additionally would have to come from local property taxpayers for nonessential services. Somewhere along the line, either these numbers are mistaken, or maybe the programming, some of it, they are classifying as nonessential-- Could it actually be essential? I just don't know.

These are the questions which I think we are asking ourselves. I think we need answers to them.

MS. RIST: I think my initial reaction to the staffing loopholes was that they were set up in the Plan. My question is -- and I have not been able to go back to the administrators and ask this question -- it seems to be that we are going to be shy and lose a teacher or be shy a guidance counselor. Under their

funding program, we are not going to be able to have a vocal music teacher and a band instructor. One of them is going to have to go, or else they are going to have to be funded outside.

ASSEMBLYMAN GARCIA: I am more familiar with urban types of education. What type of programs do you provide? Do you have, like, amphitheaters with six drama teachers?

MS. RIST: No. We are a K-8 district. We have music instrumental instruction that is available in grades four through eight. We field some sports teams. We have a few academic kind of teams. The kids in eighth grade put on a class play, a musical. We don't have a lighted stadium. We don't have an auditorium in the whole district. I don't think we are going to get singled out for being, you know, the people who have the marble facade and stuff that we wasted money on. That is not how we have done things.

We have a reputation for being rich folks, but, you know, most of the people who live and send their kids to the schools in Tewksbury Township are not the rich folks. We have a few people who are very rich who live in our Township, but that is not the majority of the people. But we certainly are not a poor district by any means.

ASSEMBLYMAN GARCIA: Do you feel that maybe, according to these numbers, 20 percent of the programs and services you are providing are--

MS. RIST: I do not think 20 percent of our programs are fluff. No, I do not.

ASSEMBLYMAN GARCIA: Okay. Thank you.

By the way, I have seen the test results from your school district, and they are exceptional.

ASSEMBLYMAN MALONE: Thank you very much.

Is there anyone else? (no response) If there are no other speakers, thank you for your--

L I N D A L A M: (speaking from audience) May I speak?

ASSEMBLYMAN MALONE: Yes, real quickly. Okay.

MS. LAM: I am Linda Lam, from the West Windsor-Plainsboro School Board.

There is one issue that I think is very important and it should be addressed. When you put a second question to our voters and they see that it says "fluff" or "excessive," or, in the case of the past year, the County Superintendent specifies which items went into our second question, the implication is that on a yearly basis we must adjust our budget based on the whim of the voters. So if, in fact, a guidance counselor or a nurse -- as was our case -- would be cut from our budget, for a brand-new school that was being opened for 700 elementary school students-- If it was not passed by our voters that school would be without a nurse, and the reaction from our voters may be to put it back in our budget the following year.

So we would be subject to voter whims on a yearly basis by this second question, or this excessive spending that is being perceived by our constituents that our School Board is trying to do. That is my concern with the way the budgeting process and the budgeting approval would be handled on a yearly basis. It would make administration very difficult.

Thank you.

ASSEMBLYMAN MALONE: Thank you very much.

ASSEMBLYMAN GARCIA: Thank you.

ASSEMBLYMAN MALONE: Is there anyone else? (no response)

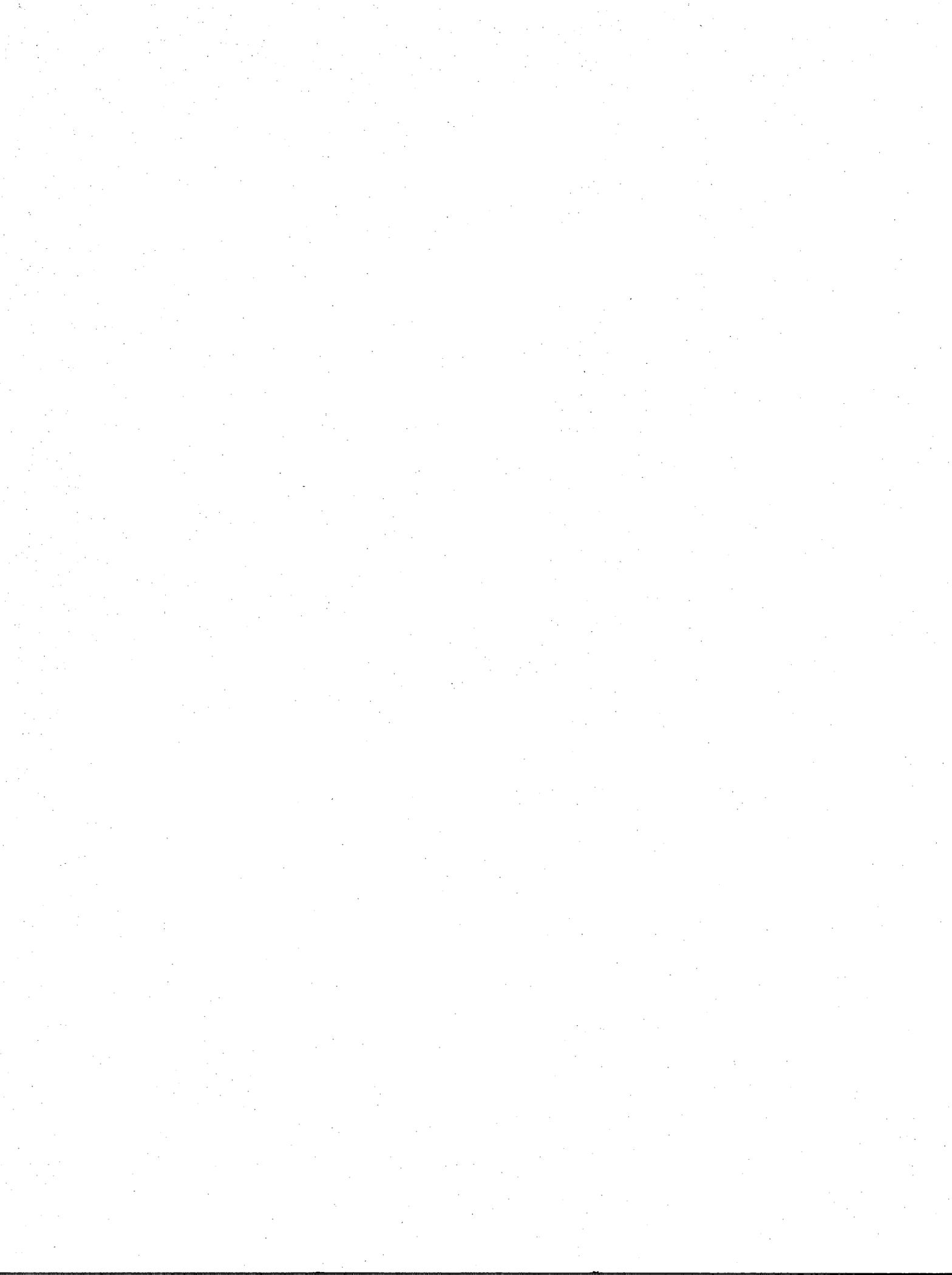
Since there are no other speakers, I guess the hearing is adjourned.

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman.

**(HEARING CONCLUDED)**



APPENDIX



**JOINT COMMITTEE ON THE PUBLIC SCHOOLS**

**TESTIMONY OF DR. LEO KLAGHOLZ,  
COMMISSIONER OF EDUCATION  
ON  
SCHOOL FUNDING**

**TUESDAY, DECEMBER 5, 1995**

GOOD MORNING, SENATOR EWING AND MEMBERS OF THE JOINT COMMITTEE. I APPRECIATE HAVING THIS OPPORTUNITY TO TESTIFY ON THE ISSUE OF SCHOOL FUNDING.

BEFORE I BEGIN, I'D LIKE TO INTRODUCE MEMBERS OF MY STAFF WHO CONTRIBUTED TO THE DEVELOPMENT OF THE DEPARTMENT OF EDUCATION'S REPORT ON THIS ISSUE AND WHO ARE HERE TO HELP ANSWER YOUR QUESTIONS:

DR. RICHARD DIPATRI IS DEPUTY COMMISSIONER OF EDUCATION

DR. PETER CONTINI IS ASSISTANT COMMISSIONER FOR FIELD SERVICES

DR. JEFFREY OSOWSKI IS ASSISTANT COMMISSIONER FOR GRANTS DEVELOPMENT AND MANAGEMENT

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MICHAEL AZZARA IS DIRECTOR OF FINANCE

ROBERT KREBS IS POLICY ASSISTANT TO THE DEPUTY COMMISSIONER

FOR MORE THAN TWENTY YEARS, NEW JERSEY HAS BEEN UNDER COURT ORDER TO EQUALIZE SPENDING AMONG ITS SCHOOL DISTRICTS. SPECIFICALLY, THE STATE HAS BEEN TRYING TO ENABLE DISTRICTS IN 30 OF OUR POOREST COMMUNITIES TO SPEND THE SAME AMOUNT PER PUPIL ON REGULAR EDUCATION THAT DISTRICTS IN THE WEALTHIEST COMMUNITIES SPEND. THIS EFFORT HAS BEEN LESS THAN FULLY SUCCESSFUL IN SEVERAL WAYS.

FIRST, COURT DECISIONS AND FUNDING FORMULAS HAVE NOT ADDRESSED SPENDING EQUITY FOR THE HUNDREDS OF NEW JERSEY DISTRICTS THAT ARE AMONG NEITHER THE WEALTHIEST NOR THE POOREST. THEREFORE, OUR EFFORTS HAVE CREATED A NEW CLASS OF LOWEST SPENDING DISTRICTS AND THE STATEWIDE PARITY GAP HAS WIDENED.

SECOND, PROGRESS HAS BEEN MADE TOWARD CLOSING THE GAP BETWEEN THE POOREST AND WEALTHIEST. BUT, THAT GAP HAS NOT BEEN

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FULLY CLOSED EVEN THOUGH A VERY LARGE INVESTMENT OF FUNDS HAS BEEN MADE.

THIRD, A PRIMARY REASON FOR THAT LACK OF CLOSURE IS THE FACT THAT UNDER OUR BUDGET ELECTION SYSTEM, SOME HIGH SPENDING DISTRICTS CAN AND DO CONTINUALLY INCREASE THEIR SPENDING TO LEVELS THAT ARE INCONSISTENT WITH COMMON PRACTICE ELSEWHERE IN THIS STATE, THE NORTHEAST REGION, OR THE REST OF THE NATION. THE BUDGET ELECTION PROCESS DOES NOT REQUIRE THAT SPENDING INCREASES BE JUSTIFIED BY DOCUMENTATION OF SPECIFIC EDUCATIONAL NEED. RATHER, IT PROTECTS THE ABILITY OF SOME DISTRICTS TO INCREASE ALREADY-HIGH SPENDING LEVELS BASED ON APPROVAL OF THEIR LOCAL VOTERS, USUALLY A SMALL MINORITY OF THOSE VOTERS -- AND, NOT INFREQUENTLY ON APPEAL, OVER THE EXPRESSED OBJECTIONS OF LOCAL VOTERS. DESPITE THE ILLOGIC OF THIS SYSTEM, THE STATE MUST CONTINUALLY CHASE AFTER THE PRACTICES OF THE HIGHEST SPENDING DISTRICTS, RAISING SUBSTANTIAL AMOUNTS OF ADDITIONAL MONEY EACH YEAR SIMPLY TO MAINTAIN THE CURRENT LEVEL OF DISPARITY.

FINALLY AND MOST IMPORTANTLY, WE ARE UNABLE TO SHOW CLEAR EVIDENCE THAT OUR EFFORTS OF THE PAST 20 YEARS HAVE PRODUCED SUBSTANTIVE EQUALITY IN TERMS OF IMPROVED EDUCATIONAL RESULTS FOR CHILDREN.

THE SUPREME COURT HAS ONCE AGAIN DECLARED OUR FUNDING LAWS UNCONSTITUTIONAL AND HAS ORDERED THE ENACTMENT OF NEW LEGISLATION NO LATER THAN SEPTEMBER 1996. TO AID THE COMPLETION OF THIS TASK, GOVERNOR WHITMAN ASKED THE DEPARTMENT OF EDUCATION TO CONDUCT AN ANALYSIS OF THE MAJOR ISSUES AND PROBLEMS INVOLVED, AND TO RECOMMEND SOLUTIONS THAT MIGHT BE CONSIDERED. THE DEPARTMENT'S *COMPREHENSIVE PLAN FOR EDUCATIONAL IMPROVEMENT AND FINANCING* IS OUR RESPONSE TO THAT CHARGE.

WE DEVELOPED THE PLAN WITH A SIGNIFICANT AMOUNT OF PUBLIC INPUT. MORE THAN 70 HEARINGS, TOWN MEETINGS AND OTHER DISCUSSIONS WERE CONDUCTED THROUGHOUT THE STATE. SOME OF THE IDEAS PRESENTED IN OUR PLAN WERE OBTAINED THROUGH THESE PUBLIC DISCUSSIONS.

AMONG OUR GENERAL RECOMMENDATIONS ARE THE FOLLOWING:

## RECOMMENDATIONS

- PER-PUPIL TARGETS FOR EQUITABLE FUNDING OF REGULAR EDUCATION SHOULD BE GENERATED FROM SUBSTANTIVE EDUCATIONAL CONSIDERATIONS -- THAT IS, ANALYSES OF:  
1) WHAT WE EXPECT ALL STUDENTS TO LEARN; 2) WHAT TYPES OF PROGRAMS, SERVICES, ACTIVITIES AND MATERIALS ARE NEEDED TO FOSTER THAT LEARNING; AND 3) HOW SCHOOLS AND DISTRICTS MIGHT IDEALLY BE ORGANIZED AND STAFFED TO DELIVER THE NEEDED PROGRAMS EFFICIENTLY. SUCH ANALYSES SHOULD REPLACE THE PRACTICE OF AIMING THE ENTIRE SYSTEM TOWARD WHATEVER SPENDING LEVELS THE WEALTHIEST DISTRICTS ARE ABLE TO ACHIEVE THROUGH A FLAWED BUDGET ELECTION AND APPEALS PROCESS.
- THAT BUDGET ELECTION AND APPEALS PROCESS, WHICH IS A MAJOR CAUSE OF SPENDING DISPARITY, SHOULD BE REFORMED.

- AT-RISK FUNDS OUGHT TO BE DIRECTED TOWARD COMMUNITIES WHERE CONDITIONS OF POVERTY ARE EXTENSIVE, AND THEY OUGHT TO SUPPORT PROGRAMS THAT CAN AMELIORATE THE LEARNING DISADVANTAGES THAT OFTEN RESULT FROM SUCH CONDITIONS OF POVERTY.
- SPECIAL EDUCATION FUNDING SHOULD BE REVISED TO ENCOURAGE PRACTICES THAT ARE FISCALLY SOUND AND IN THE BEST INTERESTS OF CHILDREN.
- STATE FUNDING OF TRANSPORTATION AND FACILITIES SHOULD BE REVISED TO ENCOURAGE AND SUPPORT SOUND PRACTICE IN THE USE OF FUNDS.

AS I SUGGESTED AT THE OUTSET, NEW JERSEY HAS GONE AROUND AND AROUND ON THE ISSUE OF SCHOOL FUNDING, WITHOUT RESOLVING IT, FOR MORE THAN TWENTY YEARS. GIVEN WHAT I BELIEVE ARE GOOD INTENTIONS ON EVERYONE'S PART, A PERPETUAL CYCLE OF NEW COURT CHALLENGES, DECISIONS AND FUNDING LAWS IS UNHEALTHY. I BELIEVE THAT IT IS IN EVERYONE'S INTEREST, ESPECIALLY THE CHILDREN OF OUR STATE, THAT WE

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TRY TO RESOLVE THE FISCAL ISSUE, THUS STABILIZING OUR GOVERNANCE AND EDUCATION SYSTEMS AND ALLOWING A CONCENTRATION OF ENERGY AND ATTENTION ON THE SUBSTANTIVE EDUCATIONAL TASK OF ENABLING ALL CHILDREN TO ACHIEVE HIGH LEARNING STANDARDS.

I HOPE THAT OUR REPORT IS HELPFUL TO YOU. YET, I RECOGNIZE THE DIFFICULTY OF THE ISSUES INVOLVED, AND I COMMEND YOU FOR CONTINUING THE PROCESS OF PUBLIC DISCUSSION. WE WOULD BE PLEASED TO TRY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

THANK YOU FOR YOUR KIND ATTENTION.

LEGTEST

7X

**COMPREHENSIVE PLAN  
FOR EDUCATIONAL IMPROVEMENT  
AND FINANCING**

**NEW JERSEY DEPARTMENT OF EDUCATION**

**NOVEMBER 1995**

**COMPREHENSIVE PLAN FOR EDUCATIONAL  
IMPROVEMENT AND FINANCING**

**NEW JERSEY DEPARTMENT OF EDUCATION**

**LEO KLAGHOLZ  
COMMISSIONER**

**RICHARD DI PATRI  
DEPUTY COMMISSIONER**

**FUNDING POLICY COMMITTEE:**

**MICHAEL AZZARA  
PETER CONTINI  
ROBERT KREBS  
JEFFREY OSOWSKI**

**225 EAST STATE STREET  
CN 500  
TRENTON, NEW JERSEY 08625**

**NOVEMBER 1995**

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## I. INTRODUCTION

In its July 1994 decision on school funding, the New Jersey Supreme Court directed the other branches of state government to equalize the regular education expenditures of the "special needs" districts and the state's wealthiest districts.

The challenge posed by the Court's directive is not a new one. Indeed, the state has been engaged in the search for fiscal equity for more than twenty years. That search has been unsuccessful in producing the desired result, and it has divided the branches of government as well as communities and school districts of the state.

The Executive Branch is committed to fulfilling the Supreme Court's charge. However, it is clear that a new approach is needed. It is also clear that an acceptable solution cannot successfully be achieved without public knowledge and involvement, as well as maximum public acceptance.

This paper describes a comprehensive plan that has been proposed to Governor Christine Todd Whitman by the State Department of Education. In February 1995, it was released in preliminary form to encourage and stimulate open public discussion at an early point in its development. This final version of the plan includes revisions based on careful and deliberate consideration of the public's sentiment and reaction to the preliminary or "Interim" report. The paper provides: 1) an overview of the major problems and issues confronting regular education, at risk populations and other programs; 2) proposed solutions; 3) technical details of the proposed solutions; and 4) a synopsis of the department's Strategic Plan for Systemic Improvement of Education in New Jersey.

At Governor Whitman's request, the Department of Education held public hearings on the interim version of this report. A total of 28 public hearings were held, including at least one in every county of the state. Seven of the 28 hearings were conducted in urban areas. In addition, Commissioner of Education Leo Klagholz held three town meetings and the department sent speakers to 39 small group events. In all, 70 public forums were held between April 1995 and October 1995.

Testimony centered on the question: What are the elements of schooling that are essential to providing a "thorough and efficient" education and, therefore are those for which funding must be guaranteed in all school districts throughout the state?

A reasonably precise answer to this substantive question must form the heart of any system of educational improvement and financing.

## II. OVERVIEW OF MAJOR PROBLEMS AND ISSUES

### A. PROBLEMS AND ISSUES CONCERNING REGULAR EDUCATION

Over the past quarter-century, the New Jersey Supreme Court has issued several decisions declaring unconstitutional the state's various approaches to funding regular education in the public schools. In essence, the State Constitution holds state government responsible for providing "a thorough and efficient system of education for all children." On that basis, the Court reasons that it is unfair for the state to operate a school system which provides high-quality, high-cost programs to some children and low-quality, low-cost programs to others.

Clearly, the Court's analysis is correct. In fact, it makes sense for state laws to compel students to attend schools in their own neighborhoods only if each neighborhood school is qualitatively equal to other such schools. If schools are not substantially equivalent, then the very idea of a state-supported, state-directed compulsory education system breaks down.

The Court has directed that per-pupil spending on regular education of poorer districts be brought up to the spending levels of the wealthiest districts. It has ordered equalization of funding alone because it lacks the capacity to define the substantive equalization of educational programming. In the absence of an objective standard for determining a funding level that is educationally appropriate, the Court has used as its standard the average per-pupil expenditure of the state's wealthiest districts. However, in so doing, the court has indicated clearly and correctly that the Executive and Legislative Branches are responsible for providing the substantive ingredients that are lacking.

Past efforts to comply with the Court's mandate without providing these ingredients have had three main effects. First, they have preserved the ability of some districts to pursue extraordinarily high spending levels without specific educational justification. Second, they have required the state and local governments to seek ever-increasing levels of taxation and funding to keep other districts up with the highest spenders. Third, they have encouraged an exclusive focus on increased spending amounts rather than on the appropriate uses of adequate funding to achieve educational results.

Instead of providing the needed substantive ingredients, these past efforts have been aimed simply at complying with the literal requirement that the 30 "special needs" districts be enabled to spend the same amount of money per pupil on regular education that is currently spent, on average, by districts in the state's 120 wealthiest communities. Under that approach, the state has made progress toward closing the spending gap between the two types of school districts.

Yet, the approach has significant deficiencies. It does not address fiscal equity for students in the vast majority of school districts that are not at the socioeconomic extremes. In addition, the current system has not achieved the Court-imposed goal of substantial fiscal equivalence. Only partial progress has been made even though such

progress has been achieved at great expense. Further, the Supreme Court has declared the state's funding formula, the Quality Education Act (QEA), unconstitutional because it fails to guarantee that fiscal equity will be achieved.

The existing system has also failed to generate measurable improvements in student academic achievement, either in an absolute sense or in terms of relative academic parity among groups of students. In fact, there are some indications of regression.

This consequence is not surprising. The current approach to school funding lacks the potential to systematically produce substantive improvements because it lacks substantive elements, both educational and fiscal. It is not grounded in a coherent or ideal view of:

- 1) what students ought to achieve academically;
- 2) what types of programs and services are essential to fostering such achievement;
- 3) how such programs and services can be provided most efficiently through a well-designed school/district organization; and, therefore
- 4) how much money the taxpayers must provide to support these essential programs and services.

Instead, New Jersey's current system is based on, and it leaves entirely unchallenged, the established practices of the public education system, particularly as those practices are embodied in districts in wealthier communities. It sets as its standard the existing spending levels of those districts without scrutinizing the educational and fiscal practices that produce those spending levels. In selecting the current average expenditure of districts in wealthier communities as the specific level at which fiscal equity should be achieved, the existing system accepts entirely the status quo of public school spending practices.

There may be an apparent logic in attempting to achieve fiscal equity and educational equality through a primary reliance on the established spending practices of districts in wealthier communities. Students in wealthier districts tend to achieve at higher levels than students in other districts. Therefore, schools in wealthier communities must be providing effective programs that constitute the essence of a thorough and efficient education. The amount of money those schools spend must be the amount required to support an effective educational program. Therefore, assuring that other schools and districts spend that same amount is a necessary and meaningful step toward improving programs and achievement in these other schools and districts.

However, all such assumptions are at least debatable and probably false. The achievement levels of students who live in wealthy communities are not determined solely by the types of programs their schools provide, and they are even less a function of the amounts of money their districts spend. From birth, many of these students lead

advantaged lives with strong social support structures, educated parents, safe access to community resources, and the like. These advantages strongly influence their academic achievement. As a group, they achieve at levels that are generally and relatively high, but not uniformly or absolutely so. The amounts of money spent by their schools are also neither uniform nor strongly correlated to the achievement levels of individual districts. Further, students in many communities do as well even when their schools spend at lower levels.

In summary, extraordinarily high spending levels and high levels of student achievement do not have a direct cause-and-effect relationship. Rather, to a large degree they are both coincidental by-products of wealth and advantage. Therefore, while spending equity must be achieved, it is not clear that the current spending levels of high-wealth districts provide the best indication of the point at which such equity should be established.

### **“T & E:” The Lack of an Objective, Substantive Definition**

In fact, the established fiscal practices of the public education system are seriously deficient, and they are not reliable “back-door” indicators of what is essential to support an education system that is both thorough and efficient.

Under established practice, the desired results of school spending—those things that all students ought to learn as a consequence of their education—are neither well-defined nor precisely evaluated in New Jersey or in most other states. Those curriculum standards and measures which do exist are not designed to be internationally competitive. Therefore, it is difficult to determine exactly how well any students are doing in an absolute sense or, for example, in relation to students in other states and nations.

Also lacking is an objective determination of the types of programs and services that are most likely to enable all students to achieve high standards, particularly given the influences of socioeconomic advantage and disadvantage. Despite the constitutional requirement of a thorough and efficient education system and the taxpayers’ right to expect fiscal efficiency in the operation of all publicly funded institutions, well-defined standards of school and district efficiency do not exist. The school budgeting process does not require local boards of education to document relationships among planned expenditures, essential programs and services, efficiency of operation, and desired results.

The absence of standard criteria and definitions, as well as the repeated declaration of funding laws as unconstitutional, result from the fact that those laws define New Jersey public education, not as a cohesive state system, but as a collection of 600 independent systems. As they have evolved over the decades, those laws have been influenced by New Jersey’s strong tradition of home rule, by political pressures brought to bear by school spending advocates, and by other factors unrelated to the Constitutional guarantee. As a result, while the Constitution requires the state to provide all children a “thorough and efficient education,” the state in turn has, through its funding laws, incorporated the element of local goals in the definition of a “thorough and efficient

education." Thus, a thorough and efficient education has essentially come to mean whatever each local board says it is for its students.

In short, there is no clear substantive definition of a thorough and efficient education that applies equally to all districts and schools nor are there objective standards which distinguish between those activities and spending levels that are essential and those that are inadequate, unnecessary or excessive. Rather the de facto standard has become the board's ability to persuade the local voters in budget elections to support whatever it has proposed.

Those local voters must pay a fair share of whatever spending levels they approve. Therefore, school boards in higher-wealth communities generally are more able to achieve higher spending levels than boards in lower-wealth communities. They are more able to do so because of the simple availability of community resources than because of any well-documented indication that those levels are essential to providing a thorough and efficient education.

The absence of an objective definition of a thorough and efficient education is not solely the result of the inherent complexities in providing such a definition. Nor is it simply a consequence of passive neglect on the state's part. Rather, it is more the result of an existing system that fundamentally is designed to protect and preserve local discretion, including the discretion to overspend and underspend. That system is not designed to provide appropriate resources to support equitably a substantive definition of a thorough and efficient system of education.

### **The School Budgeting Process**

Ultimately, the spending levels of individual districts, their specific uses of funds, as well as disparities among districts result from the school budgeting process. This process is carried out in each district with state supervision under laws and rules which provide each school board significant latitude to do and spend what it considers necessary. Ironically, that process distorts the State Constitution's provision of a thorough and efficient system of education for all children, and uses that proviso to protect the local discretion that produces disparity.

Through the process, each school board's proposed budget is approved initially by the Department of Education's county office of education. These initial approvals are done under very restrictive time constraints and are limited to assuring that at least the minimum amount of resources have been allocated for state mandated programs and services. The review by the county superintendent has never been an attempt to identify proposed expenditures that could be excluded because they are non-essential, wasteful or counterproductive, nor could such determinations be made for over 600 districts in the short time frame provided without more objective standards of essential and non-essential programs and services.

The process also has not focused on evaluating the extent to which proposed expenditures are likely to enhance levels of student achievement, nor on redirecting uses

of funds to provide maximum achievement gains. Therefore, virtually all proposed expenditures are approved at this initial step, and others may be added, without meaningful consideration of the probable impact on education quality in individual districts or equality among districts.

Next, the voters in each town are provided the opportunity to approve or reject the district's proposed budget. The opportunity is provided to vote on the entire budget proposal even though the Department of Education has already determined that substantial portions of the budget represent planned expenditures that are "constitutionally essential." Voters are not provided information regarding which expenditures are legally required nor can they decide to vote against optional spending while supporting essential expenditures. Additionally, the structure of the budget process discourages participation, and decisions are often controlled by a small minority of voters (e.g., 7-8 percent). Therefore, some contend that the process is manipulable.

If the voters approve the proposed budget, then local taxes may be raised to supplement state funding at a level necessary to support the voter-approved budget.

If the voters reject the budget, the municipal government may make reductions. However, the local school board may appeal any and all reductions to the State Department of Education, then to the State Board of Education, and ultimately to the courts. Given the absence of a clear substantive definition of essentials and the inclusion of local goals, the vast majority of municipal reductions in voter-defeated budgets is overruled and the proposed expenditures are restored.

Each of the steps in this budgeting process is predicated on the assumption that some expenditures, both in type and amount, are essential to providing a thorough and efficient education while others are not. Yet, the system is so devoid of substantive precision that each year the state ultimately approves the budgets of all school districts as containing all of the elements of a thorough and efficient education, even though those budgets reflect per-pupil expenditures and programmatic elements with wide disparities among districts within state, regional and county boundaries. The Department of Education, citing "constitutional necessity," historically has restored most wide-ranging expenditures even in the appealed budgets of districts at the higher end of the spending ranges. Sometimes, these expenditures, restored on the basis of "constitutional necessity," do not exist in the budgets of other lower-spending districts, yet there is no attempt to require their inclusion.

Although the school election process focuses on the local school tax levy, the balance of funding for the regular education portion of school budgets is provided through state foundation aid. Here, too, the system encourages districts to lobby through the state appropriations process for the maximum amount of state funding to support the largest proportion of whatever spending levels they were able to achieve through local elections.

This basic system invites school boards to pursue whatever spending levels the local and state funding markets will bear, without reference to any objective statewide standards of fairness, reasonability, fiscal prudence, or educational merit. Such a system

is guaranteed to produce disparity resulting both from overspending and underspending, and it lacks the potential to systematically improve educational quality through the focused application of appropriate funding amounts.

### **Edgewater: A Case Example**

In its July 1994 budget appeal decision, *Edgewater Board of Education v. Edgewater Mayor and Council*, the State Board of Education harshly criticized the budget appeals process for its failure to target resources toward educational priorities, or to distinguish between those items and expenditures that are necessary for a thorough and efficient education and those that are not. The board stated that the school budget review process is "convoluted, inefficient and...fails to satisfy the requirements of the statutory framework now in place," and it admonished the Department of Education to provide an objective definition of a thorough and efficient education.

The Edgewater case provides a specific illustration of the lack of substance in the current system. In the case, the Department of Education under a previous administration overruled all of the municipal reductions in a school district's voter-defeated 1993 budget. In so doing, the department ordered that taxes be raised to support the restoration of proposed expenditures totaling \$206,271 on the grounds that each was "constitutionally required." The municipal governing body appealed to the State Board of Education.

The State Board's decision listed examples of the expenditures that the Department of Education had restored as constitutionally essential along with the justifications the department had supplied. Specifically, the department had ordered Edgewater Borough to restore:

- a \$6,500 reduction in the school board's travel account because "it is necessary to spend money on the training of Board members notwithstanding the fact that there are no new members on the Board. Board members need training in the basics of finance, curriculum development and personnel management...Further, the amount budgeted is less than the amount expended in 1992-93."
- a \$9,492 reduction to the general supplies account because although "the record does not support the [school] Board's position, a reduction to this item is too severe."
- An \$8,078 reduction to the salary account for a teacher's aide because "the statutes grant the [local] Board the authority to do all things not inconsistent with the school laws to provide the education of its pupils..."
- a \$19,100 reduction to the special supplies account because although "...Council's reductions in many of the line items are modest...nevertheless the Board vigorously defended each of the line items asserting its need for the funds as budgeted."

- an \$11,000 reduction in a \$65,000 plant services account for roof repairs because “a repair to a roof is certainly not the kind of maintenance to delay until the following year.”
- a \$100,736 reduction to the \$1.4 million tuition account restored in full because “the amount budgeted by the Board is reasonable.”

The State Board of Education’s decision concluded that these expenditures were required through a process that lacked “any evident consideration of whether the items at issue or the level of funding...to support those items were **necessary** in order for the Edgewater school district to provide a **thorough and efficient** education (original phases).” The board referred the case back to the department due to a lack of any substantive basis for deciding what is, and what is not, essential to providing a thorough and efficient education.

The Edgewater case is typical, not exceptional, in its reflection of the lack of precision and substance in current funding practices and the thoughtless manner in which the system protects even the most trivial and questionable expenditure from reasonable scrutiny.

### **Influences on School Costs**

If New Jersey’s current system has produced neither a coherent definition of a thorough and efficient education system nor clear indications of educational improvement, it predictably has produced extraordinarily high spending levels. Educational spending represents about one-third of the entire state budget. The state’s education system spends about \$12 billion a year, including federal, state and local contributions. This annual spending is six hundred percent greater than it was 15 years ago.

As spending has increased, progress has been made toward achieving financial parity in the 30 poorest districts. However, because the target is continually escalating, full parity has not been achieved even though a considerable amount of money has been spent. Further, fiscal and educational equity for children in most middle income districts, which were not addressed in *Abbott v. Burke*, has been ignored. Therefore, as spending has increased in wealthy districts, sometimes unnecessarily, and concomitantly in poorer communities, the systemwide parity gap has widened. The range of per-pupil spending on in-district programs in New Jersey for the 1994-95 school year was:

\$4,900 to \$11,900 for K-6 districts;

\$4,800 to \$15,900 for K-8 districts;

\$5,900 to \$11,500 for K-12 districts; and

\$7,600 to \$16,100 in regional high school districts.

These amounts are exclusive of restricted grants-in-aid, debt service and tuition for sending pupils to out-of-district programs. It is also interesting to note that the upper end of the range for comprehensive K-12 districts, an inherently efficient structure that provides educational continuity across all grades, is less than all other configurations.

A March 1995 report of the United States Department of Education showed that in 1993 New Jersey again spent more money per pupil on education than any other state—11 percent more than the second-ranking state, 25 percent more than that of its neighboring states and 70 percent more than the national average. Under common criteria and definitions applied to all states by USDOE, New Jersey's 1993 average per-pupil expenditure of \$8,770 is placed in perspective by the following facts:

- The average expenditure for all states was \$5,170.
- The average for the states of New York, Pennsylvania, Delaware and Maryland was \$7,029.
- The expenditure for the second-ranking state, Alaska, was \$7,901.

Most significantly, recent and past USDOE reports also rank New Jersey's education system near the bottom of all states in the proportion of its educational dollars that are used directly to support classroom instruction. The New Jersey Department of Education's analyses indicate that the current funding system, which does not systematically target funds toward academic priorities and student results, supports many uses of money that are unlikely to contribute significantly to the improvement of student achievement. Various surveys have suggested that much of the increased spending has been used to support bureaucracy and the status quo rather than demonstrably effective innovations in student learning. Therefore, it is not surprising that dramatically higher spending levels have not helped to close the student achievement gap, even while closing the financial parity gap. The following are examples of the kinds of things that influence school costs:

**Salaries and Benefits:** New Jersey has above-average costs for employee salaries and benefits. While adequate compensation is essential to attract and retain qualified staff, the system does not meet that need consistently across districts or balance it with other instructional priorities. Because New Jersey laws provide each school board with substantial authority to determine what is necessary to provide a thorough and efficient education, whatever is negotiated locally by each of nearly 600 districts must be funded. These local negotiations produce major fiscal disparities—employees of different school districts who perform the same job with the same qualifications and years of service can be separated by compensation levels that differ by as much as \$30,000 a year.

**Expansion of Mission:** Various disparate laws have collectively expanded the responsibilities of schools, such that instruction in academic subjects consumes an increasingly smaller proportion of time and resources. Further, these mandates, which have accumulated over the decades in piecemeal fashion, have not been designed to provide, and do not collectively add up to, a coherent definition of what constitutes a

thorough and efficient education. A Department of Education survey determined that, in one twelve-month period, more than 600 education bills were introduced in the two houses of the State Legislature, many of which sought to impose new responsibilities on schools.

**Administrative Excess:** New Jersey operates nearly 600 separate school districts in a relatively small geographical area. Therefore, the system's administrative and other noninstructional costs are proportionally higher than average. (It should be observed that this problem is particularly evident in the state's wealthiest districts, the average expenditure of which sets the current standard for parity. Of those 120 districts, the vast majority are too small to provide a K-12 curriculum. Most are comprised of only one, two or three elementary schools. Yet, there is some evidence that a K-12 structure provides educational continuity and sufficient concentrations of students to support the provision of quality services by full-time professionals at an appropriate level of efficiency. Therefore, at least part of the average expenditure of districts in wealthier communities may represent spending to maintain organizational practices that may be educationally undesirable and fiscally inefficient.)

**Duplication of Functions/Services:** The state's many small districts generate unnecessary costs by duplicating various administrative functions and services, such as purchasing, transportation and food services, as well as other noninstructional services. As noted above, many of these districts lack the concentrations of students to support services at an appropriate level of quality and efficiency.

**Statutory Protections:** As noted previously, some state laws, enacted with the support of the education system, advance the interests of school districts in seeking maximum funding through the budget process. Others preserve the priority status of employee financial interests.

**Noneducational Options:** Some dollars are used to support options that are not part of the curriculum and that, in some cases, are not commonly even part of the cocurriculum, such as night-game lighting for athletic fields.

**Fiscal Abuse, Waste and Inefficiency:** Under the current approach, which systematically encourages maximum spending, some expenditures that local boards include in their budget support numerous practices that are generally wasteful, excessive or inefficient.

## **Summary**

In short, some current expenditures produced by New Jersey's funding system are both educationally effective and fiscally efficient. Some are ineffectual and/or inefficient. Others are simply excessive, both educationally and fiscally. Still others may actually be detrimental to students. Under the current approach, which is "defined" by the piecemeal accumulation of mandates and practices, the essential elements of a thorough and efficient education are whatever elements each district includes in its budget. The cost of providing a thorough and efficient education is, case-by-case, that amount of money that

is needed to support whatever each district does and proposes to do. Statewide funding of education is the sum total of the amounts that result from implementation of the school budgeting process in individual communities throughout the state.

It is this system that produces the current average expenditures of school districts, not a systematic attempt to join desired results, effective programs and services, standards of efficiency, and expenditures in a single coherent approach. In relying on current average expenditures as its basis for defining quality and equality, New Jersey's current approach is ultimately based not on "what should be," but rather merely on "what is."

The achievement of equity at an appropriate level of spending is both important and necessary. Yet, the continued pursuit of the existing approach will guarantee that fiscal parity can be attained and maintained only with great difficulty and at great expense. It will assure also that substantially more money will be spent than is needed. It will perpetuate the likelihood that any additional money will be spent in the same ways that existing funds are used, many of which are not directly related to the instruction of students. Most importantly, lacking substantive definitions and criteria for determining the appropriate uses and amounts of funding, pursuit of fiscal equity within the current system will continue not to produce improvements in student achievement.

Past efforts to satisfy the Court mandate while avoiding reform have produced political turmoil. There has been ongoing tension among the branches of state government. Communities of various wealth levels have been pitted against each other. All communities have been taxed heavily at both the state and local levels, and a "taxpayer revolt" has materialized. Support for public education in many quarters has declined. In the political free-for-all that school spending has become, many elected officials are continually subjected to annual pressure from taxpayers to contain spending and from school districts to increase it.

While the Supreme Court's July 1994 decision presents a difficult challenge, it also presents an opportunity to reform school funding in a way that will better serve everyone's interests and thereby improve educational quality and equality while strengthening the state economy and the cohesiveness of the New Jersey community.

## **B. PROBLEMS AND ISSUES CONCERNING AT RISK PROGRAMS AND FUNDING**

Even given the same thorough and efficient regular education, the Supreme Court recognized that students may not all derive equal benefit due to influences of the broader social environment. Conditions of poverty, in particular, can exert a major negative influence on children's learning. To address those conditions, the Supreme Court has directed that, in addition to achieving parity for regular education, the state must provide for the special educational needs of students in special needs districts.

Unlike regular education, at-risk aid has no requirement that funding be equalized among districts, and there is no clear indication that the amount of funds currently provided is inadequate. Instead, the questions concerning at-risk aid are: 1) Which districts should receive at-risk funds? and 2) What specific programs and services should be supported with those funds?

### **Purpose of At-Risk Aid and Programs**

As noted above, given an equalized educational program, all students will not benefit equally because of the effects of socioeconomic advantage and disadvantage. In particular, the conditions that often are present in pervasively poor communities -- drugs, disease, violence, lack of parental education, etc. -- can have a negative effect on students' ability to learn, even when they are provided an equitable academic program. Therefore, under the Constitution, the state has an obligation in addition to that for providing an equitable regular education program, to ameliorate these socioeconomic influences and/or their negative educational effects. At-risk aid and programs are intended to meet that obligation.

### **Dilution of the At-Risk Concept**

This additional obligation has not been met successfully because the state's solution has been politicized and misapplied in the following ways.

Under the QEA, a decision was made to fund the new at-risk program through the dissolution of compensatory education aid. This approach was proper because the Compensatory Aid Program, which funded remedial programs for children who failed basic skills tests, was misguided and ineffective. Compensatory education aid duplicated federal funding of remedial education, and it rewarded school districts for failing their students by providing additional funds based on the number of students who were failed. Predictably, the numbers of students whom New Jersey districts described as failing rose significantly and continuously under this program.

However, despite the educational wisdom of funding at-risk programs through the dissolution of compensatory aid, the approach confused the distinct purposes of the new

program and the one that was eliminated, and some state policymakers feared it created a perception that some districts were "losing" money to which they were entitled.

Anticipating intense lobbying by districts to retain that funding, the state responded by providing at-risk aid to some districts according to their old Compensatory Education aid entitlements, and by permitting the use of these funds to support the continuation of the previous program. Thus, at-risk aid was not provided solely to districts which are characterized by pervasive negative socioeconomic disadvantages, and it was not always used systematically to redress those disadvantages in a preventative way.

In the final analysis, the current at-risk program was designed to minimize aid losses among school districts while maintaining an appearance of responding to the court directive. It was intended to assure that school districts which received money under the Compensatory Aid Program would not lose money or have to change their practices when that misguided, ineffective program was eliminated. The current at-risk program has not been adequately focused on the amelioration of those conditions of certain New Jersey communities which, because of their prevalence in those communities, negatively affect the quality and stability of the learning environment of entire schools and districts. Instead and all too frequently, at-risk aid is used to support after-the-fact remediation for individual students in most New Jersey districts.

As the at-risk aid concept was so diluted, the Department of Education ceased to pursue the substance of the idea. It did not conduct legally required studies of what programs are needed, how much funding is required and how funds ought to be used in order to redress the socioeconomic disadvantages of children in pervasively poor communities. In the absence of any clear state guidelines, the at-risk program finally became what it is now: little more than an unrestricted supplemental budget item.

In addition, despite later efforts of the State Board of Education to establish regulatory guidelines for the uses of at-risk aid, little information is available on how the aid is otherwise used. There are indications that at least some districts are using portions of the money in ways that are unrelated to its intended purpose (e.g., to expand the regular education budget, to increase salaries of existing staff, to hire consultants or staff with nondescript titles, or to pay for transportation.)

### **The Court's Mandate**

In that context, the plaintiffs in Abbott challenged the constitutionality of the state at-risk program along with that of the system for funding regular education. However, as noted above, the issues concerning at-risk aid are not equalization of funding, or primarily amount of funding. Rather, the main problem is the lack of a mandated conceptual scheme for identifying and guiding the productive uses of at-risk aid.

This is reflected in the Supreme Court's July 1994 decision in Abbott. In that decision the Court's posture toward at-risk funds and programs is different from its position on regular education funding. Regarding regular education, the Court has

mandated a primarily fiscal remedy. However, in the case of at-risk aid, the Court has called for the development of a programmatic solution.

In fact, the Court's July 1994 decision suggests strongly that effective at-risk programs and services should first be identified, then cost analyses should be conducted and finally the needed amount of at-risk funding should be determined from these analyses. The decision also underscores the fact that the Constitutional determination concerning at-risk issues applies to special needs districts, where those issues are prevalent, not to individual students in other districts, who may have disadvantages that are socioeconomically based but whose districts ought to be able to accommodate such relatively isolated problems. Finally, the Court indicated the need for the state to control the uses of at-risk aid through direct intervention, not only through passive encouragements.

Specifically, the July 1994 decision stated the following:

We have similar concerns about the State's failure to date adequately to address the "special educational needs" of poorer urban districts for which Abbott required funding in addition to that necessary to achieve parity for richer districts. Although the QEA includes a formula for calculating aid for programs for at-risk pupils, the parties stipulated that in setting the QEA's statutory weights that determined the amount of the aid, the Legislature made no study of the added costs of providing services for at-risk students. Moreover, although legislation was enacted specifically to require the Commissioner, in accordance with our holding in Abbott, to undertake a study of the programs and services to be implemented for disadvantaged students, including their costs, for use in preparing the Department's budget request...that study apparently has not been conducted.

The testimony of both plaintiff's and the state's expert witnesses confirm the dire need for specific programs and funding addressed to the educational needs of these disadvantaged students. The Director of the Department's Division of Urban Education identified specific supplemental programs as beneficial or essential for special needs district students including pre-school programs, all-day kindergarten, health services, comprehensive guidance and counseling, smaller class sizes for early grades, summer school and outreach for dropouts. Plaintiff's experts concurred, identifying additional programs she deemed essential for disadvantaged students but unnecessary in wealthier suburban districts, and offering cost estimates for those programs based on her specific experiences in the Jersey City school district. We imply no view that all or any such supplemental programs are essential for students in special needs districts, noting only that those programs were endorsed by expert witnesses for both sides. We leave that question to those responsible for assuring that

the special needs of these districts are met: the Department and the Legislature.

The parties' agreement on the question of special educational needs, consistent with the Court's holding in Abbott and reiterated here, confirms that students in the special needs districts have distinct and specific requirements for supplemental educational and educationally related programs and services that are unique to those students, not required in wealthier districts, and that represent a cost not included within the amounts expended for regular education.

The primary concern, the goal, of the Department, the Legislature and indeed the public, is the actual achievement of educational success in the special needs districts. The record before us makes it clear that success cannot be expected to be realized unless the Department and the Commissioner identify and implement the special supplemental programs and services that the children in these districts require. Without them, they will not have a fair chance to achieve that success. The money mandated by Abbott cannot bridge the gap without significant intervention in the form of special programs and services targeted to the needs of these disadvantaged students.

### **Multi-Agency Responsibility**

The department's "Comprehensive Plan for Educational Improvement and Financing" (Interim Report) added another issue to this discussion. The plan affirms the Court's view of the necessity of special school-based programs and services for students in special needs districts. However, it points out that it is unreasonable to assign to schools alone the unlimited responsibility for changing society in whatever ways are necessary to neutralize the effects of socioeconomic advantage and disadvantage.

Schools can only address the symptoms of deeply rooted societal problems that students bring with them to the school environment. Whether they begin to address those symptoms in first grade, kindergarten or preschool, they are doing so belatedly. Further, unless the fundamental causes are addressed by the broader society, special needs districts must continually swim upstream against a monumental current of negative forces that perpetually compete to influence the learning of their students.

While compliance with the Court's mandate for special school-based programs and services is important, right and just, it cannot alone eliminate these negative influences nor all of their effects. Therefore, in the absence of a broader strategy, the ultimate goal -- attainment of equalized educational results -- will remain elusive.

Obviously, a more sweeping judicial mandate would not cause the fundamental problem to be resolved. Such a mandate would have to require, not just schools, but all

of executive/legislative government to eliminate the consequences of disadvantage from a society that is democratic and economically competitive. This is the important and difficult challenge that continually faces the executive and legislative branches of government at all levels.

Acting alone, the education system, and specifically urban schools, cannot also remake society such that drugs, violence, teen pregnancy, disease, and other fundamental problems that ultimately inhibit children's learning are eliminated. Government has a responsibility to alleviate these problems. However, schools are not the only agencies of government which share that responsibility. While some benefit has been derived from schools' efforts, the expectation that, given enough money to fund the right programs, schools will be able alone to resolve these problems has tended mainly to expand the staffing and spending of schools while diluting their mission and focus. Most importantly, it has contributed to the continued absence of broader solutions by encouraging a complacent view that the problems are "being taken care of" by schools.

The type of concerted and coordinated effort needed among many agencies at the state and local levels (schools, health agencies, law enforcement agencies, human service agencies and others) in order to achieve meaningful progress is emerging but has not been fully realized. These agencies have not identified and pooled those portions of their resources that are aimed at assisting children who live in communities served by the special needs districts. These agencies have not identified, coordinated and improved the programs for children that are supported by these resources.

## **C. PROBLEMS AND ISSUES CONCERNING OTHER FUNDING CATEGORIES**

While the Supreme Court directed the state to address only the issues of regular education and the special needs of children living under conditions of communal poverty, the Department of Education determined that it is appropriate and perhaps essential to address at this time various problems identified with Special Education, Transportation and Debt Service (Facilities). Bilingual and Vocational categorical programs were not addressed as part of this study.

### **1. Special Education**

No other educational finance issue has been discussed more frequently in recent years, by educators, taxpayers and parents alike, than that of special education funding. Costs are high and rising rapidly, and concern has been expressed that the system produces some expenditures that are not only unnecessary but also inconsistent with students' best interests.

School districts receive the same basic funding for special education students that they receive for students in the regular program. They also receive supplemental federal and state funding for special education. The federal government provides New Jersey with about \$90 million a year in additional funds for special education. The annual state aid supplement has grown from \$347 million to \$600 million over the past five years. Considering basic state aid, special state aid, federal funding and related transportation aid, over \$1 billion per year is provided to districts to support special education.

Yet, some school administrators and local board members complain that these amounts are insufficient to meet current needs, and that the rate of growth in funding is inadequate to keep pace with projected needs. Since special education programs must, by law, be provided to all children who are judged to require them, school districts must raise through local taxes any additional funds that are needed, after state and federal aid, to support those programs. And, since local taxing capacity is not unlimited, some school officials contend that special education is drawing funds away from regular education.

Most special education costs are absolutely necessary to provide students with disabilities the education to which they are entitled. However, there are three aspects of the current funding system that sometimes produce costs that are not only unnecessary but also inconsistent with students' best interests:

#### **Classification of Students**

There are many ways to address the needs of students who are experiencing difficulty in school. Special education is only one of those

ways, and it is reserved for those students whose difficulties are resulting from identified disabilities. While the system of special education is significantly beneficial to students who possess disabilities, disability labels, such as "emotionally disturbed," "perceptually impaired," and "socially maladjusted," can be stigmatizing. Yet, if a disability exists, the advantages of providing the special education programming needed to accommodate that disability outweigh the disadvantages of labeling.

However, there are some indications that New Jersey's special education funding system may encourage the inappropriate classification of some students as disabled. New Jersey has the nation's second highest classification rate, with 15 percent of public school pupils classified as possessing disabilities. In addition, classification rates vary widely among districts, with approximately 100 districts having rates below 12 percent, and about 100 having rates above 20 percent. Twenty-one districts have classification rates above 25 percent.

Further, the highest classification rates exist in those categories that are least clearly defined and that include students with the mildest and least clearly identifiable disabilities: "perceptually impaired" and "eligible for speech correction services." About two-thirds of New Jersey's special education students are in these two categories. The state has the fourth highest classification rate in the nation for "specific learning-disabled" students, which includes New Jersey's "perceptually impaired" category, and the highest classification rate for "speech impaired" students. In fact, New Jersey's rate for speech is almost double the national average.

Proper identification of pupils with disabilities is important. As noted above, failure to succeed in regular education is not itself evidence of an educational disability, and inappropriate labeling can unfairly place responsibility for educational problems on students. Therefore, it can also distract attention from the need to improve regular education programs so that they are more accommodating of students' individual differences.

New Jersey's funding approach may inadvertently provide incentives for inappropriate classification of some students. Under that system, funding must be provided from federal, state and local sources, to support every classification decision that is made by district special education staff in consultation with parents. This approach may encourage the well intentioned but misguided classification of some students, either as a routine way of providing assistance to "low performing" students or as a way of achieving greater homogeneity in regular classrooms.

## **Segregation of Students**

New Jersey's funding system also guarantees funding for local decisions concerning the proper placement of each special education student. Parents and educators alike recognize that this approach may create incentives for placing students with disabilities in more segregated programs and disincentives to address special education pupils' needs by providing support services within the regular education environment. The most recent report to Congress ranks New Jersey fourth from the bottom in the proportion of all special education students who are educated in the regular education environment with special supports.

In addition to encouraging more costly, segregated placements, the current system actively discourages inclusive placements by providing no funding for the special supports that special education pupils need when they are educated within the regular education program.

## **Extraordinary Costs**

Finally, it is recognized that for students with the most severe disabilities, the cost of some appropriate placements is extraordinarily high and, under current circumstances, those costs can have a serious impact on the total school budget. Residential and certain other placements can have annual costs that exceed \$100,000 per pupil, and federal law requires funding of those placements when they are deemed appropriate by district special education staff in consultation with parents. In some cases, school districts are ordered by the courts to implement and fund high-cost placements when they believe other, less costly placements are equally or more appropriate. And, in other cases, district officials agree that the high-cost placement is appropriate and therefore must raise the required funds. In both types of circumstances, the current funding system can place an extraordinary and unfair fiscal burden on districts and communities.

## **2. Pupil Transportation**

The state disburses \$250 million in aid to local districts for the transportation of eligible pupils each year. For the 1993-94 school year, the principal source of industry data reported New Jersey to be the highest among all states in the expenditures per

"eligible transported pupil" which are only those pupils required by law to be transported. Given this level of support and the fact that this spending has minimal direct impact on student achievement, an analysis of how efficiently districts utilize these funds has long been needed. The effect of state and local policy on district efficiency were carefully evaluated by the Deloitte & Touche Consulting Group, a nationally recognized firm. The firm's findings are outlined in the following passages taken from its report.

The responsibility for transporting New Jersey's public and nonpublic pupils is divided among more than 600 local school districts. Such fragmentation of responsibility results in a variety of local conditions and policies and varying levels of efficiency. In general, economies of scale enable larger districts which transport more pupils to do so at a lower cost per pupil than smaller districts. Smaller districts generally operate with significant inefficiencies such as:

- Higher administrative cost per pupil transported
- Inefficient route loading
- Higher unit prices for supplies and materials
- Less competitive bidding for contracted service

Far too many districts do not coordinate routes with neighboring districts and do not collaboratively purchase goods and services with other districts or governmental units.

Under state law, the local district of residence is responsible for providing transportation, or aid in lieu of transportation, to nonpublic pupils. Operational responsibility and coordination is divided or nonexistent. The nonpublic schools are responsible for controlling their own calendars and daily schedules. Nonpublic schools attract pupils from multiple sending districts, and sending districts often receive applications after the established deadline. The local public school districts and communities bear the cost of these inefficiencies.

The high cost of serving the educational needs of special education pupils has resulted in the creation of specialized programs across each region of the state. While this approach is intended to reduce instructional costs, the requirement to transport individual pupils to extremely remote program sites, in addition to the costs for special attendants and equipment, drives the transportation cost per special education pupil well in excess of that for regular pupils. Similar to nonpublic transportation, special education transportation responsibility is divided. In addition, because many programs are located out-of-district, efficient route loading is generally only feasible through a high level of cooperation between or among districts. Such cooperation seldom exists.

Local districts do not control the local infrastructure, such as sidewalks or pedestrian crosswalks, that improves safety for pupils who walk to school. State laws and case law consider hazardous walking conditions and their elimination to be the responsibility of local municipalities. Where local government does not improve the

walking conditions, the local district often bears the cost of annually transporting the less-than-remote pupils even though less costly and more permanent solutions may be available to the local municipality.

Past funding practices attempted to correlate state support to actual spending without any consideration of the efficiency of delivery. Because of its illogical attempt to disburse state funds consistent with unchallenged and often inefficient spending patterns, the current QEA formula includes four factors which are not actual cost drivers:

- Population Density (higher density generates higher state aid)
- District Enrollment (rather than transported enrollment)
- County Cost Classifications
- Special Education Pupil Count (regardless of specialized or regular mode of transportation)

These factors were utilized in order to correlate state aid to inefficient, unjustifiable levels of spending when no correlation to actual cost drivers could be found. Because it includes these unrelated factors, the QEA formula does not focus administrators on the actual cost drivers of pupil transportation. Additionally the QEA does not provide incentives for districts to operate efficiently. Because the QEA formula includes no such factors, it provides no incentives for good practice nor discouragements for bad practice.

### **3. Facilities**

If New Jersey's school districts cannot provide all students with sufficient facilities then all students may not have an equal opportunity to achieve high standards. There is no doubt that facilities are an inherent and crucial part of learning, and that the state's school facilities needs are reaching critical proportions. However, the state's taxpayers cannot be expected to support inefficient or excessive facilities costs just as they cannot be expected to support inefficient or excessive educational program costs. Currently, an appropriate and reasonably simple measure of a district's facilities needs is not available for the purpose of funding.

The following factors are not currently considered when determining a school district's facilities needs:

- Is the construction economical and efficient?
- Is preventive maintenance of the facility routinely carried out?
- What is the age of the facility? Does the facility need to be replaced?

- What are the enrollment projections? How do the enrollment projections compare to the existing functional capacity of the district's facilities?

Until such questions can be reasonably answered, the state cannot adequately address the facilities problems facing many of the state's school districts.

### III. PROPOSED SOLUTIONS

#### A. PROPOSED SOLUTIONS FOR REGULAR EDUCATION

As discussed in Part II above, the current funding system lacks a clear objective standard for determining the level at which all schools should equitably be funded. Instead, each school board has considerable latitude to pursue whatever activities and spending levels it considers "essential" for its students. These determinations are made, district by district, through a budget election process that underemphasizes the educational justification of spending levels. To a large extent, that election process is a tactical competition for available resources to support whatever spending levels are politically attainable.

The current system encourages and allows some districts, without documenting educational necessity, to spend less money than is minimally required to support a thorough and efficient system of regular education. Similarly, it permits and encourages others to spend at unnecessarily high levels -- also without clear, specific and documented educational justification. The system permits districts, including those that spend inadequately or excessively, to achieve their disparate spending levels with the approval of only a small minority of local voters. Further, the state's appeal procedures have routinely been used to protect the political discretion of districts, including those that spend inadequately and excessively.

In the absence of an objective definition of what a "thorough and efficient" system of education actually entails, the state has used as its standard for adequacy and equity the current average per-pupil expenditure of the state's wealthiest districts. Presumably, this standard is chosen, as opposed to one based on the practices of efficient and effective districts, because student performance in wealthy districts tends to be high. Yet, student performance is not uniformly excellent among the wealthiest districts, and there is little correlation among those districts between achievement rank and spending rank.

More importantly, it is unreliable to assume under the current funding system that the extraordinary spending levels of some wealthy districts are the direct cause of their students' high achievement levels. Rather, it is more true that excessive spending and high student achievement both result coincidentally from other factors related to advantage and wealth.

Current spending practices of New Jersey school districts cannot provide a meaningful standard for adequacy and equity because they are part of the flawed system that is the cause of the existing disparities. Particularly at the extremes of underspending and overspending, those irrational spending practices are the very problem that needs to be corrected. They cannot also be the foundation of a rational solution.

Clearly, if the goal of a funding system is to achieve substantive educational quality and equality, it is more relevant to base that system on carefully considered assumptions concerning the effective uses of appropriate funding rather than simply on

the highest spending levels that are being attained under the system described in Part II of this report. The new funding system must be based on thoughtful analyses of what ideally ought to be, not on what currently happens to be.

Specifically, the new system must be modeled, not after whatever practices are employed by districts that spend at the highest levels, but after the hypothetical district that systematically: 1) identifies the educational results that students ought to achieve; 2) carefully designs educational programs that will enable students to achieve those results; 3) prudently determines the amount of money required to support those programs; and 4) targets those funds toward the results-oriented programs they are intended to support. It should be noted that such school districts actually exist in New Jersey, and their practices can be reviewed in developing the needed analyses.

In effect, this report recommends that the new funding system use such analyses to identify an appropriate per-pupil expenditure for equitable funding of regular education in all school districts. Educational analyses of this type can and should always be debated. However, such a substantive approach, by which determinations can ultimately be finalized in consideration of public discussion, will be vastly more reliable than the current practice of deriving a per-pupil funding by averaging the current expenditures of wealthy districts without considering their practices or other substantive educational issues.

## **Overview**

The following is an overview of the main elements of such a new funding system that would provide an equitable funding level for regular education based on careful consideration of what is needed if the system is reasonably to be described as thorough and efficient:

### ***Curriculum Standards***

School funding and fiscal equity must not be seen as ends in themselves. Rather, the purpose of an educational funding system must be to support and foster student learning. Therefore, its design must begin with an identification of the knowledge and skills all students are expected to acquire in each subject, by graduation and at key intermediate points in their education. These curriculum standards represent the substantive goals of a thorough and efficient system of education that will be provided equitably to all students throughout the state.

### ***Efficient Delivery of Programs and Services***

Carefully considered assumptions must be made concerning the general types of programs, services, activities and materials that are needed to foster students' achievement of the curriculum standards. Additional assumptions must be made concerning the ways that schools and districts

might best be organized and staffed to deliver these essential programs and services in the most efficient manner.

### ***Cost Analyses and Per-Pupil Funding Levels***

Analyses must be conducted of the cost of providing the needed programs, services, activities and materials under the assumptions of efficient staffing and organization. These analyses must be used to identify levels of per-pupil spending that are required to support a system of education that includes the required ingredients and therefore is thorough and efficient.

### ***Funding Method***

Given a per-pupil funding target that represents a thorough and efficient education, the Governor and the Legislature must have a fair and reliable method of raising and equitably distributing revenues to support that target expenditure for all districts throughout the state, not just those at the socioeconomic extremes.

### ***Implementation Provisions***

A reasonable timetable must be established to allow implementation of these dramatic changes in a coherent manner with minimum disruption of communities and schools.

The following is a more detailed discussion of the ways in which each of these elements are included in the proposed system.

### **Curriculum Standards**

This report recommends that the new funding system, and indeed the educational system, be driven by statements that describe what students should learn as a result of having received a thorough and efficient education.

Toward this end, the Department of Education is currently facilitating the preparation of curriculum standards for initial presentation to the State Board of Education in January 1996 so that the board can adopt standards by Summer 1996. The standards development process includes the following:

- To assure that the funding system is predicated on high expectations for all students, rather than only on minimums and basics, standards

are being developed in eight major subject areas: mathematics, science, language arts and literacy, social studies, world languages, the visual and performing arts, career education, and comprehensive health and physical education.

- To assure that the standards reflect nationally and internationally competitive achievement levels, their development is also being guided by a review of research literature and the curricula and standards of other states and nations.
- To assure their pedagogical soundness, the standards are being prepared based in part on a review of relevant theoretical research.
- To assure that the standards reflect knowledge and skills that students need to succeed in higher education and the workforce, their development has incorporated substantial input from collegiate and business representatives.

Drafts of the standards are now in their fourth revision, and their refinement has resulted from the unprecedented involvement of hundreds of New Jersey educators, parents and citizens. When they are complete, the standards will represent the most comprehensive description ever devised of the knowledge and skills that the public education system ought to impart to all of its students.

It is recommended that in enacting the standards, the State Board of Education should also adopt procedures by which the standards will be updated every five years based on current research and public input. It is also recommended that adoption of the standards be accompanied by the modification or elimination of all competing curriculum mandates that have accumulated over past decades in statute and regulation, often in a piecemeal fashion, and that do not reflect a systematic attempt to define the knowledge and skills all children need to thrive socially, academically and economically.

The Department of Education's Comprehensive Review of Regulations, which is being conducted under Executive Order 22, will address those unnecessary curriculum mandates that emanate from rules of the State Board of Education. In addition, it is recommended that the Legislature scrutinize the following curriculum mandates:

- 18A:6-2 requires courses of instruction in accident and fire prevention in every public and private school in the state
- 18A:6-3 requires regular courses of instruction in the constitution of the United States

- 8A:6-82 requires the establishment and operation of environmental education programs in elementary and secondary schools
- 8A:35-1-2 requires the superintendent in each school district to prepare and recommend to their board of education a suitable two-year course of history of the United States for high school students
- 8A:35-3 requires that each board of education adopt a course of study in civics, geography and history of New Jersey for elementary school instruction
- 18A:35-4.1 gives boards the authority to offer courses in principles of humanity
- 18A:35-4.16 gives boards the authority to offer chess instruction to second-graders in gifted and talented programs
- 18A:35-4.2 requires the Commissioner and State Board of Education to establish and operate Career Development Programs comprised of vocational education projects
- 18A:35-4.3 requires that the Department of Education develop and establish guidelines for the teaching of sexual assault prevention programs
- 18A:35-4.12 requires the Department of Education to develop curriculum, evaluation mechanisms and proficiencies in agricultural science
- 18A:35-5 requires each board of education to conduct courses in health, safety and physical education
- 18A:35-5.1-  
35-5.3 requires the Department of Education to develop curriculum guidelines and training materials for Lyme Disease prevention
- 18A:36-6 requires principals and teachers to prescribe curricular exercises in conjunction with Flag Day
- 18A:36-9 requires county superintendents and superintendents of schools to prepare programs of exercise for observance of Arbor Day
- 18A:36-12 requires the Commissioner to prescribe a course of exercises or instructions in conjunction with Commodore Barry Day
- 18A:40-33 requires the Commissioner to establish cancer awareness programs
- 18A:40A-1 requires that instructional programs on drugs, alcohol, tobacco and controlled dangerous substances shall be taught in each public school and curriculum guidelines for these programs shall be established by the Commissioner

## **Efficient Delivery of Relevant Programs and Services**

To develop an objective per-pupil funding standard that represents educational quality and fiscal prudence, it is also necessary to make assumptions concerning: 1) the general types of programs, services, activities and materials that are needed to foster students' achievement of the curriculum standards; and 2) the ways in which districts and schools must ideally be organized and staffed for efficient delivery of essential programs and services.

This component of the proposed system assumes that just as certain types of expenditures are critically related to students' achievement of standards, other types may conceivably be irrelevant to the goals of a thorough and efficient education. It assumes also that efficiency is an important aspect of any public funding system. The State Constitution cites "efficiency" in the wording of its educational guarantee. Yet, even if it did not, the taxpaying public has an absolute right to expect fiscal prudence in the operation of all publicly funded institutions.

Further, efficiency is one aspect of quality. Outstanding organizations value their resources and carefully plan their effective uses. While quality is diminished by a lack of adequate resources, it is not enhanced by wastefulness or imprudence. Nor does quality continue to improve indefinitely as spending infinitely increases. Just as the argument is invalid that excessive spending levels cause high achievement levels in some wealthy districts, so too is the argument that standards of efficiency and fiscal responsibility will "level down" educational quality. Indeed, wastefulness itself "levels down" the quality of any organization, even one that for other reasons is fortunate enough to produce good results despite weak financial practices.

In order to determine the program components and efficiency standards that are essential to provide a thorough and efficient education, and therefore to realize the curriculum standards, the Department of Education conducted intensive research beginning in the fall of 1994. This research included: 1) a review of statutes and regulations; 2) a study of similar analyses of essential ingredients conducted by other states, most notably Massachusetts and Tennessee; 3) a survey of educational research literature; and 4) a review of current school practices, both "average" and "ideal" practices employed in New Jersey and elsewhere.

The department's interim report, "A Comprehensive Plan for Educational Improvement and Financing," included tentative assumptions concerning essential programs and efficiency requirements. These assumptions were presented in the form of a hypothetical "model" comprised of a district central office, a high school, a middle school and an elementary school.

Since the interim report was released in February 1995, the department has gathered significant public and expert input on the tentative model through hearings held in every county, regional town meetings, submissions of written testimony and other interactions. The comments and suggestions this process generated were catalogued and carefully reviewed by a Department of Education committee comprised of professional

staff with expertise in curriculum, assessment, organization and finance, staffing, technology, and other relevant areas.

Based on this review, the initial assumptions were revised and an updated version of the model is presented in Part V of this report. **The model characteristics are not intended to be mandates which all school districts must implement.** Rather, they are intended only as hypothetical assumptions that the Department of Education will use in advising the Governor and the Legislature concerning the levels of funding that are most appropriate. In order that they be so utilized, the new funding system would have to include a public policy process by which the proposed assumptions would periodically be discussed, refined and adopted. However, the most recent versions of the model assumptions are presented in Section V of this report for illustrative purposes.

### **Cost Analyses and Per-Pupil Funding Levels**

In order to advise the Governor and the Legislature concerning appropriate per-pupil funding levels, the Department of Education must conduct informed analyses of the costs of providing the essential programs, services, activities and materials under the assumptions of efficient organization and staffing.

Actual analyses would have to be conducted periodically through a public policy process as part of the new funding system. However, for purposes of illustration, sample analyses are contained in the Section V model. These analyses generate per-pupil expenditures for regular education in Fiscal Year 1994 dollars of: 1) \$5,872 for each elementary student; 2) \$6,346 for each middle school student; and 3) \$7,204 for each high school student.

### **Funding Method**

By periodically conducting the analyses described above, the Department of Education will be able to advise the Governor and the Legislature concerning the per-pupil funding amount that is needed in any given year to provide a thorough and efficient system of education. The department will also be able to provide a detailed substantive rationale for the proposed per-pupil funding amount.

A process must also be established in law by which the Governor and Legislature can: 1) formally adopt the recommended per-pupil spending amount; and 2) reliably and fairly raise and appropriate revenues to support its implementation in all districts. Several different approaches might be used, and each has advantages and disadvantages. It is recommended that the Legislature consider various alternatives.

However, the following is proposed as an example of the type of funding process that might be established through legislation. This illustrative process would determine a contribution from each community's property taxes based on that community's ability to pay. In each case, where this contribution is inadequate to support spending at the

required level, state foundation aid would be provided in an amount needed to make up the difference. The system might work in the following manner:

### ***Establishing An Appropriate Funding Level***

The law would require the Governor to present the Legislature with a periodic report on the cost of providing a thorough and efficient system of regular education. This report would be prepared by the Department of Education, approved by the Governor, and presented as part of the Governor's budget proposal. Its purpose would be to propose an appropriate per-pupil funding level for regular education, called the T&E foundation amount, and to document the appropriateness of that funding level.

The report would contain such substantive information as: 1) the most recent version of the State Board of Education's curriculum standards; 2) data on statewide progress toward meeting those standards; 3) analyses and assumptions concerning needed programs and the cost of providing those programs under standards of efficiency, such as those discussed above and illustrated in the model contained in Section V of this report; and 4) recommended per-pupil funding levels for elementary, middle and high school students based on these assumptions and analyses.

A new funding law would require the Governor and the Legislature to use this report as the stimulus for reaching public agreement on, and formally adopting through the state appropriations process, appropriate per-pupil funding levels for the relevant budget period.

### ***District Foundation Budget***

The foundation budget of the district is the total amount of funding needed to provide a thorough and efficient regular education program for all its students. Under the suggested approach, each district's foundation budget would be calculated by multiplying the agreed upon per-pupil foundation amount for elementary pupils by the district's weighted enrollment. Weighted enrollment is an adjusted enrollment figure which incorporates the relative proportions of the district's elementary, middle and high school students and the different costs they represent.

For example, the analyses presented in Section V of this report suggest that for 1993-94, \$5,872 would have been an appropriate per-pupil foundation amount for elementary pupils. Those analyses indicate

further that the appropriate amount for middle school students would have been \$6,346, or 8 percent higher than that for elementary students. The appropriate amount for high schools students would have been \$7,204, or 23 percent higher. Therefore, a district's weighted enrollment would be calculated using the assumption that, for cost purposes, each middle school student equals 1.08 elementary students, and each high school student equals 1.23 elementary students.

The district's foundation budget (budget for regular education) would be calculated by multiplying the district's weighted enrollment by the approved per-pupil amount for elementary students.

### ***Required Local Share***

As stated above, it is recommended that the Legislature consider various ways of raising revenues to support educational funding at the approved per-pupil amount. One approach, used commonly by other states and currently in New Jersey, uses a combination of state and local revenues. Under such an approach, required local share would be that portion of the district's foundation budget that must be supported locally from the property tax base. The required local shares of different districts would vary (e.g., from 15 percent to 100 percent of the foundation budget) depending on the community's ability to pay. All districts would be treated equitably in computation of their required local shares.

Estimation of each district's required local share would be based on two factors: district property wealth and district income. Property wealth plays an important role because local taxes are levied on property as a stable source of revenue. Income is also included because property value is not always the best measure of ability to pay, especially in communities where seniors and others on fixed incomes make up a large portion of property holders.

Once the local share is determined, each community would be required to tax up to that level unless it can generate the needed amount using lower tax rates.

### ***State Foundation Aid***

Foundation aid is that amount of state funding, supported by state taxes, that is needed after required local share to assure that each school district

is able to support its foundation budget. The appropriation of state aid on this basis is referred to as "equalizing" the foundation budget.

Each district's foundation aid would be calculated by subtracting its required local share from its foundation budget. More specifically, state foundation aid would be calculated as the difference, if any exists, between: 1) the district's weighted enrollment multiplied by the approved per-pupil amount for elementary students; and 2) the required local share.

### ***Flexible T&E Range***

To accommodate legitimate differences in local circumstances, the funding law would allow the provision of state aid within a flexible foundation budget range. Such differences include different concentrations and placements of staff along salary guides, different facility needs and other variations.

Rather than rigidly basing district foundation budgets on a precise per-pupil amount, the funding law would allow foundation budgets to vary by a certain percentage above or below the established amount. The district would receive proportional state support for its foundation budget as long as the budget amount is within the established range of acceptability.

### **Implementation Provisions**

A reasonable timetable must be established to allow coherent implementation of these dramatic changes with minimum disruption to the education system. It is recommended that the new funding law be implemented for the first time in Fiscal Year 1998.

In addition, it is recommended that districts whose expenditures are currently below the lower limit of the T & E range be required to "phase up" to the constitutionally required spending level over a four-year period. The foundation budget, foundation aid and required local share would be adjusted downward proportionately to accommodate these phase-in spending requirements. Spending at these phase-in levels, as well as within the foundation range after the four-year transition, would be required of all districts, including county vocationals; ultimately, tax levies must support spending which is no lower than the foundation range.

Additionally, pupil counts to determine funding would be based on a projected count for the applicable budget year. A three-year cohort survival method would be used for the initial projection using the pupil counts on the last school day prior to October 16 for the three years immediately preceding the applicable budget year. State aid would be adjusted once the actual pupil count for the last school day prior to October 16 of the applicable budget year was determined. Pupils attending county vocational school districts would be considered resident in the receiving county district. Special Education pupils attending county special services districts would remain the responsibility of local boards of education and be counted as resident with the home district.

### **Special Needs Districts**

All districts under this funding formula would have the resources to provide that level of education which is needed to equip students for their roles as citizens and workers. The funding plan would provide educational equity for all children in the state, not just those in wealthier and poorer communities. Foundation aid would be distributed to all districts based on the same T & E foundation amount and the same required local share calculation. Therefore, the designation "special needs districts" would have no relevance to the funding of regular education. (NOTE: The term could continue to be used in regard to at-risk aid, which is that categorical fund dedicated to addressing the socioeconomic disadvantages of children who live in conditions of poverty. However, under the at-risk proposals, discussed in the following section, the number of "special needs" districts and schools would increase significantly.)

## **B. PROPOSED SOLUTIONS FOR AT RISK FUNDING**

As discussed in Section II of this report, disadvantages that arise from conditions of poverty can inhibit the learning of affected students. When conditions such as disease, violence, substance abuse, and lack of parental education are prevalent in a community, the negative effect on the learning environments of schools and districts can be profound. Therefore, the Supreme Court has directed that funding be provided, presumably in the form of categorical aid, to enable special needs districts to redress the educational disadvantages that frequently result from conditions of poverty.

As also noted in Section II, previous responses to the Court's directive have been inadequate. They have not focused on schools and districts where conditions of poverty are pervasive. Rather, they have been aimed in part at continuing fiscal support for a wide range of districts that lost aid when an ill conceived and unnecessary remedial education fund was eliminated. Given this distortion of the at-risk concept, the Department of Education failed to define the programs that a legitimate at-risk funding initiative would have supported in districts with special needs. Nor did the state analyze the cost of providing such programs. As a result, there is little accountability for the ways at-risk funds are spent and concern that they are not being used in the ways the Court intended.

Therefore, in its July 1994 decision in *Abbott v. Burke*, the Supreme Court determined that the Department of Education must "identify and implement the special supplemental programs and services that children in these districts require." The decision further underscored the department's obligation to determine the cost of these programs and services, to request the needed funds in its annual budget, and to assure that the funds are used for their intended purposes.

In responding initially to this mandate, the Department of Education in its interim report emphasized the need for coordinated action among all those state agencies that share responsibility for ameliorating the conditions that exist in poor communities and that affect their schools and their children.

### **District and School Eligibility**

It should be noted that the model presented in Section V of this paper provides funds for remediation within the program for *regular education*. In addition, the plan recommends that remedial funds be allocated in such a way that districts would no longer be "rewarded" financially for failing excessive numbers of students.

Given these provisions, it would be particularly unnecessary and inappropriate to continue misdirecting at-risk funds to support remedial education in a wide range of moderate- to high-wealth districts. Instead, in keeping with the Court's intent, the at-risk aid program must be redesigned to target funds toward communities where conditions of

poverty are so pervasive that they negatively inhibit the learning environments of entire schools and districts.

Specifically, it is recommended that at-risk program funds be provided to each district that has a concentration of low-income students greater than 20 percent of the district's total enrollment, with districts with concentrations exceeding 40 percent receiving twice the amount per pupil received by those between 20 and 40 percent. Similarly, it is recommended that at-risk program funds also be provided to two types of individual schools: 1) those that have concentrations of low-income students greater than 40 percent of their total school enrollment; and 2) those with concentrations greater than 20 percent, but equal to or less than 40 percent, of their enrollment. Once the eligibility thresholds are met, the per pupil funding amounts would be provided to support programs for each student enrolled in the district or school, as applicable, regardless of income level.

Additionally, it is recommended that at-risk funds be provided to each district that has a concentration of low-income students greater than 60 percent of the district's total enrollment in recognition of the burden such levels of poverty place on the local tax base. This additional amount of at-risk funds would supplement the amount of foundation aid determined by the regular education formula, which would be uniformly and equitably applied to all districts, and be used to reduce the required local share needed to spend at the T & E foundation level.

If these criteria were used, then more than 180 districts would receive district-based and/or school-based aid. These districts might appropriately be referred to as "at-risk districts" or "special needs districts." As noted above, the term "special needs district" would no longer have relevance under this proposed plan to funding of regular education -- regular education funding would be provided equitably to all districts, not just those in special categories. Therefore, the term "special needs district" could either be discontinued or used to describe those districts that would receive at-risk aid.

### **Types of Funded Programs**

It is beyond the scope of this report to provide a complete listing of every program that might be funded by at risk aid. Indeed, funding legislation should establish a public process by which such programmatic analyses would be conducted periodically and approved.

However, to provide a general analysis for illustrative purposes, the Department of Education conducted a review of research literature, current practices, and testimony from public hearings. Based on this review, the department recommends that districts and schools be required to use at-risk funds to support four general categories of programs and services. These categories, with examples of programs and services that might be provided in each, are:

### **Instructional Programs**

Programs and services in this category are aimed at modifying or supplementing the instructional process in order to accommodate the special learning needs of students who are at risk of not succeeding.

The most effective and essential are those preventative programs that facilitate students' transitions among the various settings in which early development occurs -- home, child care settings and school. Such programs and services include preschool and full-day kindergarten, both of which ought to be provided to each student who is placed at-risk by conditions of communal poverty. The provision of preschool and full-day kindergarten programs to children in impoverished communities lays the foundation for later academic success and helps ensure children's healthy development.

This category also includes programs aimed at enhancing instruction for students in various grades. For example, the well known Slavin Success for All Program achieves results by combining innovative curricula and instructional approaches with a restructured classroom organization and tutoring. Teacher training is an integral part of the program. Other strategies focus on increasing instructional time through before- and after-school programs and innovative scheduling. Still others provide alternative schools or classes for certain students such as those who are not properly served in the regular school or classroom environment, students who are unable to make a smooth transition from elementary to middle school, and other students with special instructional needs.

Other programs in this category use youth apprenticeships and employment internships to allow students to apply academic knowledge in a real world setting while also acquiring the skills, behaviors and attitudes needed to succeed in the workforce.

This category also includes specialized professional development programs that aid school staff in addressing individual students' needs sensitively and effectively, as well as in implementing new programs and teaching strategies.

### **Health and Social Service Programs**

Programs in this category are intended to address those needs of children that are not strictly educational but which, if left unaddressed, can inhibit children's ability to succeed academically. Programs in this area include those that provide primary health care, family and mental health

counseling, dropout prevention services, safe school and community environments, sexual health counseling and treatment, drug and alcohol abuse prevention and treatment, and vocational counseling and placement.

This category also includes after-school and summer enrichment and recreation activities, which model constructive use of free time, build students' affiliation with the school, and develop important skills that many advantaged children routinely acquire at home, through private instruction or participation in community activities.

It is in this category of health and social services that interagency initiatives are most important. For example, the creation of family support committees allows school personnel and appropriate community representatives to join resources in addressing the needs of individual students. Expanding the capacity of the attendance office, establishing working agreements with law enforcement authorities, and developing parent communication procedures are examples of ways that schools can address problems of student attendance. The FAST program (Families and Schools Together) is an example of a family building program aimed at improving communication among family members, increasing parents involvement in their children's schooling, and linking families with community resources.

One very promising approach to interagency coordination is the Community Service Center, a concept described in the Safe Schools Initiative of the Department of Education and the report of the Governor's Advisory Council on Juvenile Justice.

Community service centers operate within school facilities during school hours, after school and on weekends, providing a full range of coordinated services to students and their families, including primary health care, prenatal education programs, job training and counseling, GED instruction, parenting education, after-school and weekend recreation programs, family counseling, drug and alcohol counseling, and crisis management services. Representatives of various social service agencies join with school personnel in staffing the center, which usually is overseen by a coordinating board.

Community services centers: 1) allow more efficient and effective delivery of services at a single location; 2) enable educators to concentrate their attention on academic instruction; 3) expand the use of school facilities that would otherwise be underutilized; and 4) create safe havens for students during the times they are not in school.

### School Governance Programs

Programs in this category are intended to improve education in each school by expanding the authority and responsibility of the adults who are important to the school's success. Such programs involve parents, community members, teachers, administrators and others in school-based planning and decision making. These programs also provide training for these adults and establish mechanisms -- boards, councils, committees, etc. -- by which they can exercise their planning and decision-making authority. The Comer School Development Program is an example of a comprehensive school governance initiative that can be adopted or adapted. The Charter School, which enables parents and teachers to establish their own school governing boards under independent charters, which replace state mandates with local accountability schemes, is another example of a school-based governance approach.

### Municipal Overburden (or, Contribution to Required Local Share)

The Supreme Court noted that in poorer urban districts the effects of poverty created substantial additional local governmental needs other than education. The Court referred to these dual hardships on the local tax base as "municipal overburden." In its June 1990 decision in *Abbott v. Burke*, the Court held:

Our conclusion concerning municipal overburden is that it effectively prevents districts from raising substantially more money for education. It is a factual conclusion...That factual finding is one of the bases for our conclusion that the funding mechanism of the Act will never achieve a thorough and efficient education because it relies so heavily on a local property base already over-taxed to exhaustion.

The Legislature may devise any remedy...It may determine the division between state aid and local funding and allow districts such leeway as is consistent with the constitutional obligation, or it may mandate the local share; however, funding in poorer urban districts cannot depend on the budgeting and taxing decisions of local school boards. We assume the design of any new funding plan will consider the problem of municipal overburden in these poorer urban districts.

In its July 1994 decision, the Court further alluded to the issue of municipal overburden when it held:

Accordingly, the conclusion is unavoidable that the QEA does not comply with Abbott's mandate that the required level of funding for the special needs districts "cannot be allowed to depend on the ability of local school districts to tax....."

Under the QEA, special needs districts were accorded special treatment in the calculation of both their foundation budgets and their local fair shares and consequently in the amount of foundation aid which they received. Yet, the Court determined it did not meet the Abbott mandate. The proposal contained in this section addresses the Court's concerns regarding municipal overburden while treating all districts equally in the calculation of their foundation budgets, required local shares and foundation aid.

### **Distribution and Use of Funds**

Tentative analyses of the per-pupil costs of offering a comprehensive at-risk program are provided in the funding model in Section V of this report (see pages 62-64).

Two components of an at-risk funding formula would distribute approved per-pupil amounts based on school and district populations of students from low income families to support the provision of at-risk programs and services, and a third component could be contributed toward certain at-risk districts' required local share for regular education. Some districts would receive district-based aid (Component I), others would receive school-based aid (Component II), and some would receive both. Only a limited number of these districts would receive the required local share contribution (Component III). However, for reasons discussed above, most districts would not receive any at-risk aid.

It is recommended that the State Board of Education be asked to adopt regulations to direct the uses of at-risk funds in the following manner:

#### **District-Based At-Risk Aid (Component I):**

It is recommended that districts be required to use district-based at-risk aid for only two purposes.

First, the base portion of district-based aid would be dedicated to establishing preschool and full-day kindergarten for all four- and five-year olds in the recipient district. Districts would be given five years to phase

in the programs and required to maintain them thereafter. If facility needs are preventing the provision of such programs, districts would also be permitted to place this portion in a capital reserve account during the first four years to help address the facilities problems.

Second, districts would be required to use the remaining portion of district-based aid to meet the health and social service needs of elementary children by arranging for the provision of programs such as those described above. In particular, districts would be required or strongly encouraged to use at least a portion of these funds to support the establishment of Community Service Centers and/or other interagency initiatives.

**School-Based At-Risk Aid (Component II):**

Districts receiving school-based aid would be required to use these funds exclusively to support programs for all students enrolled in the eligible school.

In addition, districts would be required to use the funds for the exclusive purposes of establishing instructional, health and social service, and governance programs in the aid-generating school. For districts that also receive district-based aid, instructional and social service programs in this category would supplement those funded by district-based aid.

**At-Risk Aid Contribution to Required Local Share (Component III):**

Districts receiving this component would be permitted to use these funds within the T & E foundation budget to reduce their required local share. Receipt of these funds would not preclude these districts from seeking approval from local voters or boards of school estimate, as applicable, to raise additional school taxes beyond the adjusted required local share; however, if rejected by local voters, additional amounts, if any, would be determined by the local municipality and would not be appealable to the Commissioner of Education. If additional school taxes are approved, an equal amount of component III funds would be recorded in the special revenue fund and would be restricted in use to the universe of at-risk programs and services identified by the department and would be subject to the regulations of the State Board.

## Accountability

To establish accountability for uses of funds, each recipient district would be required to obtain the Department of Education's approval of its planned uses of at-risk funds. To facilitate state monitoring of the actual uses of funds, recipient districts would be required to maintain separate program and service accounts in the special revenue section of their budgets and financial records in accordance with generally accepted accounting principles. Districts that do not use at-risk funds in the intended manner would be subject to appropriate state interventions and sanctions.

## Interagency Collaboration at the State Level

As discussed above, a concerted interagency effort at the state level is needed if there is to be any reasonable expectation of redressing the educational disadvantages created by conditions of poverty. This effort would integrate funding streams and categorical requirements in order to support, and also remove barriers that might inhibit, the coordination of programs and services at the local level. The current Community Link Network of the Department of Human Services is an example of an initiative that promises to enhance interagency coordination and integration of services, and to provide the technology needed to share information among service delivery sites.

This same type of effort must be undertaken to provide coordination of programs and services aimed specifically for school-age children who are at risk of not succeeding academically. Toward this end, an interagency framework should be designed for state level coordination of funding programs and policies that affect local programs and services for at-risk students.

## Summary

In summary, it is recommended that a new funding law: 1) establish eligibility requirements for at-risk aid; 2) require the Department of Education periodically to identify the specific programs and services that might ameliorate the negative socioeconomic influences on students' learning; 3) further require the department to periodically analyze the per-pupil cost of funding such programs and annually to request the needed funds based on enrollments in eligible districts and schools; 4) require the State Board of Education to regulate the uses of at-risk funds; 5) require that separate district- and school-level accounting be maintained for each at-risk program and service

under generally accepted accounting principles; and 6) provide certain districts with assistance in meeting the required local share for regular education.

## **C. PROPOSED SOLUTIONS FOR OTHER FUNDING CATEGORIES**

### **1. Special Education Programs**

Section II of this report discusses three aspects of the current special education funding system that generate unnecessary costs by encouraging some decisions that are inconsistent with students' best interests. First, the current system encourages the inappropriate classification of some students in the categories "perceptually impaired" and "eligible for speech correction services." Second, the funding system encourages segregated placements while discouraging the placement of special education students in the regular education environment with special supports. Third, the existing system lacks a way of validating high-cost placements and therefore places responsibility for funding those placements entirely on local school districts.

To address these issues, a new funding approach should include a realignment of the incentives and disincentives that are inherent in any method of awarding funds. Specifically, the new special education funding system should be developed based on the following principles:

#### ***General Assumptions***

- to the extent possible, pupils with disabilities should be educated with their nondisabled peers in the regular classroom;
- the provision of supportive services are critical in insuring that pupils with disabilities can succeed in the regular classroom;
- it is neither effective nor efficient to place pupils with disabilities outside of their home school district when their needs can be met within the district;
- programmatic decisions should be based on needs rather than "labels."

#### ***Funding Assumptions***

- The funding system for special education should be built on the same types of efficiency assumptions as the funding system for regular education.
- There should be no incentives or disincentives for specific placements.
- On the one hand, reasonable variation among school districts in the incidence of students with disabilities should be acknowledged in the funding system. On the other hand, there should be no incentives to inappropriately classify students as educationally

disabled, especially as applied to those districts that currently have very high classification rates.

- The funding system should support the extraordinary costs associated with some highly specialized programs.
- State special education aid should be provided to reimburse school districts for all of the reasonable excess costs for educating students with disabilities, within the efficiency limits prescribed by the T & E model.

### **Proposed Approach**

Under these principles, the proposed funding system would consist of the following components:

**Foundation Aid-** The first portion of every special education pupil's program would be supported by the foundation budget in the same manner as the foundation budget supports regular education pupils. Since students classified eligible for speech correction services are involved totally in regular education programs, since they have the mildest of learning problems, and since the distribution of such pupils from district to district should be rather uniform, the cost of speech therapy would be calculated into the foundation budget. Also, based on the assumption that some students are now inappropriately classified as "perceptually impaired", resulting in inefficiencies and inappropriate placements, the model in Section V of this report would include only 10.0 percent of the school population for special education programs. This is 1.5 percent lower than the current state average non-speech classification rate of 11.5 percent. That 1.5 percent of the pupils would be included in the regular education part of the T & E model, based on the assumption that they would be served in regular education remedial programs. The T & E foundation budget would include an amount of funds to cover the remedial costs for these pupils.

As a consequence, allowances for spending on speech services would be made on a per weighted pupil basis rather than a count of pupils receiving speech services and remedial services. The same mechanism is already in place for child study teams. Because it would be in the foundation budget, it would be equalized.

The inclusion of certain special education costs in the cost analyses increases the per-pupil expenditure targets presented in the Section V model to: 1) \$6,189 for each elementary pupil; 2) \$6,790 for each middle school pupil; and 3) \$7,745 for each high school pupil.

**Categorical Aid-** A single cost estimate for non-speech special education programs would be developed based on the model, using 10 percent as the classification rate. This figure would represent the full extra cost of providing special education programs, with these exceptions: (a) the regular education portion of special education, speech therapy, remedial services and child study teams (see Foundation Aid above), (b)

very high cost programs (see Extraordinary Costs below) and (c) transportation. The same dollar amount would be provided regardless of placement.

Special education pupils would be counted and that dollar amount would be provided for each pupil as categorical aid. Districts would receive the full dollar amount of this excess cost factor for each non-speech special education pupil up to 10.0% of the resident enrollment. The aid provided per classified pupil in districts above that threshold would decline per the following table, until the point at which districts have classification rates greater than one standard deviation above the threshold. Classification rates beyond one standard deviation above the threshold would not generate state aid. The cost of speech instruction would be included in the T & E foundation and not supported by categorical aid.

Interval up to:	Threshold	+ .25 SD	+ .50 SD	+ .75 SD	+ 1.0 SD	Above
Classification Rate	10.0%	11.1%	12.1%	13.2%	14.3%	15.3%
Funding Factor	100%	95%	70%	45%	20%	0%

**Extraordinary Costs-** There would be a special mechanism to provide additional aid for individual pupils whose educational costs are exceptionally high. A threshold would be established (e.g. \$50,000) above which point a district would be eligible for review by a panel appointed by the Commissioner to determine if the district should receive all or some of the additional program costs.

As a final note, a careful analysis of all state special education mandates must be conducted to identify those that are unduly burdensome, that result in inefficiency and that do not in meaningful ways contribute to student achievement and development. Those regulations should be repealed or amended.

Each of these funding provisions will apply to special education students in their home district, whether programs are provided in the district or through a tuition arrangement with other service providers. This is central to removing funding incentives and disincentives for specific placements.

Through the application of this model, the following intended results will be achieved: (a) the overall costs of special education will be decreased, because efficiency standards will be applied in the calculation of the costs of a T & E education, because students with learning problems who are not disabled will be served and funded in regular education at considerably less cost and because districts will be provided with flexibility in the design of programs and services through the removal of burdensome mandates, (b) the state share in those costs will cover the full excess costs of special education within the parameters dictated by the model and (c) districts will be able to make placements of students with disabilities without concern for the relative amount of state aid generated for each placement, thus encouraging placement in the least restrictive environment.

It should be noted that other states have implemented incentive-based approaches to funding special education. In addition, in a recent report of the United States Department of Education on the reauthorization of the federal Individuals With Disabilities Education Act (IDEA) states:

Today, the major problem is not that millions of disabled children are not identified or not enrolled in school. Critical issues instead are that too many children are served in inappropriately restrictive environments, and, in some communities, that children -- particularly minority children -- are often inappropriately identified as disabled in order to generate funding to either remove them from the regular classroom or purchase extra services for them. Allocating funding based on census -- that is on the total numbers of students in the state -- would create incentives for states to undertake reforms such as prereferral intervention and early intervention..."

## **2. Pupil Transportation**

This proposal consists of a new funding formula, designed to encourage district operational efficiency. The recommended formula includes two principal components: a base aid amount and an efficiency factor. Base aid represents a level of funding to reimburse the cost of efficiently transporting eligible pupils based on regular or specialized modes of transportation, eligible pupils transported, average miles per eligible pupil, and cost factors representative of school districts in the top two quartiles of efficient performance. Non-cost drivers (population density, district enrollment, county cost classifications and special education ridership on regular buses) would be eliminated.

The efficiency factor is applied to the regular component of base aid and is based on the district's average regular vehicle utilization, defined as the total number of eligible regular and special education pupils transported on regular buses. Using the efficiency factor, a district's aid would be calculated based on the use of vehicle capacity relative to all other districts.

Both the base aid and efficiency factor components of the proposed formula promote efficiency. The base aid coefficients were derived from a regression analysis of districts with per pupil costs below the state median. Thus, the base aid formula implicitly provides incentive to achieve performance above the 50th percentile.

The efficiency factor concept was derived from the strong correlation observed between high vehicle utilization (i.e., average eligible pupils per bus) and low per pupil costs. Vehicle utilization is essentially a measure of the efficiency with which a district applies its most expensive resources, buses and bus drivers.

Districts can improve their vehicle utilization performance by adopting a number of best practices such as:

- Optimizing route design

- Adopting tiered bell schedules
- Mixing pupils of different classifications on common routes
- Coordinating public and nonpublic school calendars and schedules
- Providing transportation for nonpublic pupils instead of paying aid-in-lieu of transportation
- Cooperating with other districts through joint transportation agreements

The scaling of the efficiency factor makes the recommended formula very adaptable. For instance, setting a small efficiency factor range reduces the penalty applied to districts with lower ranking vehicle utilization performance. This approach can be used, for example, to phase in the implementation of vehicle utilization and then to incrementally increase the factor to bring about efficient practices in later years.

### **3. Facilities**

Facilities financing aid would be disbursed under a formula which would consider the state support percentage of the foundation budget, unhoused capacity or obsolescence, routine maintenance and a maximum area cost allowance per square foot.

The proposed approach mirrors one used in the State of Washington. This approach assumes the following:

- Districts have different abilities to pay for new construction or additions to a facility, while all districts are able to afford some of their construction or additions.
- The state will only assist in paying for facilities which are needed.
- The state will only assist in paying for economical and efficient facilities.
- For all districts some facility items may need to be paid for entirely with local funds.
- The state will only assist in paying for facilities which have been or will be maintained on a regular basis.
- Facilities needs can be measured based upon the age of the district's existing facilities.

- Facilities needs can be measured by relating enrollment projections to the existing functional capacity of a district's facilities.

Facilities needs for the purpose of funding would be determined by the following:

The percentage of state-supported financing assistance for which a district is eligible would be the same percentage determined in accordance with the foundation formula established to fund a T & E education. The percentage of state supported facilities financing assistance would be revised annually. State assistance would only fund maximum allowable construction costs which are determined based upon school facility capacity needs which have been identified based upon enrollment projections and construction cost allowances.

School facility capacity needs would be estimated on the basis of a five year cohort survival enrollment projection. School capacity needs for preschool handicapped students would be based upon actual enrollment.

A maximum area cost allowance per square foot of construction would be used to calculate the aidable costs for construction. The maximum area cost allowance per square foot would be projected annually and would be computed by using a recognized construction cost index for the state.

A project would be eligible for state assistance if it meets one or more of the following criteria:

- Need for instructional space based on unhoused students.
- Need for modernization of an existing facility that is older than twenty years if the existing facility has not been modernized with state assistance within a time period equal to the twenty year time period.
- Need for modernization of a new facility that is built after the date this program is put into effect, and is older than thirty years.
- Replacement of existing facilities because of obsolescence rather than unhoused students subject to the same criteria above for modernization.

This approach would also be used to determine and provide state assistance for the allowable construction costs of facilities which are acquired through a lease purchase agreement.

The Commission on Business Efficiency of the Public Schools in its November 1, 1990 report, Approaches to School Maintenance, recommended that the state "attach stronger maintenance requirements to state funding and to approvals for new school building construction." The state would only assist in paying for facilities which have been or will be maintained on a regular basis. State supported facilities financing

assistance would be reduced or eliminated when there is evidence that a facility which would otherwise be eligible for such assistance has not been maintained on a regular basis. Again an approach similar to the one used in Washington is recommended.

State assistance for projects for the modernization of school facilities where such projects are built after the specified dates would be subject to an annual maintenance expenditure rule. To be eligible for the maximum state assistance for modernization, a district would have a maintenance reinvestment rate of at least 2 percent over the last 15 years of the facility. Otherwise the allowable construction costs and assistance would be reduced.

New school facilities, including additions, would not be eligible for replacement costs based on obsolescence and for state assistance if the total expenditures for maintenance for 15 years prior to applying for the state assistance was below 2 percent of the replacement value.

Since the recommended approach focuses exclusively on funding the construction costs which most benefit students, the state would not provide assistance in paying for certain items. The following facility items would be paid entirely with local funds:

- Acquisition cost of the site.
- Costs incidental to site surveys, soils testing for site purchase, and costs other than those connected directly with the construction of facilities.
- Area in excess of the space allocations used to determine the allowable construction costs.
- Central administration buildings.
- Stadia/grandstands.
- Bus garages except inter-district cooperatives.

Districts with existing debt service aid entitlements would receive the greater of state support under the new formula or state support at the time the new formula is implemented for those bond issues on which the debt service aid entitlement was based.

#### **4. Unchanged Funding Areas**

##### ***Bilingual Education Aid***

Essentially unchanged, this formula would provide aid to be distributed at current statewide funding levels with each district's share being determined by its share of statewide bilingual program enrollment.

##### ***County Vocational Education Aid***

Essentially unchanged, this formula would provide aid to be distributed to county vocational districts at current statewide funding levels with each district's share being determined by its share of statewide vocational program enrollment.

#### **5. New Funding Areas**

##### ***Technology Grants***

The model for regular education funding presented in Section V of this report includes funds for educational technology. In addition, to realize the full potential of this tool, schools must address certain related facility needs.

A \$10 million grant program could be established through which each district would receive a set per-pupil amount in non-lapsing but dedicated funds, in addition to the amounts contained in the model, to be used for capital expenditures required for state-of-the-art technology projects. Such projects could include, for example, retrofitting of school facilities for access to voice, video and data transmission that facilitate information retrieval, telecommunications, multimedia, interactive distance learning and home/school linkages. Through such grants a statewide system of educational technology could be constructed.

##### ***Rewards and Recognition***

Once the core curriculum standards and the method of assessing each student's achievement of them are established, all schools must be firmly committed to and focused on both high academic achievement and progress towards such achievement. As the ultimate goal of education, high academic achievement must be supported and encouraged. Therefore, a program would be established to provide rewards to schools and districts successful in accomplishing high student academic achievement. Two types of success could be recognized: absolute success against very high standards and, as importantly, success demonstrated by significant relative progress towards meeting high standards. This program would reward both forms of success as evidenced by school achievement on existing statewide assessments at grades 8, 11 and eventually 4. Thus,

there would be two types of academic achievement rewards -- a reward for absolute success and a reward for significant progress. The appropriation for this two pronged program would be \$5 million. The reward amount would vary annually depending on how many schools qualify each year for the reward.

The reward would be based on school performance on the statewide assessments and districts would receive the reward for the performance of individual schools. Under this program, therefore, it is possible that a given district would be rewarded for the successful performance of any of its schools. The strategic plan described in Section VI is designed to provide greater flexibility to local decision making; thus, this reward would be given to the district and the superintendent would determine its allocation. However, districts which have been penalized under the School Efficiency Program would not be eligible for this reward. This is in keeping with the department's goal of maximizing both effectiveness and efficiency.

This program must, of necessity, take into consideration school size. It would be inherently unfair to reward both large and small schools equally. If the reward were equal for all schools, its impact would vary depending on the size of the school. An equal reward could be relatively meaningless for a large school while disproportionately large for a small school. Therefore, schools would be ranked in terms of size into three groups which would then determine the level of reward for both the absolute success reward and the progress reward.

#### ***Academic Achievement Award for Absolute Success***

The purpose of this program is to encourage high student academic achievement. In rewarding schools that have attained high student achievement, this program would encourage all schools to work toward this goal. A reward would be provided to districts for absolute success based on their school's performance on the statewide assessments. To be eligible for the reward based on performance on the High School Proficiency Test-11 (HSPT-11), schools must have 90 percent of their students performing at or above the passing score. Only first time test takers would be included in this measure. To be eligible for the reward based on performance on the eighth grade Early Warning Test (EWT), schools must have 90 percent of their students performing at or above minimum competency. When the test is implemented at the fourth grade level, to be eligible for the reward based on performance on the fourth grade test, schools must have 90 percent of their students performing at or above minimum competency. Reward amounts would be on a graduated basis by small, medium and large districts.

#### ***Academic Achievement Award for Progress***

This program is intended to support and encourage relative progress towards high student academic achievement. Relative progress is important because it recognizes differences in the magnitude of the challenges faced by different districts. Progress

towards success is as important as absolute success and must also be rewarded. A progress reward would be provided to districts for their schools which did not qualify for the absolute success reward. All schools eligible would be grouped in five bands based on initial achievement levels for each of the three tests. Districts within each band would then be ranked based on their annual improvement in achievement defined as the change in percentage of pupils performing at or above the passing rate for the HSPT-11, minimum competency for the EWT and minimum competency for the fourth grade test. The top 10 percent of schools in each band with the highest level of progress will be eligible for rewards.

The purpose of grouping the schools in five bands is to ensure fairness in that all schools would be judged against their peers. Such grouping would allow comparisons among schools which are at a similar achievement level. Thus, rewards will go to districts at various levels of achievement including those at low levels. This program intends to reward progress at all levels of absolute achievement in order to encourage progress of low achievers toward high student achievement. Reward amounts would be on a graduated basis by small, medium and large districts.

### ***Conclusion***

The primary purpose of this two pronged reward program is to enhance high student achievement and encourage progress towards such achievement. Schools and districts should be rewarded for the time and resources that are expended in fostering high student achievement. This program would encourage and reward those schools and districts whose efforts are successful.

The real winners in this program would be the students who benefit as they demonstrate achievement at high levels. A high level of achievement is necessary for those students who chose immediate employment in our competitive economy as well as for those who chose to pursue post secondary education.

## **IV. BUDGET PROCESS CHANGES**

It is recommended that the school budget process be revised to address problems discussed earlier in this report. Those problems include the following: 1) the state appropriations process does not allow time for fiscal planning at the state or local level; 2) budget election laws require citizens to vote on Constitutionally required expenditures, yet those laws also require the state to overrule any voter rejection of those same required expenditures; and 3) the school board election schedule discourages voter participation. To address these issues, the following are proposed.

### **TWO-YEAR APPROPRIATION**

The law would require the Governor to issue The Report on the Cost of Providing a Thorough and Efficient Education every two years in the off-election year. As a result, the T & E foundation amount and categorical amounts would be set for a two-year period, and a CPI inflator or deflator would be included for year two. This approach would allow two-year budget planning at both the state and local levels.

In addition, the law would require that the T & E foundation amount and categorical amounts be set a year in advance of the start of the applicable two-year period. For example, the Governor's Report and the T & E foundation amount set in the fiscal year 1996-97 budget process in July 1996 would be applicable to school years 1997-98 and 1998-99; the amount set in fiscal year 1998-99 would be applicable to school years 1999-2000 and 2000-01. This change would allow the Legislature, school districts and the general public to use the full budget comment period of January through June to analyze the Report, the T & E foundation amount and categorical amounts. (NOTE: Currently, school aid figures must be released within seven days of the Governor's budget message and therefore cannot be debated through the legislative process of budget hearings and appropriations.)

The proposed foundation aid and categorical aid amounts are keyed in each year to the substantive standards as set forth in the Governor's Report and could only be changed if those substantive standards are changed. Funding increases and decreases would be based on sound educational and fiscal considerations and would apply equally to every district in the state -- i.e., system changes would replace "special treatment" advocacy of particular districts.

In the following two years, the Legislature would appropriate the required amount of state aid. If the Legislature determines to reduce or increase the total amount of aid, it should, through formal resolution, amend the analyses in the Governor's Report (i.e., programs, services, organizational/staffing arrangements, and/or cost analyses) in order to establish a substantive rationale for the new T & E foundation amount needed for a regular education as well as for new categorical amounts.

As is currently the case, the Governor would be able to line-item veto any legislative budget amendments to the efficiency standards, the required T & E foundation amount, or increases to appropriations for school funding. The Governor would be required to veto any appropriation of aid to a particular district or group of districts that would disqualify educational funding and opportunity by circumventing the Delivery Standards and creating unnecessary or wasteful expenditures.

## **SCHOOL BUDGET PROCESS**

Every two years, the Commissioner would notify each district of the amount of foundation aid and categorical aid that would be payable to the district under the formula in each of the subsequent two fiscal years. The amount of foundation aid payable would be that which, combined with required local share, would enable the district to budget and expend the T & E foundation amount needed for a thorough and efficient regular education. Categorical aid would be provided to cover necessary additional costs which are outside the rubric of regular education.

It is imperative that the appropriation process be designed to allow a thorough review by the Governor and the Legislature of the Commissioner's efficiency standards, including a cost analysis of the T & E foundation amount needed for a regular education and of the categorical programs. It is also important that districts and communities be provided ample time to plan their budgets. To achieve these purposes, the requested amounts for foundation and categorical aid for each two-year period would be announced on the first day of the fiscal year prior to the two-year budget process.

### **Budget Approval-Voting**

Annually, on or before April 1, each district board of education would adopt, and forward to the Commissioner for approval, a budget that provides no less than the foundation amount and categorical amounts required for a thorough and efficient education. The district's foundation budget represents that portion of the budget which is needed to provide a thorough and efficient system of regular education for all of its students, while the categorical portion of the budget represents additional costs for T & E over and above regular education. If the voters of any municipality were to approve a lesser amount, the Commissioner of Education, on appeal by the district board of education, would be obligated, under the constitution and laws of the state of New Jersey, to overrule the voters and to restore the district's foundation budget. Therefore, districts' budgets that provide the required amount should not logically be subject to approval by the local voters, and accordingly, no vote would be required on the T & E amount.

## **School Board Elections**

An issue that has risen repeatedly in public discussion and testimony is that of the school election schedule. Many citizens believe that under the current system, the separate scheduling of school elections discourages participation. The suggestions of combining school elections with November general elections or June primaries have been advanced. Opponents of these ideas argue that they would politicize school elections. Proponents counter that school elections are already politicized and, because participation is so small, election turnout may be vulnerable to manipulation.

New legislation is pending which would transfer responsibility for school elections away from school districts; this would improve accessibility of the process. Therefore, it is recommended that elections of school board members be combined with the November general elections.

## **Budget Caps**

Spending caps would apply to expenditures in the GAAP general fund budget. This is a change from the current, revenue-based definition. It would place more meaningful limits on spending and eliminate the complexity of rearranging budgeted revenues and the creative application of surplus which currently are staples of the budgeting process. All districts whose local levy budget spending exceeded the lower limit of the foundation range in the previous year would have expenditure growth rates set at the consumer price index (CPI). Lower spending districts would have larger caps set to facilitate the full attainment of the T & E range over a four-year period of phase-in (see the section on foundation budget)<sup>1</sup>. Those spending below the lower limit would have a spending cap set so as to phase them up to the foundation level over a four year period

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<sup>1</sup> This phase-in will also modify their required local share.

## V. MODEL OF A THOROUGH AND EFFICIENT EDUCATION PROGRAM: STANDARDS FOR EFFICIENT DELIVERY

If the recommendations of this report were adopted, then the Governor would be required to present a Report on the Cost of Providing a Thorough and Efficient Education in the budget message of whatever year the law went into effect. That report would have to contain certain information including: 1) proposed curriculum standards that all students would be expected to achieve; 2) analyses of the types of program/service elements needed to foster such achievement; 3) assumptions concerning the efficient delivery of programs and services; and 4) cost breakdowns with a recommended per-pupil funding amount. The Legislature would have a chance to discuss the report's contents through appropriations hearings with representatives of the executive branch and the general public. On the basis of those discussions, the two branches could agree to amend the analyses. Only then would a per-pupil "T & E" amount finally be set for the subsequent two-year period.

Although the relevant analyses could not be finalized until such a public process was completed under adopted legislation, this section of the current report provides an advance view of what might be proposed in the Governor's first report. These preliminary analyses (the "model") were presented in the Department of Education's February 1995 interim report. During the past eight months, they have been the subject of extensive public review and comment obtained through 28 local hearings and three regional town meetings. They have been modified based on the testimony received.

Central to estimating the amount of financial resources necessary to support a T & E education is the development of assumptions or standards for the efficient delivery of programs and services. The "delivery standards" presented here have been constructed using a hypothetical school district model providing the programs described in section III. The model consists of several units - schools at the elementary, middle and high school levels and a district administrative office. Each unit has been designed to incorporate those components that research and experience indicate are necessary and important. Each excludes those things that are unnecessary, wasteful or excessive.

The initial version of this model was prepared based on a review of: 1) current statutes and regulations; 2) similar models developed by other states, most notably Massachusetts and Tennessee; 3) educational research literature; and 4) current school practices, both "average" and "ideal" practices, in New Jersey and elsewhere. In addition, as noted above, the version presented in this paper includes revisions based on input received from the public and additional research and review conducted by the Department of Education.

The major elements of each school unit are 1) classroom costs such as teachers, textbooks, supplies and equipment; 2) school level administration and support services such as principals, librarians, guidance counselors, supplies, purchased services, equipment and extracurricular activities; 3) employee benefits; and 4) facilities costs. An essential tool in the preparation of the school units is the formula and table for

determining teaching staff requirements. The major elements of the central office unit are district-wide administrators and staff, legal expenses, miscellaneous expenses, child study teams and related employee benefits.

The school units incorporate the assumption that each is focused on providing and supporting instruction in the areas in which new student achievement standards are being developed. While it is recognized that the standards can be achieved through a variety of instructional formats and that course arrays may change once new standards are adopted, the model is broadly based on the evolving Core Curriculum Standards and indicators of achievement in the areas of the arts, career education, comprehensive health and physical education, language arts and literature, mathematics, science, social studies, and world languages.

The model also assumes that a preponderance of resources should directly support classroom instruction in these subject areas, and that resources should not be used to support unnecessary, wasteful or duplicative administrative practices. A central aspect of its creation, therefore, was the establishment of criteria for the numbers of classroom teachers and aides that ideally are required. In order to produce these criteria, assumptions were made about the number of instructional minutes in a class period, the amount of time per day that a teacher should spend instructing students, and, most importantly, the appropriate class size for each subject or grade.

Assumptions also were incorporated concerning school and district size and configuration based on the typical size of existing New Jersey school districts and on the educational and fiscal advantages of an optimal K-12 regionalized structure. The hypothetical school district in this model consists of three elementary schools, one middle school and one high school, with a total enrollment of 3,075.

The model includes assumptions concerning the core curricular programs, remedial programs, speech correction programs, special education programs, and the early childhood programs described in the section on At-Risk programs.

Most of these elements are common to most schools, so that "modeling" those schools realistically requires inclusion of all of the requisite elements.

However, the model can be adjusted to reflect different scenarios in order to separate those costs attributable to the "regular education program" for each and every pupil from those costs for special education and at-risk programs which are above and beyond the regular cost.

The model excludes assumptions concerning the costs of providing transportation, bilingual education and vocational education.

In addition to these general characteristics, the model includes the following more specific elements upon which proposed state support would be based:

## **STAFFING**

### **1. Elementary School**

At the elementary level, kindergarten is essential. Elementary instruction is best delivered by a primary classroom teacher from kindergarten through grade 5, with supplements in the arts, health and physical education provided by specialized teachers.

The elementary school unit of the model is based on an assumed enrollment of 500 students and average class sizes of 21 students in grades kindergarten through three, and 23 students in grades four and five.

The unit includes a total of 43 staff members, of whom 31 are teachers providing instruction in regular education, special education and academic remediation. In addition, it includes a principal, nine classroom aides and two clerical staff. Two and a half other certified support staff positions can be allocated for the positions of guidance counselor, school librarian and nurse. Some of these staff allocations would be for part-time positions, or positions shared with other schools in the district.

The model assumes that the number of pupils served in special education programs other than speech would be equivalent to 10.0 percent of the student body (including those students placed in out-of-district programs). This assumed district average classification rate reflects the composition of much lower rates in the elementary and middle schools (7.1 and 10.2 percent, respectively) and a higher rate in the high school (14.4 percent). The number of students needing speech programs is assumed to be 7.6 percent of enrollment in the elementary school, 2.8 percent in the middle school and 1.1 percent in the high school.

Based on such assumptions, two of the elementary unit's 31 teachers could be assigned to provide self-contained programs, resource centers, related services, speech therapy or inclusive education programs for special education pupils. In addition, the unit includes an allocation of three special education aides, as part of the school total of nine aide positions. Four pupils would be served in out-of-district placements.

### **2. Middle School**

The middle school concept recognizes that a content-driven approach to instruction and segmentation of curriculum, characteristic of junior and senior high school education, often does not meet the developmental needs of young adolescents. The middle school is considered more responsive to the cognitive, social and physical transitions unique to this period of educational and social development. Early adolescents need to feel part of an extended family of learners where increasing academic demands are woven together with extensive support for assessment, remediation, socialization and opportunities for exploration within a wide range of skills and disciplines. Teaching must be integrated and developmentally oriented, not delivered as isolated, segmented secondary instruction. Flexibility to organize this system of delivery

can be facilitated through block scheduling and as a result of teacher team planning. The middle school instructional design will facilitate the appropriate grouping of students and the ability to integrate classified special education students within the mainstream of instruction.

An assistant principal will play an important role in the areas of discipline and assisting in the evaluation of teaching staff. Additional resources required include guidance counselors to provide academic and social mentoring and a librarian to run the school media center.

The middle school unit has an enrollment of 675 pupils in grades six, seven and eight. Staffing allotments are based on a clustered organization of instruction with clusters of 112 pupils each served by five core teachers in grades six through eight. The total number of school staff is 57, of whom 45 would be teachers. The middle school unit also includes a principal, vice principal, seven aides and three clerical staff. Four additional certified support staff positions might be used for a librarian, guidance counselors, and a school nurse. These positions could be full-time, part-time or shared with other schools.

Based on the special education assumptions described above, three teachers could be assigned to provide self-contained special education programs for middle school pupils. The unit also includes an allocation of seven special education aides. In addition, eight pupils would be placed outside the district.

### 3. High School

At the high school level, in order to better deliver increasingly specialized instruction in the core subjects, teaching staffs are normally departmentalized. Thorough and Efficient high school classes are taught by teachers who specialize in one (or more on occasion) of the eight Core Curriculum disciplines. Instruction is delivered during seven periods of the day. In order to shift the focus from seat time to mastery as described by the standards, this paper does not distinguish between graduation requirements and elective courses, as did the Interim Report. This is because the standards will describe a very rich set of expectations for students, which will require all of the instructional day (while not necessarily a uniform prescribed set of courses) to realize.

With its increased complexity of subject matter, high school requires subject-specific coordination and supervision of teaching. Therefore, each department would normally dedicate half the time of one of its teachers for such activities. In the context of a school normally much larger than the elementary and middle schools, assistant principals play important roles in the areas of discipline and assisting in the evaluation of teaching staff. Additional resources required include guidance counselors to provide academic and social mentoring, and a librarian and support to run the school media center.

The high school unit of the model assumes an enrollment of 900 pupils in grades 9, 10, 11 and 12. Average class size is set at 24 pupils for instruction in science, social

studies, mathematics, language arts and literacy, world languages, health and physical education and career education.

Based on these average class sizes, staffing in the model high school would be 85 positions, including 64 teachers, a principal, two assistant principals, eight part-time supervisors of instruction, 11 aides, ten clerical staff, a part-time attendance officer and six certified support staff. These support staff include several guidance counselors, a school nurse and a full-time librarian.

Based on the same assumptions, the special education program consists of five teachers assigned to self-contained classes, resource centers, related services, speech therapy or inclusive education programs for special education pupils. In addition, the high school has eight special education aides.

#### **4. Central Office**

The model also includes costs associated with administration in the central office. Staffing for central office functions in the hypothetical district of 3,075 pupils includes 31 central office positions: three administrators, five supervisors, five child study team members, three other professional staff and 15 clerical and secretarial personnel.

### **ASSOCIATED NEEDS**

#### **1. Technology**

The pace of technological change has added another essential to elementary education, as well as other levels. Preparing students for the information age requires their familiarity and facility with technology, and technological skills have become an essential part of literacy. However, the presence of technology and technology-literate educators in the classroom represents far more than simply an additional set of skills to be imparted. More than any other new tool that now exists or is likely to become available, technology has the potential to facilitate innovative and fundamental change in the way that instruction is delivered and will be essential in the efficient achievement of the new core curriculum standards.

The model includes sufficient resources to provide one personal computer for every five pupils. Computers would be replaced on a five-year cycle. Additional costs for peripherals, software, and networking are allowed for at the rate of 25% above the revolving cost of computer purchases.

#### **2. Extracurricular Activities**

In addition to classroom instruction, extracurricular learning is an essential part of the T & E program. Increasingly, educators believe that learning should have

experiential components which are best pursued in field trips and after-school activities. In a 1992 study, the National Center for Education Statistics found that students who participate in extracurricular activities are more engaged overall in school and, therefore, face less risk of school failure. Participation in extracurricular activities correlates with better attendance, no unexcused absences or skipped classes, a higher grade point average, and higher enrollment in post-secondary education. Although the interim report did not include assumptions in this area, based on public testimony this report assumes that extracurricular activities are an important part of a T & E education at all age levels.

The model contains allowances for extracurricular activities at the elementary, middle and high school levels based on an average general fund cost per pupil of \$141. In the elementary schools, \$65 per pupil is provided for such things as materials, fees and field trips. The middle school allowance is \$180 per pupil and the high school allowance is \$238 per pupil for such things as materials, fees, field trips and teaching staff stipends for additional duties.

### **3. Professional Development**

The model incorporates funding for these essential associated personnel costs. The industry standard, as reported by the American Society for Training and Development, of two percent of salaries is provided. One substitute day per teaching position is also provided as part of the professional development cost to allow for out-of-district offerings.

### **4. Vacation and Sick Leave**

The expected cost of substitutes is determined by the number of sick and vacation/personal days taken by the teaching staff. Assuming an absentee rate of four percent and a 180-day school year, such assumed absences would represent an annual seven days per FTE. The total days per school are calculated and a rate of \$60 per day applied to determine the substitute pay cost.

### **5. Other Benefits**

The model includes allowances for employee benefits. FICA, PERS, TPAF and unemployment insurance payroll taxes are calculated for all employees (including teachers) using estimates of rates that are in effect during the funding year.<sup>2</sup> The model

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<sup>2</sup> In the case of TPAF and FICA, these modeled costs will not be included in the Foundation Budget, but rather supported at 100 percent rate by state aid. Districts incurring such costs in excess of the model would be required to support the excess with local funds. (See the section entitled "Teachers' Pension and Social Security" on page 77 for more information.)

of a thorough and efficient education also includes funding assumptions for other employee benefits such as health, life, and dental insurance based on per-staff cost determined via review of past budget figures, projected to the funding year. Excluding FICA and TPAF, the total cost of employee benefits contained in the model range from 11 to 12 percent of the anticipated salary costs between the elementary, middle and high school levels.

## **OTHER ELEMENTS**

The remaining elements of the models include books, materials, supplies, purchased services, equipment, security and operation and maintenance. Purchased services and materials include many administrative costs of the district such as accounting, payroll, legal, and board expenses. Historical cost averages for the state as a whole and for a group of school districts considered to be efficient are used to provide cost estimates for textbooks, supplies and materials, and operations and maintenance. Instructional equipment and supplies are funded at a rate somewhat higher than average; administrative materials and supplies are funded at a rate somewhat lower than historical averages. Other equipment purchases supported in the model are based on historical district spending.

Accredited adult school programs and post-secondary vocational programs are not within the Constitution's guarantee of a free public education, and accordingly, such enrollments would not be considered in the determination of the foundation budget, but could be addressed through separate grant programs. Likewise, preschool programs would not be included in the foundation budget, but would be part of at-risk funding. Enrollments for kindergarten would be weighted to reflect a half-day program within the foundation budget, and supplemental funds for full-day kindergarten would be part of at-risk funding.

## **AT RISK PROGRAMS**

In addition to those elements of the T & E model which are expected to be necessary in all communities, the model incorporates a framework for additional programs needed in communities with large low-income populations

Amounts provided through at-risk aid would fund a constellation of programs and services--of intensity commensurate with the level of need in the community--in the three areas necessary to comprehensive at-risk services: governance, instruction, and social supports. The core components that programs commonly share include the following:

- Professional and non-professional staff
- Contracted services, such as for health providers, program consultants, and enrichment presentations or performances that might come to the school
- Staff time and substitute costs for program training and other increased professional development

- Additional textbooks and instructional supplies for classroom use
- Materials and supplies used during enrichment activities, school-based planning meetings, and parental programs
- Bus services and admissions for school trips
- Attendant school-wide costs of increased enrollment (when preschool programs are located in the school) and keeping the school open for extended hours (when after school, evening, and weekend programs are located in the school)

The following illustrates a sample constellation of components that schools of model size might purchase with Component II funds at the two concentration levels, allowing 5% of funds for attendant school-wide costs.

Low-income concentration	High School		Middle School		Elementary School	
	20-40%	over 40%	20-40%	over 40%	20-40%	over 40%
Certificated staff	3 \$177,239	4 \$234,318	2 \$113,263	3 \$169,895	1 \$54,796	2 \$109,591
Non-certificated staff	1 \$23,304	1 \$23,304	1 \$23,304	1 \$23,304	1 \$23,304	1 \$23,304
Days of Contracted Services	1 \$17,550	2 \$35,100	1 \$17,550	2 \$35,100	1 \$17,550	1.5 \$26,325
Number of Training Contracts	1 \$5,000	2 \$10,000	2 \$10,000	2 \$10,000	1 \$5,000	2 \$10,000
Days of Professional Developme	3 \$13,641	4 \$18,187	4 \$12,885	4 \$12,885	3 \$7,237	3 \$7,237
Instructional Materials and Suppl	\$25 \$22,500	\$40 \$36,000	\$25 \$16,875	\$40 \$27,000	\$20 \$10,000	\$20 \$10,000
Number of \$6 Trips	1 \$9,000	\$0	1 \$6,750	2 \$13,500	1 \$5,000	1 \$5,000
Number of \$20 Trips		1 \$20,400		\$0		\$0
Enrichment Programs	\$35 \$31,500	\$50 \$45,000	\$35 \$23,625	\$42 \$28,350	\$27 \$13,900	\$32 \$16,000
Number of FAST Sessions					2 \$30,000	2 \$30,000
Total	299,733	427,309	224,251	320,033	166,386	237,456
95% of at-risk amounts	299,250	427,500	224,438	320,625	166,250	237,500

### Explanation of Components

**Certificated staff:** Professional staff such as teachers, nurse practitioners, counselors, social workers, program facilitators, and collaborations facilitators

**Non-certificated staff:** Non-professional staff such as teachers' aides, clinic receptionists, school-family liaisons, attendance monitors, and school-community liaisons

**Days of Contracted Services:** The number of full days per week for which a licensed clinical professional, such as a doctor or psychologist, might be contracted to work with students in the school

**Number of Training Contracts:** The number of professional development organizations, such as educational consultants or program developers, the school might contract for services. An average of \$5,000 per contract is used; fees generally range from \$8,000 to 20,000, and are usually shared among schools.

**Days of Professional Development:** The number of days of professional development, in addition to those included in the foundation, that all professional staff and aides might receive

**Instructional Materials and Supplies:** Per-pupil allocations for enriched or innovative instructional materials, additional to those included in the foundation

**Trips:** The number of trips for each student in the school. Price designations indicate per pupil admission fees, not full trip costs. Additional trip costs include transportation and staff stipends for trips likely to occur during non-school hours. Admissions for chaperones are usually free, and chaperones in addition to schools staff are assumed to be volunteers.

**\$6 trips:** to a museum, science center, planetarium, or historic or cultural site

**\$20 trips:** to a performing arts event in a theater

**Enrichment Programs:** Per-pupil amounts for after-school or evening enrichment activities, for such costs as materials, equipment, and staff stipends

**Number of FAST sessions:** The number of eight-week sessions of this family-building program (Families and Schools Together) the school might provide. Each session serves five to eleven families. The program also provides follow-up services to participants for two years.

Monitoring the use of at-risk funds to ensure the integrity of at-risk aid applications would be accomplished through new accounting requirements. A separate accounting for at-risk funds, within the special revenue fund, would be incorporated into school district financial records, which would be maintained at the school as well as district level in accordance with generally accepted accounting principles (GAAP). A fixed percentage of at-risk aid would be allocable to the general fund to support school-wide costs attendant to at-risk programs. Expenditures would be classified as one of the three components of comprehensive at-risk service delivery: governance, instructional, and social supports. Minimum expenditures in each category may be required.

## **COST ANALYSIS**

With the addition of several assumptions, the collection of elements of a school district described above can readily be translated into an analysis of the total cost of a T & E education program. These assumptions include salaries for teachers, aides, administrators, clerical and professional staff and security guards; the price of a new computer, and the cost of providing employees with health and dental plans. The prices of some of the elements in the model are implicit in the Delivery Standards themselves. For instance, operation and maintenance expenditures allowed for in the model are tied to data on appropriate funds actually expended rather than on a detailed description of the number of staff and salary levels allocated to this function. The method used for textbooks, supplies, equipment and other purchased services is similar. The salary assumptions used in this analysis come from the DOE's Fall Survey of Certificated Staff and NJEA research publications on Noncertificated Staff. The following tables reflect the elementary, middle and high school units of the model and the detailed cost analyses for regular and special education programs for each. In order to use the most recently available audited expenditures, all costs reflected in the tables are from the 1993-94 school year. These costs would later be indexed using the Consumer Price Index (CPI) to 1997-98 levels.

Table 1: Elementary School

Elementary School				
	Quantity	Price	Cost	Per Pupil Cost
<b>Assumptions</b>				
School Size	500.0			
Effective School Size	500.0			
Graduation Credits	0.0			
Staff attendance rate	98%			
Ratio prof'l development to salary		2.0%		
<b>Salaries</b>				
Principal/Asst Principal	\$76,100			
Supervisor	\$59,700			
Teacher	\$45,800			
Aides	\$13,300			
Clerical	\$26,400			
<b>Staff Summary</b>				
Certificated	43.3			
Classroom	31.6			
Noncertificated	11.7			
Aides	8.5			
Clerical	2.0			
Other	1.2			
Total Salaries			\$1,844,846	\$3,690
Uncertified Salaries			\$349,072	\$698
<b>Calculation</b>				
<b>Instruction</b>				
<b>Classroom Salaries</b>				
Total Teachers	28.1	\$45,800	\$1,285,796	\$2,572
Total Aides	7.5	\$13,300	\$100,059	\$200
Substitutes	256.3	\$60	\$15,378	\$31
Salary Subtotal			\$1,401,233	\$2,802
Textbooks	500.0	\$50	\$25,000	\$50
Technology, Computers	100.0	\$450	\$45,000	\$90
Technology, associated costs			\$11,250	\$23
Supplies	500.0	\$145	\$72,500	\$145
Special Ed. non-salary costs	33.2	\$159	\$5,295	\$11
Speech non-salary costs	38.0	\$18	\$623	\$1
Equipment	500.0	\$80	\$40,000	\$80
Total			\$1,800,901	\$3,202
<b>Administration and Support Services</b>				
<b>Administration Salaries</b>				
Principal/Asst Principal	1.0	\$76,100	\$76,100	\$152
Clerical (Princ. Office)	1.0	\$26,400	\$26,400	\$53
Clerical (Supervision)	0.0	\$26,400	\$0	\$0
Clerical (Support)	1.0	\$26,400	\$26,400	\$53
Security Guard	1.0	\$26,400	\$26,400	\$53
Professional/Technical	0.175	\$59,700	\$9,851	\$20
Supervision of Instruction	0.0	\$59,700	\$0	\$0
Evaluation of Curriculum	0.0		\$0	\$0
Summer Curric Devel	4.0	\$1,000	\$4,000	\$8
Administration Salary Subtotal			\$169,151	\$338
Professional Development			\$34,082	\$68
Administration Subtotal			\$203,232	\$406
<b>Support Salaries</b>				
Attendance	0.0	\$26,400	\$0	\$0
Guidance	1.0	\$45,800	\$45,800	\$92
Health	1.0	\$45,800	\$45,800	\$92
<b>Media Services/Library</b>				
Librarian	0.5	\$45,800	\$22,900	\$46
Aide	0.0	\$13,300	\$0	\$0
Lunchroom/Duty Aides	1.0	\$13,300	\$13,300	\$27
Support Salary Subtotal			\$127,800	\$256
Supplies	500.0	\$70	\$35,000	\$70
Extracurricular Activities / Field Trips	500.0	\$65	\$32,500	\$65
Health Services	500.0	\$10	\$5,000	\$10
Other Purchased Services	500.0	\$115	\$57,500	\$115
Special Ed. non-program costs	4.0	\$7,485	\$30,112	\$60
Equipment	500	\$15	\$7,500	\$15
Administration and Support Total			\$498,644	\$997
<b>Benefits</b>				
FICA for PERS employees			\$26,704	\$53
PERS			\$17,454	\$35
Unemployment			\$4,443	\$9
Health Insurance	43.3	\$5,335	\$230,805	\$462
Others (Life, Dental)	43.3	\$1,000	\$43,282	\$87
Benefits Total			\$322,688	\$645
<b>Facilities</b>				
Operations & Maintenance	500.0	\$652	\$325,918	\$652
Construction/Renovation	500.0	\$101	\$50,494	\$101
Total			\$376,412	\$753
<b>SCHOOL TOTAL</b>			\$2,798,626	\$5,597
<b>CENTRAL OFFICE</b>				\$592
<b>GRAND TOTAL</b>				\$6,189
<b>REGULAR COST</b>				\$5,872
<b>EXCESS COST</b>			\$158,526	\$317
<b>Per Special Ed Pupil</b>				\$4,435

Table 2: Middle School

	Middle School			
	Quantity	Price	Cost	Per Pupil Cost
<b>Assumptions</b>				
School Size	675.0			
Effective School Size	675.0			
Graduation Credits	0.0			
Staff attendance rate	96%			
Ratio prof'l development to salary		2.0%		
<b>Salaries</b>				
Principal/Asst Principal	\$76,900			
Supervisor	\$59,600			
Teacher	\$47,600			
Aides	\$13,300			
Clerical	\$26,400			
<b>Staff Summary</b>				
Certificated	58.6			
Classroom	47.1			
Noncertificated	11.5			
Aides	7.3			
Clerical	3.0			
Other	1.2			
Total Salaries			\$2,753,352	\$4,079
Uncertified Salaries			\$430,071	\$637
<b>Calculation</b>				
<b>Instruction</b>				
Classroom Salaries				
Total Teachers	41.1	\$47,600	\$1,954,811	\$2,896
Total Aides	6.3	\$13,300	\$84,081	\$125
Substitutes	341.2	\$60	\$20,470	\$30
Salary Subtotal			\$2,059,142	\$3,051
Textbooks	675.0	\$50	\$33,750	\$50
Technology, Computers	135.0	\$450	\$60,750	\$90
Technology, associated costs			\$15,188	\$23
Supplies	675.0	\$145	\$97,875	\$145
Special Ed. non-salary costs	65.3	\$159	\$10,400	\$15
Speech non-salary costs	18.6	\$16	\$306	\$0
Equipment	675.0	\$105	\$70,875	\$105
Total			\$2,348,285	\$3,479
<b>Administration and Support Services</b>				
<b>Administration Salaries</b>				
Principal/Asst Principal	2.0	\$76,900	\$153,800	\$228
Clerical (Princ. Office)	2.0	\$26,400	\$52,800	\$78
Clerical (Supervision)	0.0	\$26,400	\$0	\$0
Clerical (Support)	1.0	\$26,400	\$26,400	\$39
Security Guard	1.0	\$26,400	\$26,400	\$39
Professional/Technical	0.223	\$59,600	\$13,278	\$20
Supervision of Instruction	0.0	\$59,600	\$0	\$0
Evaluation of Curriculum	0.0		\$0	\$0
Summer Curric Devel	4.0	\$1,000	\$4,000	\$6
Administration Salary Subtotal			\$276,678	\$410
Professional Development			\$51,485	\$76
Administration Subtotal			\$328,141	\$486
<b>Support Salaries</b>				
Attendance	0.0	\$26,400	\$0	\$0
Guidance	2.0	\$47,600	\$95,200	\$141
Health	1.0	\$47,600	\$47,600	\$71
<b>Media Services/Library</b>				
Librarian	1.0	\$47,600	\$47,600	\$71
Aide	1.0	\$13,300	\$13,300	\$20
Lunchroom/Duty Aides	0.0	\$13,300	\$0	\$0
Support Salary Subtotal			\$203,700	\$302
Supplies	675.0	\$70	\$47,250	\$70
Extracurricular Activities / Field Trips	675.0	\$180	\$121,680	\$180
Health Services	675.0	\$10	\$6,750	\$10
Other Purchased Services	675.0	\$115	\$77,625	\$115
Special Ed. non-program costs	7.9	\$7,485	\$59,138	\$88
Equipment	675	\$15	\$10,125	\$15
Administration and Support Total			\$854,410	\$1,266
<b>Benefits</b>				
FICA for PERS employees			\$32,900	\$49
PERS			\$21,504	\$32
Unemployment			\$6,122	\$9
Health Insurance	58.8	\$5,335	\$312,665	\$463
Others (Life, Dental)	58.8	\$1,000	\$58,808	\$87
Benefits Total			\$431,797	\$640
<b>Facilities</b>				
Operations & Maintenance	675.0	\$704	\$475,189	\$704
Construction/Renovation	675.0	\$109	\$73,621	\$109
Total			\$548,809	\$813
<b>SCHOOL TOTAL</b>				
			\$4,183,301	\$6,197
<b>CENTRAL OFFICE</b>				
				\$592
<b>GRAND TOTAL</b>				
REGULAR COST				\$6,348
EXCESS COST			\$299,368	\$444
Per Special Ed Pupil				\$4,360

Table 3. High School

		High School			
		Quantity	Price	Cost	Per Pupil Cost
<b>Assumptions</b>					
School Size		900.0			
Effective School Size		900.0			
Graduation Credits		120.0			
Staff attendance rate		96%			
Ratio prof/ development to salary			2.0%		
<b>Salaries</b>					
Principal/Asst Principal		\$78,700			
Supervisor		\$68,000			
Teacher		\$50,000			
Aides		\$13,300			
Clerical		\$26,400			
<b>Staff Summary</b>					
		88.4			
Certificated		85.8			
Classroom		52.8			
Noncertificated		22.5			
Aides		11.0			
Clerical		10.2			
Other		1.3			
Total Salaries				\$4,267,067	\$4,741
Uncertified Salaries				\$785,557	\$873
<b>Calculation</b>					
<b>Instruction</b>					
<b>Classroom Salaries</b>					
Total Teachers		52.8	\$50,000	\$2,642,256	\$2,936
Total Aides		10.0	\$13,300	\$133,154	\$148
Substitutes		452.8	\$60	\$27,154	\$30
Salary Subtotal				\$2,802,564	\$3,114
Textbooks		900.0	\$50	\$45,000	\$50
Technology, Computers		180.0	\$450	\$81,000	\$90
Technology, associated costs				\$20,250	\$23
Supplies		900.0	\$145	\$130,500	\$145
Special Ed. non-salary costs		125.0	\$159	\$19,904	\$22
Speech non-salary costs		9.9	\$16	\$163	\$0
Equipment		900.0	\$115	\$103,500	\$115
Total				\$3,202,882	\$3,559
<b>Administration and Support Services</b>					
<b>Administration Salaries</b>					
Principal/Asst Principal		3.0	\$78,700	\$236,100	\$262
Clerical (Princ. Office)		3.0	\$26,400	\$79,200	\$88
Clerical (Supervision)		4.0	\$26,400	\$105,600	\$117
Clerical (Support)		3.0	\$26,400	\$79,200	\$88
Security Guard		1.0	\$26,400	\$26,400	\$29
Professional/Technical		0.297	\$63,000	\$18,711	\$21
Supervision of Instruction		4.0	\$68,000	\$272,000	\$302
Evaluation of Curriculum		0.0		\$0	\$0
Summer Curric Devel		4.0	\$1,000	\$4,000	\$4
Administration Salary Subtotal				\$821,211	\$912
Professional Development				\$76,940	\$85
Administration Subtotal				\$898,151	\$998
<b>Support Salaries</b>					
Attendance		0.2	\$26,400	\$5,280	\$6
Guidance		4.0	\$50,000	\$200,000	\$222
Health		1.0	\$50,000	\$50,000	\$56
<b>Media Services/Library</b>					
Librarian		1.0	\$50,000	\$50,000	\$56
Aide		1.0	\$13,300	\$13,300	\$15
Lunchroom/Duty Aides		0.0	\$13,300	\$0	\$0
Support Salary Subtotal				\$318,580	\$354
Supplies		900.0	\$70	\$63,000	\$70
Extracurricular Activities / Field Trips		900.0	\$238	\$214,500	\$238
Health Services		900.0	\$10	\$9,000	\$10
Other Purchased Services		900.0	\$115	\$103,500	\$115
Special Ed. non-program costs		15.1	\$7,485	\$113,169	\$126
Equipment		900.0	\$15	\$13,500	\$15
Administration and Support Total				\$1,733,419	\$1,926
<b>Benefits</b>					
FICA for PERS employees				\$60,085	\$67
PERS				\$39,278	\$44
Unemployment				\$9,230	\$10
Health Insurance		88.4	\$5,335	\$471,367	\$524
Others (Life, Dental)		88.4	\$1,000	\$88,354	\$98
Benefits Total				\$668,323	\$743
<b>Facilities</b>					
Operations & Maintenance		900	\$802	\$721,583	\$802
Construction/Renovtion		900.0	\$124	\$111,784	\$124
Total				\$833,377	\$926
<b>SCHOOL TOTAL</b>					
				\$6,438,002	\$7,153
<b>CENTRAL OFFICE</b>					
					\$592
<b>GRAND TOTAL</b>					
REGULAR COST					\$7,204
EXCESS COST				\$487,149	\$541
Per Special Ed Pupil					\$3,763

Table 4: Central Office

	Quantity	Price	Cost	Adjustment	Per Pupil Cost
<b>Assumptions</b>					
District Enrollment	3,075				
Effective District Enrollment	3,075				
<b>Salaries</b>					
Dist. Admin	\$85,200				
Supervisor	\$72,300				
Professional	\$72,300				
Clerical	\$26,400				
<b>Staff Summary</b>					
	30.7				
<b>Calculation</b>					
<b>Administration Salaries</b>					
<b>Base</b>					
Administrators	2.5	\$85,200	\$209,592		\$68
Supervisors	4.7	\$72,300	\$337,930		\$110
Professional	3.1	\$72,300	\$222,323		\$72
Clerical	15.4	\$26,400	\$405,900		\$132
<b>Subtotal</b>			\$1,175,745		\$382
Legal Expenses	3075	\$10	\$30,750		\$10
Miscellaneous	3075	\$10	\$30,750		\$10
<b>Total</b>			\$1,237,245		\$402
<b>Support Salaries</b>					
Child Study Team	5.13	\$59,700	\$305,963		\$100
<b>Support Salary Subtotal</b>			\$305,963		\$100
<b>Benefits</b>					
FICA for PERS employees			\$48,059		\$16
PERS			\$31,411		\$10
Unemployment			\$3,301		\$1
Health Insurance	30.7	\$5,335	\$163,833		\$53
Others (Life, Dental)	30.7	\$1,000	\$30,709		\$10
<b>Total</b>			\$277,313		\$90
Legal Services			\$0		\$0
<b>GRAND TOTAL</b>			\$1,820,520		\$592

Box



## VI. SYSTEM IMPROVEMENTS AND ACCOUNTABILITY - THE STRATEGIC PLAN

Though it would be more efficient, providing an optimal per-pupil funding amount would alone be no more effective educationally than providing a maximum per-pupil funding amount has been. To succeed, the overall plan also must include changes and improvements in the broader system that are consistent with and supportive of the assumptions that undergird the provision of optimal funding.

In this regard, it is critical to resist the natural temptation to codify the elements of the proposed models, incorporate assumptions concerning educationally effective programs, and require their implementation through state mandates.

Such a top-down approach, which emphasizes compliance with procedures over responsibility for achieving results, has dominated policies of the past, and it has been ineffective. If some schools and educators are unenthusiastic, the state cannot force them to improve education simply by requiring them to implement lists of procedural measures. The most serious flaw of such an approach is that it can inhibit the ability of schools and educators to exercise professional, responsible judgment, and therefore relieve them of accountability for the results they achieve.

Obviously, a state system of public education must be governed by common standards that are codified in statutes and regulations and enforced by state government. Yet, the state cannot do more than provide a coherent and broad framework for local decision-making. Given that framework and adequate resources, it is then the job of local educators to instruct each child effectively, to manage schools appropriately, and to create solutions to the problems that accompany those tasks.

These two sets of responsibilities, general state oversight and local responsibility, are entirely compatible and it is absolutely essential that an appropriate balance between them be achieved. Striking this balance between authority and accountability is a central focus in the department's Strategic Plan for Systemic Improvement of Education in New Jersey. The plan was developed with consideration of the Administration's educational goals, priorities adopted by the State Board and other major undertakings. As the Strategic Plan is publicly discussed and refined, its components will be articulated with those of the evolving funding model, which simultaneously will be subject to revision.

A description of the proposed changes and improvements is contained in the Strategic Plan. However, to provide a better context for the results expected from state and local tax support for education, the main elements are briefly summarized as follows:

**Mission of Schools:** The primary mission of schools is to provide academic instruction in those areas where student achievement of learning standards is desired. Enabling all students to attain high standards is a complex challenge, and it will not be achieved unless schools are focused on that task. The state should seek actively to establish that focus and to avoid the expansion of mission that is frequently an accidental consequence of the piecemeal accumulation of mandates.

**Standards and Assessment:** Achievement will not be improved unless it can be defined and evaluated. The state's existing draft curriculum standards for the eight areas of student learning should be refined and adopted after public input has been obtained and consensus has been reached. The standards will

define, broadly but clearly, what students should know and be able to do, by graduation and by the end of fourth and eighth grades. The standards will be set at levels that are competitive with those of other education systems, and they will incorporate appropriate school-to-work applications.

State tests must be revised to measure each student's achievement of the standards at each of those points. This involves the creation of a new state fourth-grade test, which will be administered beginning in the 1997-98 school year.

**Role of State Government:** The role of the Department of Education and the Executive Branch should be redefined to carry out these other measures. The state must concentrate on coordinating the establishment and maintenance of standards, assessing student achievement, distributing resources equitably, serving as a clearinghouse of effective practices, monitoring, administering rewards and sanctions, and providing systemwide coordination. The Department of Education, through the authority of the State Board of Education, should regulate the administration of schools in a coherent manner, not attempt to administer each school directly through overly prescriptive regulations. Similarly, the department should seek to hold schools accountable for the results they achieve, not making itself accountable for what schools do.

**School-Level Responsibility:** Each school should assume responsibility for deciding how best to achieve the standards, given adequate resources and appropriate flexibility to exercise judgment. Accordingly, as a strong accountability system is established based on results, the educational decision-making process should be deregulated appropriately.

**Statutory and Regulatory Reform:** The Executive and Legislative Branches must collaborate to provide a statutory framework that is consistent with and supportive of these other measures. That framework must provide a coherent and sensible definition of a thorough and efficient education. A concerted effort must be made to reverse the traditional tendency toward solving isolated problems through disparate legislation and regulation. The piecemeal accumulation of statutes and rules has produced some incoherence in educational governance and wastefulness in spending.

**Redirection of Resources:** Resources must be redirected away from some of their current uses and toward supporting student achievement of the standards. New Jersey should strive to be first in the nation in the proportion of dollars spent on instruction. Attainment of this goal requires regulatory and statutory reform to eliminate or modify those mandates that generate unnecessary expenditures or that direct resources away from academic instruction. It also requires that efforts of school districts to regionalize, to consolidate functions and to share services be encouraged, assisted and rewarded.

Redirecting resources to support instruction will also require fundamental reform of the process by which school budgets are set in order to achieve an appropriate balance between constitutionally essential expenditures and the democratic rights of taxpaying citizens and their elected representatives.

**Rewards and Sanctions:** The educational monitoring process will be strengthened and refocused on the achievement of learning standards in individual schools. Requirements for procedural compliance will be de-emphasized, though appropriately maintained. Student achievement results, fiscal responsibility and compliance with essential safeguards will be stressed. A system of recognitions and encouragements, including categorical funding to support innovation, will be established for districts that show progress toward enabling students to achieve standards. Incremental interventions, leading ultimately to state operation will be applied to schools that consistently fail to make such progress. Fiscal rewards should be established to encourage school efficiency; fiscal penalties and budget sanctions should be applied to discourage inefficiency and excessiveness.

**Monitoring:** The statutory and regulatory framework must be revised to allow a concentration of the state's attention and resources on those districts where student achievement, management of resources or compliance with basic safeguards is inadequate. Where intervention is necessary, it is absolutely essential that the Department of Education have the authority to intervene in a timely way. And, when intervention occurs, the department must be able in a fair and reasonable way, to subjugate all other interests to the interests of children.

**Safe Schools:** In order to achieve high standards, students must be provided a safe and disciplined school environment that is conducive to learning. State policies must enable and encourage educators to maintain such an environment.

**Public Involvement:** The consumers and financial supporters of public education (parents, taxpayers, colleges and businesses) must be involved in decisions about how children are educated and how public resources are used. The public must be engaged in the setting of standards and must systematically receive information on the performance of individual schools against those standards. The standards must take into account the expectations and needs of colleges and businesses. The school budget process will provide more reports, information and involvement to citizens whose taxes support school budgets. Comparative spending guides will be created to supplement a revised State Report Card.

Explorations should be undertaken of those innovations, such as "charter schools," school-based decision-making and parental choice, that enhance parental involvement and school accountability to parents.

**Standards of Professional Practice:** Standards for professional development and practice must be developed and implemented. Individual professionals must seek out, and must be provided, meaningful opportunities to improve their efforts to enhance student achievement. The state's system of rewards and sanctions must extend to individual professionals, as well as to schools and districts.

**Technology:** The state must coordinate the expeditious development of a statewide system that will maximize the use of technology to support academic instruction, fiscal management, monitoring and communication.

Taken together, the goals and strategies outlined in this Strategic Plan promise to create a different system of public schools in New Jersey. Under this plan, public discourse over the progress of schools will benefit from a clear definition of what schools are expected to achieve. Educators will have increased discretion to address the learning needs of students which they understand better than anyone else. In addition to discretion, educators will have incentives: success in their efforts will be rewarded, and failure will have appropriate consequences. Creativity and innovation will be recognized, honored, and disseminated where appropriate. The public will play a larger role in the governance of education and receive clearer assurance that its education tax dollars are being spent in productive ways.

These goals will not be achieved easily or overnight. Dramatic, sometimes challenging adaptation by all of the stakeholders will be required.

The Department of Education will need to change its internal culture. The organization has already been restructured for this purpose, but it will require continuing perseverance to replace the well-honed instincts of regulating and prescribing with new instincts for defining expectations, measuring results, coordinating and disseminating, and applying consequences.

Administrators have built their operating strategies in the context of intrusive, detailed state oversight. A school environment governed by needs, not compliance, will present very different opportunities and demand very different skills on their part.

Many principals have learned their jobs in an environment similarly constrained by central office administration.

At the bottom of the current pyramid, teachers are burdened by limitations placed upon them from each layer above. We must invert this pyramid to allow those who do the essential work to exercise their best judgment, providing support instead of constraint from the other layers of our education system.

The public-at-large will remain skeptical until we can demonstrate a focus on the essential issues and establish venues for meaningful participation in governance and planning.

Despite the challenges, we believe these lofty goals are attainable. The potential rewards of success are enormous; the consequences of our failure to act are ominous. We believe that the time for action is now.

## VII. Unnecessary Municipal Spending on Schools

Although it is not a part of the state system of educational funding presented in this report, some mention should be made of the issue of unnecessary local spending.

Current laws allow individual municipalities to overspend on the schools located within their jurisdiction, and some elect to do so. However, the existing system of school funding does not effectively distinguish these unnecessary expenditures from those that are constitutionally essential.

In effect, the current system permits school boards to pursue whatever spending levels they deem desirable, thus encouraging some to pursue levels that are inadequate and some others to seek unnecessarily high spending levels. The current laws recognize the potential inadequacy and excessiveness of certain expenditure types and amounts by: 1) giving voters the power to approve or reject proposed spending levels; 2) allowing school boards to appeal to the state any voter rejection of their spending proposals; and 3) requiring the Commissioner of Education either to affirm or overrule the voters based on judgments of whether the expenditures in question are constitutionally essential or unnecessary.

As discussed at length in Section II, this current system of local budget elections is fundamentally illogical and, given the current lack of explicit standards, it is not consistently applied. The system allows some school boards to propose spending levels that would be judged inadequate if clearer standards existed to guide such proposals. It allows other boards ultimately to accept inadequate spending levels by choosing not to appeal voter rejection of expenditures that are essential and would be restored under the current appeal system.

Relevant to the issue of overspending, because of the powers they bestow on individual school boards, the current laws also allow the state to overrule voters and restore those rejected expenditures that would likely be judged unnecessary and excessive if clear objective standards existed. To be certain, there are instances where the state has ruled that the appealed expenditures of certain districts are unnecessary, and the courts have upheld such determinations. However, when a type or amount of spending is determined through the appeal process to be constitutionally unnecessary, there is no authority or procedure by which the state can act to expunge similar expenditures from the budgets of other districts.

Thus, under the current system, if voters approve unnecessary spending amounts, as voters in some wealthier communities routinely do, then those amounts are permitted to stand. Further, these expenditures, which have been ruled in other districts to be constitutionally unnecessary, are nonetheless included -- by legal default rather than by any substantive design -- in the state's definition of what is "essential" for purposes of fiscal quality and equality in a statewide system of education.

This report proposes a fundamentally different approach. That approach acknowledges the state's unavoidable responsibility, and its ability, to judge the necessity of expenditure types and amounts. However, it assumes that if it is possible to do so selectively in response to appealed budget reductions, it is equally possible and more desirable for the state to apply such judgments consistently on a systemwide basis in advance of, rather than after, a convoluted election and litigation process.

Toward this end, the funding system proposed in this report would include an elaborate process by which all available expertise, information and input would be brought to bear on the task of periodically defining, in consistent, objective terms, those substantive ingredients that are essential to providing a thorough and efficient education for all children. The proposed system would require that detailed cost analyses be conducted to determine the per-pupil funding amounts that are needed to support a statewide system of education that provides those ingredients. It would require formal public approval of these per-pupil amounts by the legislative and executive branches of government as those essential to a thorough and efficient system of education. The proposed system would provide funding to support the required per-pupil expenditures in all districts throughout the state.

Nevertheless, the possibility exists that individual communities might continue to raise additional revenues outside the state funding system to support school spending that is constitutionally unnecessary. By definition, any such spending would be unrelated to the provision of a thorough and efficient education system, and there is no compelling constitutional rationale for addressing it within the statewide funding system. Further, to do so gratuitously would only perpetuate the muddling of essential and nonessential expenditures that exists in the current system.

However, it may be more broadly desirable for state government, apart from the state system for funding a thorough and efficient education, to develop policies concerning nonessential municipal spending on schools. It would seem unjustifiably intrusive for the state to seek to prohibit this practice outright. Yet, state policies to limit and/or discourage overspending may be warranted. Such policies would be aimed, not at equalizing constitutionally significant spending levels within the educational funding system, but rather only at serving the public's general interest in prudent fiscal management of publicly funded institutions. Such policies could include requiring voter approval of any extraordinary spending proposals and denying school boards the option of appealing rejected proposals on constitutional grounds.

One such scenario follows:

Given that the amount determined as necessary for a thorough and efficient education would not be subject to voter approval, any amount in excess of that required for T & E that a district desires to spend would be subject to approval by the voters. Prior to the election a district would publish and make available to the public a narrative report that details the precise purpose of such proposed spending in plain language and an understandable format. The total amount of the excess would be identified on an election ballot during April or May, separate from the board member elections in November,

along with an explanation of those purposes for which it will be spent that are outside the Department of Education's substantive definition of the essential elements of a thorough and efficient education. Therefore, such excess spending would not be state aided.

Given the excess nature of the optional spending, districts would not need to avail themselves of optional spending to achieve the constitutional mandate. Therefore, no rejection by the voters of proposed excess spending could be appealed to the Commissioner on the grounds that it is constitutionally required for a thorough and efficient system of education. If the question is rejected, the municipal governing body would then decide on the appropriate amount of optional spending, if any.

## **Special Issues**

### ***Salaries and Benefits***

Employee salaries and benefits constitute the greatest proportion of school spending. Spending equity cannot ever be achieved without compensation equity. The funding law would treat salaries and benefits in the same way it treats all other elements of a thorough and efficient education. The Governor's biennial Report on the Cost of Providing a Thorough and Efficient Education would establish guidelines for reasonableness of employee compensation, similar to those set for administrative costs in the School Efficiency Program legislation. State foundation aid would be premised in part on those guidelines. Districts may choose to exceed the guidelines, however, they would not receive additional aid; rather, they would have to raise the additional funds locally by presenting an excess spending proposal to the voters or reduce spending in other areas of the budget.

### ***Teachers' Social Security and Pension Costs***

Currently, all contributions for teachers' social security and pension costs are paid by the state, even though decisions concerning compensation, which affect these costs, are made by local boards of education. This system is inconsistent with the approach proposed in this report. Under that approach, the state would not be required to participate in paying the excess cost resulting from local decisions to spend beyond approved per-pupil amounts. Excess spending would be excluded entirely from the state educational funding system. In order to align policies concerning social security and pension costs with the principles of the proposed funding system, the following should be considered.

Up to the levels implied by the model salaries and staffing allocations, the employers' contributions for teachers' social security (FICA) and pensions (TPAF) would be supported 100 percent by the state. Any district incurring obligations for FICA or TPAF in excess of the amounts in the model would be required to support those obligations entirely with local funds.

STATEMENT OF PROFESSOR PAUL L. TRACTENBERG  
ON BEHALF OF THE EDUCATION LAW CENTER  
ABOUT THE STATE EDUCATION DEPARTMENT'S  
COMPREHENSIVE PLAN FOR EDUCATIONAL IMPROVEMENT AND FINANCING

December 5, 1995

Thank you for the opportunity to testify this morning on behalf of the Education Law Center, of which I am founder and a Board of Trustees member. As you know, Marilyn Morheuser's voice tragically has been stilled. Her message, however, will continue to be trumpeted by ELC and by those of us who joined her in the effort to finally achieve for poor and urban students the full measure of their constitutional rights. The delay already has been unconscionable; it must end.

More than five years ago I testified before the Joint Education Committees about S2721, which became the Quality Education Act of 1990. At that time, I said:

It is with a strong sense of *deja vu* that I stand before you....In 1975, I appeared before the New Jersey Supreme Court to argue in the case of Robinson v. Cahill that chapter 212 could not and would not meaningfully equalize educational funding and educational opportunities for the State's urban youngsters. Now I stand before you to say the same thing about S2721. Just as chapter 212 had inherent defects that sharply limited its equalizing capabilities, so too does S2721.

The decisions in Abbott v. Burke bore out our predictions about the unconstitutionality of chapter 212 and the QEA. Today I feel a sense of *deja vu* all over again. Our review of the Department's Comprehensive Plan leads to one inescapable conclusion: if you embark down the path outlined by the Department, it will be yet another journey to certain unconstitutionality. However, the Legislature need not, and should not, travel that road. As I will explain, it leads backward, away from the finish line established by the Court in Abbott. On the other hand, with hard work, we can cross that finish line in 1997 together, ensuring that the Court's decree is met and also that a solid educational foundation for future generations of urban school children is firmly in place.

This morning I will outline some of the major constitutional flaws we have identified thus far in our review of the Department's plan. These comments are preliminary, and some are speculative because the plan is so tentative and incomplete in

many important respects. Quite frankly, we cannot really speak definitively about this plan because we lack answers to so many questions it raises and we have no hard data from the Department that might explain how the proposal is intended to work at the school district level.

### Abbott's Constitutional Requirements

Before I deal with the plan's constitutional flaws, I should review briefly the applicable constitutional requirements. In Abbott, the Supreme Court ruled that the QEA was unconstitutional because it failed to assure parity of regular expenditures between the special needs districts and more affluent districts. More particularly, the Court indicated that, as to regular education funding, parity or "substantial equivalence" means that the special needs districts must spend approximately 100% of the average of what I and J districts spend, and that this level of expenditure cannot be dependent on either discretionary acts of officials, including executive and legislative branch officials, or, as to any local fair share requirement, on any local exercise of discretion. The Court's main concern, of course, was not with some abstract concept of fiscal parity. Its concern was with the quality of the educational opportunity provided to the State's neediest children, and with their ability to compete in the real world with their advantaged peers.

The Court also ruled that the Department and the Commissioner must identify, and provide supplemental funding for, special educational programs and services targeted to the needs of disadvantaged students. Those programs and services must constitute a "significant intervention" designed to bridge the educational gap between disadvantaged students and their advantaged peers. In that regard, the Court expressed "concerns about the State's failure...adequately to address the 'special educational needs' of poorer urban districts for which Abbott required funding in addition to that necessary to achieve parity with the richer districts." The Court expressed special concern about the Commissioner's failure to undertake a study of the necessary supplemental programs and services, and their costs, despite a specific legislative mandate.

The Court reaffirmed its 1990 decision in Abbott, stating explicitly that "It is the State and only the State that is responsible for this educational disparity, and only the State can correct it....The responsibility for substantive education is squarely and completely committed to the State; delegation of any part of the educational function to school districts does not dilute that State responsibility at all." Additionally, the Court reiterated that "all of the money that supports public education--all of it public money whether the taxes are local or State--is authorized and controlled in terms of its source, amount, distribution, and use by the State...."

Finally, the Court took the unusual step of retaining jurisdiction of the case and announced that it would entertain applications for relief if:

1. In school years 1995-96 and 1996-97, the 16% relative disparity in regular education spending is not addressed to an extent suggesting a reasonable likelihood that full (approximately 100%) parity will be achieved by 1997-98; or
2. By September 1996, a law has not been adopted "assuring such substantial equivalence, approximating 100%, for school year 1997-98 and providing as well for special educational needs;" or
3. By 1997-98, these funding requirements are not actually met.

**A Constitutional Aside--Serious Questions About Whether the 1995-96 Regular Education Expenditures Show Sufficient Progress Toward Full Parity**

Before I deal with the constitutional flaws in the Department's plan, I should flag an immediate constitutional question. Based on our preliminary calculations, the State does not seem to have made sufficient progress this school year to suggest that full parity will be achieved by 1997-98. Our calculations are preliminary in two significant respects, however: (1) because actual pupil enrollment figures will not be available until at least January 1996, we have run the numbers based on two different approaches regarding pupil enrollment--using the 1994-95 actual figures (the approach used throughout the Abbott litigation) and using district-by-district projections (apparently being used by the State); and (2) although we received the aggregate 1995-96 regular education state aid and local revenue figures from the State, and have tried to confirm the accuracy of those numbers, we have not yet been able to do so.

Pending the resolution of those two questions, our preliminary calculations suggest that the parity percentage currently is either 83.33% or 86.36%, depending upon which pupil enrollment estimate is used, as compared to 84.11% in 1993-94, the figure used by the Court. Apparently, the State Department has been claiming a parity figure of 89%, but we have no idea how that figure was derived. We await clarification. Our preliminary calculations appear as an appendix to this testimony.

If our calculations prove accurate, during the two school years since the Court's last decision in Abbott, at most the State has closed the 16% parity gap to a little less than 14%, slightly more than 1% per year. At that rate, full parity would be achieved closer to 2007-8 than to 1997-98. Looked at another way, the maximum improvement in parity is 14.16% (2.25% improvement against a total improvement required of 15.89%), well

below half of the annual improvement that would suggest the State is on track to achieve full parity by 1997-98. This would make our return to court almost certain.

### Major Constitutional Flaws in the Department's Plan

The Department's plan is constitutionally flawed under every significant element of the Abbott decisions. In short, it would not achieve parity in regular education spending between special needs districts and high wealth districts; it would not provide adequate supplemental funding, based on careful studies of the cost of necessary programs, to meet the special educational needs of disadvantaged students; it would not assure that the necessary funding will be made available automatically, without the exercise of official discretion; and it would not meet any aspect of the Court's timetable.

Additionally, in the plan the Department identifies a series of major problems with the State's public education system, but then disavows responsibility for dealing with them. The problems include an inefficient statewide structure of school districts, and wasteful, excessive spending by wealthy districts. The Department's response to these problems is to defer to local districts. The Department even tries to suggest that that part of public education funded by "excess" spending would no longer be part of the State system. Rather, it would apparently become the responsibility of "individual municipalities." That will come as real news to the Supreme Court, which has consistently placed "the responsibility for substantive education...squarely and completely" on the State.

In fact, the inefficiencies the Department has identified, but chosen not to do anything directly about, may themselves be a constitutional violation. After all, the Constitution requires the Legislature to "maintain and support a thorough and efficient system of free public schools" for the instruction of all the State's children (emph. added).

A discussion of some of the major constitutional flaws in the Department's plan follows:

1. Failure to Consider and Deal Substantially with the Constitutional Rights of Students in Special Needs Districts. In the Abbott decision, the Supreme Court found that the constitutional rights of students in special needs districts were being violated by the current school finance system (and that there was no basis in the record to find that other students' constitutional rights had been violated). No new system can pass constitutional muster without fully correcting that violation. Yet, the Department's plan proposes to abandon even the terminology of special needs districts, and to treat them and their students as fungible with all other districts and students.

so far as regular education is concerned and as fungible with 150 other districts so far as at-risk education is concerned. This is a clear threshold problem with the plan.

2. Inadequacies of the Plan's Definition of a T&E Regular Education. The Department's definition suffers from a number of major deficiencies, including the following:

a. The hypothetical model district problem. The Department purports to establish a programmatic definition of T&E by reference to a model school district--a hypothetical rather than actual district. That model district is K-12, and has a pupil population of 3,075, attending three elementary schools of 500 pupils each, one middle school of 675, and a high school of 900. Frequently throughout the plan, this hypothetical school district is labelled as the most efficient way to deliver educational services. Its efficiency is essential to its being able to deliver the specified educational program at the funding level provided.

There is a basic problem, however. This hypothetical district bears little similarity to the vast bulk of New Jersey school districts. Only slightly more than a third of New Jersey school districts are K-12. In 1991-92, the average New Jersey school district had 1,787 students, only 58% the size of the model district. Only about 7% of New Jersey's districts even have pupil enrollments between 2,500 and 3,500, and some of them are not K-12 districts. Nor is it conceivable that, even among the few K-12 districts with enrollments approximating that of the model district, the individual school configurations are like those of the model district. In fact, almost half of New Jersey's districts have fewer than 500 students, and 20 districts operate no schools or classes at all. Additionally, a substantial number of districts, including about half of the special needs districts, have much larger pupil enrollments than the hypothetical model district.

Had the Department's plan proposed a mechanism for ensuring that all districts approximate the hypothetical model district in grade coverage and pupil population, its emphasis on that model might have been more justifiable. The plan does not include such a proposal, however. Instead, it just proposes to fund all districts as if they were like that model district. Logically, that suggests districts: (1) will voluntarily conform themselves to the model district; or (2) will continue to operate under their less efficient structures and be unable to provide as good an educational program as the model district with the state-required funding.

Given New Jersey's experience with voluntary regionalization or consolidation, it is almost certain that most districts will retain their current structures. Therefore, by the plan's logic,

they will be providing less than the state-determined T&E educational program at the state-required funding level because some of that money will be consumed by their inefficiencies.

Districts may accept those program deficiencies, or they may try to raise supplemental funding to overcome them. In either case, there is a serious constitutional question. First, the state cannot permit districts, because of inefficiencies the state has chosen not to deal with, to provide their students with lesser educational opportunities than the state has defined as representing T&E education. Second, the state cannot permit "inefficient" districts to reach, or fall short of, the T&E educational level entirely based upon whether those districts can raise supplemental funding through local voter approval, with no recourse to the Commissioner.

b. Inadequate T&E foundation levels. Although the Department's plan repeatedly emphasizes that it is tentative and subject to alteration through a lengthy public discussion/public policy process, the programmatic and fiscal details it provides raise serious problems. Even assuming an optimally efficient district, the funding levels that the plan claims are sufficient to support "T&E education" are extremely low by comparison to any relevant actual expenditure figures.

The plan suggests annual per pupil spending levels of \$5,872 per elementary pupil, \$6,346 per middle school pupil, and \$7,204 per high school pupil, based on 1993-94 statistics. For a district configured like the model district, that amounts to \$6,366 per pupil. That can be compared to the following actual 1993-94 regular education expenditure figures per pupil: I and J districts, \$8,111; statewide average, \$7,105; and special needs districts, \$6,822.

The Department's new T&E foundation amount also is certainly no higher than, and is probably lower than, the QEA's foundation amount. A comparison is complicated because the State did not calculate the QEA beyond 1992-93, and the QEA amount, unlike the new amount, included FICA and TPAF. Nevertheless, the QEA's amended 1991-92 figure for elementary school students was \$6,640 (with students in the upper grades receiving as much as one-third more). That was reduced from \$6,835 under the original QEA, an amount derived from a 1990 study of the cost of a "slightly better than adequate" educational program. The QEA added a 5% special needs weight, increasing the per pupil amount in special needs districts by more than \$330. In addition, the QEA foundation amount was to be increased each year by the average annual percentage increase in state per capita income over the four prior fiscal years.

In 1992-93, that led to an increase of \$102 per elementary school pupil, to a total of \$6,742. Assuming a comparable

Increase in 1993-94, the QEA elementary foundation level for that year would have been \$6,844 per pupil in non-special needs districts and \$7,186 per pupil in special needs districts. That is \$972 and \$1,314, respectively, more than the Department's new T&E figure. Even after deducting FICA and TPAF amounts from these QEA foundation levels, the QEA foundations must have exceeded the new figure. Since the QEA was found unconstitutional because it failed to assure urban students enough resources to provide them with adequate regular education opportunities, it is hard to conceive of the Department's lower funding levels satisfying constitutional requirements.

Actually these comparisons, devastating as they are, understate the extent to which the Department's proposed T&E funding level for regular education is less than what was actually spent by virtually the entire spectrum of New Jersey school districts in 1993-94. That is because the Department has redefined "regular education" to include compensatory or remedial education and special education for speech impaired students. These are programmatic responsibilities that have been supported by supplemental categorical funding. Therefore, under the new, and substantially reduced, regular education funding level, districts would have to provide significantly increased educational services.

These comparisons also indicate that the Department's proposed definition of excessive and wasteful spending will drastically affect most districts. Among the 30 special needs districts, for example, 21 of them actually spent more per pupil in 1993-94 than the Department's proposed T&E level. If an adjustment is made to reflect the added burdens of compensatory education the Department proposes to include in regular education, 28 special needs districts spent more than the Department's T&E level. Attached to my testimony is a preliminary projection of how much regular education funding special needs districts would have lost under the Department's plan if it had been in effect in 1993-94. The total would have exceeded \$217.6 million.

I and J districts would have been affected even more in aggregate dollar amount. A table attached to this testimony, showing our preliminary analysis of the potential impact, indicates that all but eight of the I and J districts would have been deemed to have engaged in "wasteful and excessive" spending. The total amount of such spending would have been more than \$353.4 million. This represents more than 24% of what those districts spent on regular education in 1993-94.

In addition, under the Department's proposal, those districts would have lost more than \$34.1 million in save harmless compensatory education funding and transition aid. Our table does not even attempt to take into account reductions in

special education categorical funding or reduced TPAF and FICA funding because of the lack of information provided by the Department.

Without belaboring the obvious, it is remarkable how completely the Department has changed its characterization of the I and J districts--from the State's educational lighthouses to colossal wastrels and gross mismanagers of public education funds. Is it plausible that the Livingston school district really wasted more than \$17 million on its regular education program in 1993-94? How many lights did it install on its athletic fields out of current expense funds? How much of the money it spent on smaller classes, more advanced placement courses, better science laboratories, more foreign languages, more computers, etc., is the Department prepared to label wasteful and excessive?

Of course, the Department may not really intend to hold high-spending districts to the expenditure amounts indicated. After all, the plan indicates that there would be a T&E "range." We are not told how wide the range may be and how districts would be placed at the lower or upper end of the range. There is no mention in the plan of a save harmless provision, but that has been a customary response to the political pressure from wealthy and high-spending districts. If either of those approaches were employed, the I and J districts might be spared much of the dollar impact described in the table. That would make the violation of Abbott's parity standard even more blatant, however.

Assuming that the Department really intends to hold the line on I and J district spending for a T&E education, Dr. Lawrence Feinsod, superintendent of the Madison school district (whose "wasteful and excessive spending" surpassed \$5.5 million, according to the Department's proposed T&E level), has reacted to that plan very succinctly. In response to the notion that there is little correlation between high spending and high achievement, Dr. Feinsod said, "The resources are what provide students with the opportunity to excel. Having money means having quality programs, which in turn means stimulating students."

The Supreme Court has recognized the truth of that statement in Abbott, and before that in Robinson v. Cahill. What the Court added is that such educational opportunities are even more important for disadvantaged urban students. Tragically, the State's education officials seem not to understand or agree, or to have lost the way.

3. Insufficient At-Risk and Other Supplemental Funding.  
The Department's plan fails to satisfy the Court's requirement that special needs students receive supplemental funding sufficient to constitute a "significant intervention," to bridge the educational gap between themselves and their advantaged

peers. What the Court clearly had in mind was a process by which the Commissioner would first identify, and then cost out, the elements necessary for an effective at-risk program. Since at least 1991, the Commissioner has resisted doing that, even in the face of a specific legislative mandate.

The current plan is no different. Although many programmatic elements are mentioned, there is no indication of which, or what combination of them, would constitute a "significant intervention" in the educational programs of disadvantaged children. Nor is there any systematic costing out of an adequate supplemental program. Instead, the plan indicates that the total amount currently being spent on at-risk programs seems adequate, and that that amount simply will be divided up differently. There is no indication how the special needs districts and their disadvantaged students will fare under the new form of at-risk aid, even in comparison to the current inadequate system. What is clear, however, is that the Department plans to expand substantially the at-risk menu. For some districts, local tax relief would capture substantial at-risk aid. For others, the funding of charter schools would be included.

The constitutional bottom line is that in the Abbott case our experts estimated that special needs districts required at least four times as much at-risk aid as they were receiving. Under the Department's proposal, they are likely to receive less, and to be expected to do even more things with it.

Similar problems exist regarding bilingual education. The Department has simply indicated it will continue the existing funding approach, with no effort to determine adequacy of program or funding.

Finally, the problems of special education funding are enormous. The Department proposes to make sea changes in the way special education programs would be structured and funded, but its plan provides insufficient detail to permit any serious assessment. This is an area that demands a major focus.

**4. Lack of Funding Certainty at the State and Local Levels.**  
In Abbott, the Court made clear that funding sufficient to meet the constitutional requirements could not be dependent upon the discretionary acts of state or local officials, or of a local budgetary process. To be constitutional, a funding plan, by its own terms, had to automatically achieve full parity in regular education expenditures and to automatically result in the raising of funds to meet any local fair share requirements.

The plan proposed by the Department is dependent at every turn upon discretionary actions by state and local officials and by local voters. At its inception, and every two years

thereafter, the proposed statute would give over to the executive branch's budget process, and the legislative branch's appropriation process, the decision about how to define T&E education, and at what level to fund it. The State's education authorities will merely start the process and provide information for it, but the educational and funding decisions will be made periodically through a political process.

Given the history of the past 25 years, this process is almost certain to start with a decision about available funds and, from that, back into an educational program that might be purchased for the available amount. That is exactly the opposite of what the Department claims its approach is; it is the opposite of what the Abbott decisions require of the State.

Because of problems already adverted to regarding the hypothetical model school district approach, uncertainty problems also exist at the local level. If a district, because of differences between it and the model district, cannot provide a T&E educational program for the State's T&E foundation amount, then its only recourse is to go to its voters for approval of "excess spending." Therefore, whether that district's students receive a T&E education will depend upon the discretionary decision of the local board of education to seek "excess spending" authority, and upon the voters' discretionary decision if they are presented with the question. The Department has disclaimed any responsibility for or role in this process.

#### 5. Incompatibility of the Plan with the Abbott Timetable.

Even if the T&E programmatic and funding definitions were adequate, as they surely are not, the timetable for implementation is clearly in violation of the Abbott court's mandate that full parity in regular education must be achieved by 1997-98. Under the Department's plan, the new funding system will not even go into effect until 1997-98, and districts below the "T&E" funding level will have four more years, until 2001-2, to reach that "parity" indicator. Moreover, the plan indicates that the new T&E programmatic and funding benchmarks will not be finally determined until July 1997. This means the Court's requirement that, by September 1996, a statute must be enacted to assure a constitutionally-sufficient new system will not be met either. Without a final programmatic definition, and a system to assure funding sufficient to enable special needs districts actually to provide that program to their students, it is impossible to conclude that a new statute has met the constitutional mandate of Abbott.

#### Conclusion

This testimony is just a preliminary response to the Department's proposal. Still, it should be enough to persuade you that the approach is fundamentally flawed in constitutional

terms and ill-advised in policy terms. You have the opportunity to reject it, and pursue a better and more productive path.

If you choose that route, the Education Law Center stands ready to meet with you, the Governor, or the State Education Department to assist in the fashioning, at long last, of a fully constitutional plan. We stand equally ready, though, to return to the New Jersey Supreme Court to protect our clients--275,000 students in the special needs districts--if the State is not prepared to take the necessary educational and fiscal steps to meet the mandates of Abbott v. Burke.

**Preliminary Analysis of Aggregate Regular Education Funding for Special Needs and I & J Districts**  
**EDUCATION LAW CENTER, DECEMBER 5, 1995**

	1994-95	1995-96	% change
Sp Nds enrollment	279,263	(est) 279,226*	-0.118%
I&J enrollment	200,033	(est) 207,306*	3.64%
Sp Nds Reg Ed Aid	\$1,359,569,181	\$ 1,460,713,069	7.4%
I&J Reg Ed Aid	94,441,373	86,959,154	-7.9%
Sp Nds Local Revenue	\$ 566,392,480	\$ 578,674,456	2.2%
I&J Local Revenue	1,549,533,456	1,666,223,792	7.5%
Sp Nds Total Reg Ed	\$1,925,961,661	2,039,387,525	5.9%
I&J Total Reg Ed	1,643,974,829	1,753,182,946	6.6%

	93-94 Reg Ed Per Pupil	94-95 Reg Ed Per Pupil	95-96 Reg Ed Per Pupil+	95-96 Reg Ed Per Pupil**
I&J average	\$8,111	\$8,219	\$8,764	\$8,457
Sp Nds average	6,822	6,897	7,303	7,304
% parity	84.11%	83.92%	83.33%	86.36%

Notes:

- \* estimated enrollment based on district developed projections - not used officially by the department in the past
- + using official prior year enrollment, the method previously used to determine mid-year spending levels
- \*\* based on the new estimated enrollments

Reg Ed Aid = foundation aid (if any) + transition aid (if any) + health benefits rebate (for 1994-95 only)  
 Tot Reg Ed = Reg Ed Aid + Local Revenue

Averages determined by dividing aggregate enrollment into Total Reg Ed [funding]

1993-94 data was before the Supreme Court and was included in the *Abbott III* decision

100X

**Potential Impact of Proposed 1993-94 T and E Funding Compared to Actual 1993-94  
Funding for Special Needs Districts:  
Preliminary Analysis (Districts ranked by Potential Loss of Funding)  
Education Law Center, December 5, 1995**

Special Needs Districts	93 Enr	93-94 pp Reg ed	Loss of funds with '95 State Plan
1 NEWARK CITY	48,494	\$7,891	(89,846,970)
2 PATERSON CITY	23,280	\$7,083	(24,331,217)
3 TRENTON CITY	13,395	\$7,234	(16,020,790)
4 CAMDEN CITY	20,601	\$6,761	(14,900,734)
5 HOBOKEN CITY	3,112	\$8,712	(8,323,002)
6 NEPTUNE TWP	3,551	\$8,139	(7,461,091)
7 EAST ORANGE	12,385	\$6,654	(7,626,389)
8 PLAINFIELD CITY	7,103	\$6,790	(5,344,419)
9 LONG BRANCH CITY	4,126	\$7,217	(4,865,339)
10 PEMBERTON TWP	6,121	\$6,739	(4,287,778)
11 NEW BRUNSWICK CITY	4,867	\$6,894	(4,164,260)
12 CITY OF ORANGE TWP	4,168	\$7,028	(4,125,275)
13 PERTH AMBOY CITY	6,960	\$6,538	(3,478,215)
14 BURLINGTON CITY	1,281	\$8,563	(3,235,030)
15 ASBURY PARK CITY	3,186	\$6,977	(2,991,037)
16 ELIZABETH CITY	16,453	\$6,225	(3,068,867)
17 JERSEY CITY	31,478	\$6,146	(3,390,997)
18 GARFIELD CITY	3,119	\$6,773	(2,291,862)
19 PLEASANTVILLE CITY	3,105	\$6,766	(2,260,390)
20 WEST NEW YORK TOWN	5,868	\$6,402	(2,138,528)
21 KEANSBURG BORO	1,809	\$6,855	(1,477,605)
22 GLOUCESTER CITY	2,141	\$6,567	(1,131,542)
23 UNION CITY	8,608	\$6,170	(1,138,684)
24 HARRISON TOWN	1,790	\$6,473	(778,795)
25 BRIDGETON CITY	3,793	\$6,198	(605,339)
26 PHILLIPSBURG TOWN	2,719	\$6,239	(547,467)
27 VINELAND CITY	9,203	\$6,098	(548,393)
28 PASSAIC CITY	9,639	\$6,039	(10,556)
29 IRVINGTON TOWNSHIP	10,183	\$6,001	372,137
30 MILLVILLE CITY	5,142	\$5,573	2,389,114
TOTALS	277,680	\$6,822	(217,629,320)

**NOTES:**

- Column 1: Special needs district
- Column 2: Official 1993-94 resident enrollment
- Column 3: 1993-94 funding for regular education (local tax revenues, foundation aid, and transition aid, if any) divided by column 2
- Column 4: Column 3 minus the proposed foundation amount for a K-12 district (6,365) [less the average per pupil amount (327) for save harmless compensatory education funding to be provided by the proposed new foundation] multiplied by enrollment (Column 2). Note that this amount does not include new costs to be shouldered by the lower foundation because of the elimination of state aid for some special education services and for a portion of TP AF aid.

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Potential Impact of Proposed 1993-94 T and E Funding Compared to Actual 1993-94 Funding for I and J Districts:  
Preliminary Analysis (Districts Ranked by Amount of So-called Excessive Spending)

EDUCATION LAW CENTER, DECEMBER 5, 1995

	93 enr reg ed	93-94 pp \$	Excessive Spending	Local AT Risk Replacement Funding	Local Transition Replacement Funding	Total Known Replacement Funding
13 LIVINGSTON TWP	4,045	\$10,570	(17,008,042)	\$72,761	\$1,028,873	\$1,101,634
13 CHERRY HILL TWP	10,010	\$7,819	(14,550,704)	\$434,918	\$3,419,179	\$3,854,097
13 WESTFIELD TOWN	4,621	\$8,645	(10,535,209)	\$162,739	\$1,118,272	\$1,281,011
13 SCOTCH PLAINS FANWOOD RE	3,892	\$8,847	(9,658,262)	\$194,427	\$778,797	\$973,224
12 RAMAPO IND HILL REG DIST	1,820	\$11,695	(8,173,819)	\$21,658	\$533,040	\$554,698
12 PASCACK VALLEY REG DIST	1,405	\$12,996	(8,137,151)	\$6,581	\$435,397	\$441,978
13 RIDGEWOOD VILLAGE	4,701	\$8,021	(7,785,898)	\$247,177	\$1,047,192	\$1,294,369
13 PRINCETON REG	2,633	\$9,135	(7,294,038)	\$257,171	\$165,090	\$422,261
13 East Brunswick	7,132	\$7,382	(7,249,944)	\$250,521	\$0	\$250,521
12 Hunterdon Reg	1,752	\$11,335	(7,237,362)	\$64,976	\$0	\$64,976
12 WEST ESSEX REG	1,225	\$12,815	(6,873,529)	\$35,532	\$214,115	\$249,647
12 NORTHERN VALLEY REG	1,820	\$10,909	(6,742,797)	\$21,658	\$593,529	\$615,187
12 HANOVER PARK REG H	1,252	\$12,385	(6,487,195)	\$29,444	\$332,591	\$362,035
13 MILLBURN TWP	2,561	\$8,823	(6,295,677)	\$48,308	\$0	\$48,308
13 SO ORANGE AND MAPLEWOOD	5,013	\$7,554	(5,960,500)	\$434,918	\$1,173,829	\$1,608,747
13 SCH DIST OF THE CHATHAMS	2,243	\$8,970	(5,842,683)	\$160,543	\$453,213	\$613,756
12 WEST MORRIS REG H	1,880	\$10,291	(5,803,189)	\$19,463	\$0	\$19,463
13 TENAFLY BORO	2,407	\$8,748	(5,735,079)	\$62,231	\$457,133	\$519,364
13 MADISON BORO	1,668	\$9,696	(5,556,447)	\$106,454	\$283,139	\$389,593
13 W WINDSOR-PLAINSBORO REG	6,190	\$7,248	(5,466,768)	\$245,480	\$0	\$245,480
13 MONTVILLE TWP	2,655	\$8,424	(5,465,328)	\$168,278	\$551,351	\$719,629
12 N Hunterdon	1,938	\$9,980	(5,379,771)	\$25,551	\$0	\$25,551
13 RANDOLPH TWP	4,167	\$7,610	(5,189,542)	\$132,924	\$0	\$132,924
13 RAMSEY BORO	2,222	\$8,645	(5,066,705)	\$138,286	\$626,689	\$764,975
13 Mahwah	2,186	\$8,651	(4,998,024)	\$157,748	\$0	\$157,748
13 South Brunswick	4,774	\$7,408	(4,979,287)	\$575,997	\$548,651	\$1,124,648
13 SUMMIT CITY	2,585	\$8,276	(4,939,430)	\$170,314	\$273,242	\$443,556
13 CALDWELL-WEST CALDWELL	2,207	\$8,585	(4,899,258)	\$95,517	\$505,166	\$600,683
13 LAWRENCE TWP	3,221	\$7,675	(4,220,157)	\$223,613	\$426,812	\$650,425
8 KINNELON BORO	1,347	\$9,068	(4,107,391)	\$50,004	\$196,423	\$246,427
8 CRESSKILL BORO	1,059	\$9,838	(4,043,940)	\$58,338	\$225,401	\$283,739
8 BRANCHBURG TWP	1,816	\$8,228	(4,012,435)	\$46,111	\$380,788	\$426,899
13 OAKLAND BORO	1,231	\$9,535	(3,902,833)	\$52,749	\$300,503	\$353,252
13 MOORESTOWN TWP	2,663	\$7,825	(3,889,234)	\$125,548	\$572,273	\$697,821
8 MORRIS PLAINS BORO	648	\$11,976	(3,860,092)	\$19,463	\$76,820	\$96,283
12 RIVER DELL REG.	1,026	\$10,963	(3,856,713)	\$53,897	\$318,311	\$372,208
13 VERONA BORO	1,504	\$8,870	(3,766,811)	\$86,634	\$333,333	\$419,967
8 BERKELEY HEIGHTS TWP	1,289	\$8,775	(3,552,645)	\$62,231	\$203,863	\$266,094
13 GLEN ROCK BORO	1,756	\$8,382	(3,541,447)	\$67,771	\$378,700	\$446,471
12 NORTHERN HIGHLANDS REG H	691	\$12,193	(3,447,109)	\$2,795	\$255,151	\$257,946
12 WATCHUNG HILLS REG H	945	\$10,818	(3,415,612)	\$22,208	\$176,448	\$198,656
13 NEW PROVIDENCE BORO	1,538	\$8,564	(3,382,371)	\$46,661	\$324,965	\$371,626
8 UPPER SADDLE RIVER BORO	870	\$9,740	(3,237,533)	\$68,319	\$105,767	\$174,086
8 WYCKOFF TWP	1,860	\$7,703	(3,131,660)	\$52,200	\$230,858	\$283,058
5 FRANKLIN LAKES BORO	1,058	\$8,829	(3,128,039)	\$3,399	\$24,596	\$27,995
8 Rockaway Twp	2,309	\$7,367	(3,112,322)	\$104,999	\$392,348	\$497,347
13 BERNARDSVILLE BORO	780	\$10,330	(3,093,049)	\$32,238	\$132,749	\$164,987
5 Bedminster	605	\$10,926	(3,057,670)	\$29,992	\$0	\$29,992

Potential Impact of Proposed 1993-94 T and E Funding Compared to Actual 1993-94 Funding for I and J Districts:  
 Preliminary Analysis (Districts Ranked by Amount of So-called Excessive Spending)

EDUCATION LAW CENTER, DECEMBER 5, 1995

	93 enr	93-94 pp	Excessive	Local AT Risk	Local Transition	Total Known
	reg ed	reg ed	Spending	Replacement	Replacement	Replacement
				Funding	Funding	Funding
13 HOPEWELL VALLEY REG	2,618	\$7,471	(2,896,134)	\$45,014	\$511,900	\$556,914
13 BERNARDS TWP	2,409	\$7,557	(2,870,881)	\$48,308	\$460,458	\$508,766
8 FLORHAM PARK BORO	677	\$10,216	(2,841,429)	\$20,011	\$0	\$20,011
13 GLEN RIDGE BORO	1,173	\$8,760	(2,809,657)	\$54,445	\$375,465	\$429,910
8 MONTGOMERY TWP	1,696	\$7,666	(2,793,634)	\$49,455	\$463,262	\$512,717
8 WARREN TWP	1,261	\$8,231	(2,789,687)	\$54,445	\$0	\$54,445
13 MOUNTAIN LAKES BORO	876	\$9,399	(2,657,677)	\$21,110	\$254,069	\$275,179
13 HOLMDEL TWP	2,513	\$7,382	(2,556,395)	\$88,880	\$506,453	\$595,333
13 SPARTA TWP	2,866	\$7,234	(2,489,170)	\$107,744	\$0	\$107,744
5 ENGLEWOOD CLIFFS BORO	442	\$11,261	(2,382,068)	\$24,453	\$0	\$24,453
8 WASHINGTON TWP	2,475	\$6,975	(2,366,430)	\$101,106	\$0	\$101,106
13 PARK RIDGE BORO	1,116	\$8,421	(2,294,988)	\$52,200	\$241,858	\$294,058
5 PASSAIC TWP	669	\$9,094	(2,155,451)	\$54,995	\$165,912	\$220,907
8 MONTVALE BORO	693	\$8,885	(1,986,396)	\$40,523	\$0	\$40,523
12 RUMSON FAIR HAVEN REG H	620	\$10,181	(1,845,754)	\$16,119	\$223,851	\$239,970
8 CHESTER TWP	904	\$8,056	(1,841,811)	\$65,525	\$159,887	\$225,412
5 WATCHUNG BORO	436	\$10,041	(1,817,847)	\$12,776	\$0	\$12,776
8 RIVER VALE TWP	1,133	\$7,618	(1,811,109)	\$53,897	\$247,744	\$301,641
13 HADDONFIELD BORO	1,795	\$7,344	(1,757,025)	\$75,555	\$451,606	\$527,161
13 HILLSBOROUGH TWP	5,455	\$6,685	(1,743,173)	\$146,620	\$0	\$146,620
8 CLOSTER BORO	871	\$7,978	(1,706,294)	\$13,873	\$181,557	\$195,430
8 WOODCLIFF LAKE BORO	685	\$8,323	(1,577,995)	\$22,757	\$39,371	\$62,128
5 ALPINE BORO	236	\$12,363	(1,531,824)	\$24,453	\$0	\$24,453
5 ALLENDALE BORO	771	\$7,785	(1,474,859)	\$21,658	\$195,625	\$217,283
8 MENDHAM TWP	465	\$9,084	(1,425,301)	\$36,680	\$58,097	\$94,777
8 DEMAREST BORO	532	\$8,691	(1,421,552)	\$20,011	\$66,192	\$86,203
5 MENDHAM BORO	452	\$8,972	(1,401,302)	\$19,092	\$48,829	\$67,921
5 HARDING TOWNSHIP	325	\$9,858	(1,295,544)	\$3,343	\$22,190	\$25,533
5 Cranbury	492	\$8,487	(1,286,607)	\$22,757	\$47,360	\$70,117
5 NORTH CALDWELL BORO	503	\$8,357	(1,250,112)	\$0	\$138,422	\$138,422
5 SADDLE RIVER BORO	324	\$9,479	(1,168,623)	\$2,246	\$0	\$2,246
5 HO HO KUS BORO	509	\$8,111	(1,139,838)	\$7,785	\$41,247	\$49,032
5 ORADELL BORO	598	\$7,778	(1,139,821)	\$42,768	\$36,378	\$79,146
5 Peapack-Glad	269	\$9,872	(1,075,920)	\$0	\$0	\$0
5 HARRINGTON PARK BORO	578	\$7,503	(942,536)	\$4,990	\$109,673	\$114,663
13 LEONIA BORO	1,313	\$7,076	(934,170)	\$108,292	\$235,708	\$344,000
5 MOUNTAINSIDE BORO	496	\$7,727	(920,107)	\$16,668	\$14,420	\$31,088
8 TEWKSBURY TWP	547	\$7,545	(834,706)	\$19,529	\$56,243	\$75,772
8 Readington	1,553	\$6,553	(829,050)	\$66,073	\$270,209	\$336,282
5 ROSELAND BORO	281	\$8,662	(784,041)	\$12,227	\$0	\$12,227
5 BOONTON TWP	494	\$7,459	(783,840)	\$13,324	\$56,844	\$70,168
5 NORWOOD BORO	600	\$7,104	(739,311)	\$39,973	\$53,657	\$93,630
8 Denville	1,329	\$6,556	(713,674)	\$72,761	\$118,223	\$190,984
8 OLD TAPPAN BORO	575	\$7,221	(691,308)	\$10,530	\$95,213	\$105,743
5 Green	551	\$7,115	(685,074)	\$21,658	\$0	\$21,658
5 HAWORTH BORO	382	\$7,660	(683,069)	\$6,687	\$41,741	\$48,428
5 LITTLE SILVER BORO	691	\$6,858	(681,414)	\$16,668	\$161,885	\$178,553
5 Spring Lake	309	\$7,911	(630,200)	\$7,237	\$0	\$7,237

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Potential Impact of Proposed 1993-94 T and E Funding Compared to Actual 1993-94 Funding for I and J Districts:  
Preliminary Analysis (Districts Ranked by Amount of So-called Excessive Spending)  
EDUCATION LAW CENTER, DECEMBER 5, 1995

	93 enr reg ed	93-94 pp Spending	Excessive Spending	Local AT Risk Replacement Funding	Local Transition Replacement Funding	Total Known Replacement Funding
5 Roosevelt	139	\$10,030	(577,999)	\$5,539	\$0	\$5,539
8 CLINTON TWP	1,379	\$6,428	(563,523)	\$47,210	\$188,470	\$235,680
5 SEA GIRT BORO	233	\$8,277	(560,333)	\$4,442	\$0	\$4,442
5 Bethlehem	437	\$7,151	(559,020)	\$9,691	\$0	\$9,691
8 RUMSON BORO	767	\$6,731	(546,070)	\$15,021	\$59,611	\$74,632
5 East Amwell	493	\$6,961	(537,106)	\$39,631	\$0	\$39,631
5 COLTS NECK TWP	815	\$6,520	(527,747)	\$42,768	\$95,823	\$138,591
5 Bay Head	110	\$10,643	(524,834)	\$12,227	\$0	\$12,227
5 SHREWSBURY BORO	394	\$6,997	(443,407)	\$23,305	\$49,565	\$72,870
5 ESSEX FELS BORO	144	\$8,374	(360,338)	\$0	\$9,878	\$9,878
5 MEDFORD TWP	2,528	\$5,950	(197,828)	\$144,973	\$108,484	\$253,457
5 Rocky Hill	72	\$8,583	(195,161)	\$2,170	\$4,477	\$6,647
5 Califon	142	\$6,858	(140,041)	\$3,399	\$39,825	\$43,224
5 MONMOUTH BEACH BORO	260	\$6,163	(75,749)	\$25,551	\$0	\$25,551
5 Clinton	219	\$6,143	(59,428)	\$29,444	\$57,581	\$87,025
5 Mantoloking	26	\$7,245	(35,703)	\$0	\$1,687	\$1,687
TOTALS	175,936		(353,429,796)	\$7,743,337	\$26,361,547	\$34,104,884
			-24.07%			
5 Byram	1,021	\$5,861	11,706	\$58,338	\$0	\$58,338
5 MEDFORD LAKES BORO	515	\$5,824	24,654	\$75,006	\$443,558	\$518,564
5 FAIR HAVEN BORO	760	\$5,709	124,243	\$45,563	\$183,139	\$228,702
5 WENONAH BORO	242	\$5,002	210,553	\$17,217	\$99,606	\$116,823
8 Evesham	4,401	\$5,961	254,063	\$129,952	\$0	\$129,952
8 MARLBORO TWP	4,053	\$5,936	337,524	\$189,425	\$0	\$189,425
8 VOORHEES TWP	3,172	\$5,720	948,009	\$235,499	\$0	\$235,499
8 Mount Laurel	3,529	\$5,491	1,865,042	\$332,713	\$548,696	\$881,409
TOTALS	17,693		3,775,794	\$1,083,713	\$1,274,999	\$2,358,712
NOTES:						
Column 1:	District grade configuration 13=K-12; 12=9-12; 8=K-8; 5=K-5					
Column 2:	Name of district					
Column 3:	Official 1993-94 resident enrollment					
Column 4:	1993-94 spending for regular education (local tax revenues, foundation aid if any, and transition aid if any) divided by column 3					
Column 5:	Column 4 minus the proposed foundation amounts for each type district (5,872 for K-5; 6,019 for K-8; 7,204 for 9-12; and 6,365 for K-12) multiplied by Column 3					
Column 6:	Cost of replacing 93-94 save harmless compensatory education funding with local dollars					
Column 7:	Cost of replacing 93-94 transition aid with local dollars					
Column 8:	Total cost of replacing both aid amounts targeted for elimination (this total does not include replacement funding for special education aid proposed for elimination nor for TPAF aid for salary spending above the proposed T & E model amounts)					

# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District		Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State	Per Pupil Cost
		District	Cat										Tax Rate 1.2078	
Union	Winfield Township	K-8	Found	55,216	198	630,296	174,890	177,179	982,365	1,948,270	824,113	7.538	524.11%	9,840
Camden	Audubon Park	N/O	Found	69,346	132	254,363	67,913	78,823	399,099	809,170	337,832	3.691	205.57%	6,130
Monmouth	Roosevelt Borough	K-8	Found	272,080	151	353,449	100,040	0	453,489	1,584,368	1,137,842	2.770	129.30%	10,493
Camden	Chesilhurst	K-8	Found	138,253	152	720,488	177,919	31,491	929,898	1,513,102	485,899	2.312	91.44%	9,955
Sussex	Wallkill Valley Regional	7-12 Reg	Found	301,156	634	2,816,549	628,372	5,037	3,449,958	7,924,273	4,414,243	2.312	91.42%	12,499
Mercer	East Windsor Regional	K-12	Found	322,093	3,903	5,903,011	4,389,546	443,794	10,736,351	38,175,828	26,351,530	2.086	73.55%	9,781
Sussex	High Point Regional HS	7-12 Reg	Found	338,007	1,001	4,024,761	889,407	0	4,914,168	11,605,733	6,773,536	2.002	65.75%	11,584
Morris	Victory Gardens	N/O	Found	192,795	192	637,746	249,272	0	887,018	1,894,178	739,780	1.999	65.47%	9,866
Middlesex	Highland Park	K-12	Found	396,859	1,530	1,396,067	1,431,206	0	2,827,273	14,605,751	11,659,117	1.920	58.98%	9,546
Hunterdon	High Bridge Borough	K-8	Found	311,518	495	965,832	339,226	0	1,305,058	4,560,516	2,958,328	1.918	58.84%	9,213
Monmouth	Matawan-Aberdeen Regional	K-12	Found	351,910	3,601	6,019,612	2,853,960	0	8,873,572	33,835,909	24,216,599	1.911	58.22%	9,396
Burlington	Mount Holly Township	K-8	Found	210,104	1,178	3,685,605	1,892,224	171,841	5,749,670	10,747,923	4,672,927	1.888	56.32%	9,124
Atlantic	Mainland Regional High	7-12 Reg	Found	381,482	1,049	3,357,352	491,886	0	3,849,238	10,569,132	7,499,570	1.875	55.24%	10,080
Morris	Morris Hills Regional High	7-12 Reg	Found	484,743	2,367	3,739,677	1,875,579	0	5,615,256	26,407,723	21,386,683	1.864	54.33%	11,157
Sussex	Lenape Valley Reg HS Dist	7-12 Reg	Found	330,774	716	2,736,133	669,999	0	3,406,132	7,837,273	4,355,428	1.839	52.28%	10,946
Atlantic	Greater Egg Harbor Reg H	7-12 Reg	Found	274,443	2,365	10,875,039	2,743,054	0	13,618,093	27,780,384	11,925,064	1.837	52.12%	11,746
Essex	Glen Ridge Boro	K-12	Trans	472,288	1,208	0	626,071	168,874	791,946	11,699,882	10,480,230	1.836	51.91%	9,701
Camden	Lawnside Borough	K-8	Found	226,232	478	1,774,803	516,258	55,183	2,346,244	4,359,371	1,971,514	1.823	50.95%	9,120
Cumberland	Greenwich Township	K-8	Found	236,696	98	239,274	132,595	0	371,869	896,474	420,853	1.814	50.22%	9,148
Monmouth	Monmouth Regional High	7-12 Reg	Found	476,433	1,018	2,993,142	1,024,484	0	4,017,626	13,585,957	8,774,643	1.810	49.88%	13,352
Bergen	Pascack Valley Reg	7-12 Reg	Trans	748,940	1,385	0	1,362,020	193,511	1,555,531	21,749,954	18,891,585	1.808	49.71%	15,591
Bergen	Bogota Boro	K-12	Found	353,266	1,096	1,459,971	648,900	0	2,108,871	9,128,487	6,981,848	1.803	49.30%	8,329
Somerset	North Plainfield Borough	K-12	Found	284,284	2,895	5,862,236	2,091,135	0	7,953,371	22,103,114	14,783,878	1.796	48.73%	7,635
Sussex	Franklin Borough	K-8	Found	250,161	645	1,667,277	653,399	0	2,320,676	5,215,072	2,886,987	1.795	48.65%	8,085
Bergen	Bergenfield Boro	K-12	Found	444,398	3,140	1,607,433	1,728,189	181,913	3,517,535	28,056,010	24,952,929	1.788	48.08%	8,935
Union	Roselle Park Boro	K-12	Found	309,893	1,864	3,182,573	1,127,429	85,597	4,395,599	14,965,415	10,313,769	1.786	47.83%	8,029
Camden	Sterling High	7-12 Reg	Found	271,067	680	2,993,586	574,734	0	3,568,320	7,899,563	3,274,490	1.776	47.08%	11,617
Middlesex	Old Bridge Township	K-12	Found	297,692	9,222	19,114,602	8,514,666	464,867	28,094,135	75,053,603	48,758,917	1.776	47.08%	8,139
Passaic	Bloomfield Boro	K-8	Found	417,346	986	723,321	984,093	561	1,707,975	9,191,808	7,295,369	1.773	46.78%	9,322
Hunterdon	Hampton Borough	K-8	Found	257,988	205	479,503	64,545	46,122	590,170	1,486,970	936,670	1.771	46.64%	7,254
Union	Roselle Borough	K-12	Found	328,750	2,476	4,379,802	2,525,778	0	6,905,580	20,796,183	14,399,689	1.769	46.50%	8,401
Camden	Lindenwold Borough	K-8	Found	197,075	1,435	3,469,705	1,714,394	0	5,184,099	10,272,846	5,001,913	1.769	46.49%	7,181

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District		Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/94	Approved Budget 1994/95				Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State Tax Rate 1.2078	Per Pupil Cost	
		District	Cat			Foundation	Categorical	Transition	Total Aid					
Cumberland	Shiloh	K-8	Found	129,060	79	239,391	73,879	11,598	324,868	572,100	179,766	1.763	45.98%	7,242
Monmouth	Henry Hudson Reg	7-12 Reg	Trans	572,583	416	0	591,945	55,475	647,420	5,019,659	4,171,989	1.754	45.19%	12,081
Middlesex	New Brunswick City	K-12	SND	263,606	4,805	13,247,005	8,827,963	0	22,074,968	44,422,178	22,194,322	1.752	45.08%	9,245
Somerset	South Bound Brook	K-8	Found	283,825	596	1,489,676	440,944	19,747	1,950,367	4,879,186	2,950,898	1.744	44.43%	8,187
Ocean	Pinelands Regional	7-12 Reg	Found	328,958	1,436	5,471,720	1,696,040	0	7,167,760	15,203,285	8,237,276	1.744	44.43%	10,591
Passaic	Passaic County Manchester I	7-12 Reg	Found	413,877	631	1,400,725	511,250	0	1,911,975	6,856,041	4,541,324	1.739	43.97%	10,865
Camden	Magnolia Borough	K-8	Found	240,864	452	1,196,126	553,923	0	1,750,049	3,816,104	1,880,586	1.737	43.78%	8,443
Bergen	Dumont	K-12	Found	403,278	2,386	3,034,013	1,145,666	0	4,179,679	20,908,192	16,659,556	1.732	43.38%	8,765
Somerset	Somerville Boro	K-12	Trans	448,895	1,403	0	1,006,062	116,233	1,122,295	16,964,784	10,736,088	1.705	41.14%	12,092
Passaic	Ringwood Boro	K-8	Found	393,011	1,386	1,928,118	1,211,346	0	3,139,464	12,455,864	9,311,821	1.697	40.52%	8,923
Hunterdon	Hunterdon Central Reg. High	7-12 Reg	Found	538,564	1,834	4,095,868	1,614,574	0	5,710,442	21,376,525	16,745,470	1.695	40.37%	11,656
Morris	Netcong	K-8	Found	349,829	323	236,720	174,773	33,509	445,002	2,464,677	1,915,042	1.695	40.32%	7,631
Passaic	Lakeland Regional	7-12 Reg	Found	375,410	1,074	4,114,476	926,627	0	5,041,103	11,657,967	6,830,623	1.694	40.27%	10,855
Morris	Butler Boro	K-12	Found	425,849	980	1,384,764	957,427	0	2,342,191	12,273,489	7,047,244	1.690	39.88%	12,530
Camden	Runnemede Borough	K-8	Found	236,188	936	2,432,022	568,494	18,438	3,018,954	6,816,664	3,725,131	1.685	39.51%	7,283
Morris	Mount Arlington Boro	K-8	Found	425,632	522	340,090	331,797	54,057	725,944	4,605,029	3,732,893	1.682	39.24%	8,830
Bergen	Waldwick Boro	K-12	Found	545,377	1,320	136,725	967,545	154,071	1,258,341	13,407,588	12,022,729	1.671	38.33%	10,161
Passaic	Pompton Lakes Boro	K-12	Found	402,567	1,552	1,403,460	1,005,362	0	2,408,822	13,116,499	10,408,737	1.667	37.98%	8,454
Middlesex	South River	K-12	Found	343,411	1,697	2,061,343	1,565,565	0	3,626,908	13,123,316	9,690,712	1.663	37.72%	7,736
Union	Union County Regional High	7-12 Reg	Trans	783,692	2,166	0	2,181,934	406,741	2,588,675	35,191,200	28,125,406	1.657	37.18%	16,247
Bergen	Oakland Boro	K-8	Trans	571,573	1,252	0	875,860	133,557	1,009,417	13,398,704	11,854,467	1.657	37.15%	10,702
Warren	N Warren Regional School D	7-12 Reg	Found	378,750	805	2,288,744	765,305	0	3,054,049	7,983,900	5,025,860	1.649	36.58%	9,924
Sussex	Lafayette Township	K-8	Found	446,483	245	160,614	302,468	8,822	471,904	2,305,394	1,792,413	1.639	35.67%	9,410
Hunterdon	South Hunterdon Regional	7-12 Reg	Found	630,309	346	193,980	462,015	0	655,995	4,360,417	3,567,697	1.638	35.64%	12,621
Hunterdon	North Hunterdon Regional Hi	7-12 Reg	Found	539,472	1,904	3,631,735	2,030,130	0	5,661,865	22,884,030	16,827,478	1.638	35.64%	12,019
Warren	Warren Hills Regional	7-12 Reg	Found	301,299	1,607	6,063,567	1,421,529	0	7,485,096	16,143,394	7,928,990	1.638	35.58%	10,046
Burlington	Chesterfield Township	K-8	Found	396,474	251	86,766	157,974	38,379	283,119	2,071,764	1,619,257	1.627	34.72%	8,254
Morris	Pequannock Township	K-12	Found	474,567	2,039	1,292,173	896,778	0	2,188,951	17,545,755	15,737,070	1.627	34.68%	8,607
Middlesex	Dunellen	K-12	Found	350,427	882	1,771,627	760,306	0	2,531,933	7,803,827	5,021,690	1.626	34.60%	8,853
Monmouth	Red Bank Regional High	7-12 Reg	Found	595,848	792	606,512	787,801	155,735	1,550,048	11,929,177	7,645,956	1.621	34.23%	15,072
Morris	Mount Olive Township	K-12	Found	360,141	3,631	8,448,177	3,346,207	0	11,794,384	32,517,581	21,189,136	1.620	34.18%	8,956
Morris	Wharton Boro	K-8	Found	333,549	603	1,020,802	501,151	0	1,521,953	4,835,478	3,256,215	1.619	34.04%	8,019

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below	Per Pupil Cost
													Tax Rate 1.2078	
Essex	Belleville	K-12	Found	346,654	4,007	4,390,676	3,153,987	0	7,544,663	29,471,765	22,435,974	1.615	33.73%	7,355
Camden	Laurel Springs	K-8	Found	267,651	332	877,593	208,831	77,931	1,164,355	2,765,562	1,429,192	1.608	33.18%	8,330
Bergen	River Dell Reg	7-12 Reg	Trans	687,328	1,050	0	726,773	141,472	868,245	12,948,927	11,577,974	1.605	32.89%	12,338
Passaic	Wanaque	K-8	Found	352,049	939	1,645,483	718,973	0	2,364,456	7,500,989	5,283,585	1.602	32.85%	7,993
Essex	So Orange and Maplewood	K-12	Trans	463,707	5,314	0	3,814,415	521,705	4,336,120	44,359,049	39,470,784	1.602	32.63%	8,348
Sussex	Ogdensburg Borough	K-8	Found	214,463	399	1,272,953	285,417	0	1,558,370	3,069,333	1,370,222	1.601	32.58%	7,693
Middlesex	Carteret Borough	K-12	Found	339,689	2,801	4,651,963	2,562,361	0	7,214,324	22,167,279	15,187,771	1.598	32.27%	7,915
Mercer	Ewing Twp	K-12	Trans	499,376	3,536	0	3,298,399	336,065	3,634,464	32,896,047	28,205,766	1.598	32.27%	9,304
Middlesex	Jamesburg	K-8	Found	327,710	684	1,169,743	711,575	19,113	1,900,431	5,358,131	3,577,353	1.596	32.14%	7,834
Morris	Mine Hill Township	K-8	Trans	480,239	420	0	254,384	88,357	342,741	3,770,782	3,214,555	1.596	32.11%	8,989
Bergen	Teaneck Twp	K-12	Trans	601,234	4,334	0	3,966,574	375,367	4,341,941	47,480,696	41,504,149	1.593	31.89%	10,957
Camden	Barrington	K-8	Found	307,095	841	1,581,983	495,993	100,115	2,178,091	6,516,297	4,112,991	1.593	31.85%	7,748
Monmouth	Hazlet Township	K-12	Found	322,897	3,153	7,530,936	2,463,692	0	9,994,628	26,902,767	16,185,509	1.590	31.63%	8,532
Morris	Dover Town	K-12	Found	288,452	2,132	4,208,205	3,080,071	0	7,288,276	19,559,847	9,773,239	1.589	31.58%	9,174
Monmouth	Shore Reg H	7-12 Reg	Trans	685,409	601	0	466,546	122,047	588,593	7,315,898	6,514,225	1.583	31.04%	12,183
Passaic	Paterson City	K-12	SND	120,757	23,410	132,317,608	37,048,243	0	169,365,851	209,352,199	44,700,074	1.581	30.92%	8,943
Sussex	Kittatinny Regional High	7-12 Reg	Found	355,663	1,004	3,547,057	932,235	0	4,479,292	10,390,239	5,615,799	1.573	30.27%	10,354
Morris	Lincoln Park Boro	K-8	Found	491,541	1,287	610,866	976,586	128,124	1,715,576	12,485,395	9,947,445	1.573	30.24%	9,705
Sussex	Fredon Township	K-8	Found	417,232	255	237,502	274,206	2,885	514,593	2,315,122	1,670,071	1.570	29.98%	9,079
Union	Scotch Plains Fanwood Reg	K-12	Trans	558,340	3,928	0	3,059,609	348,162	3,405,771	38,562,750	34,390,617	1.568	29.83%	9,817
Middlesex	Spotswood	K-12	Found	328,034	1,086	1,872,328	937,649	0	2,809,977	11,691,177	5,561,727	1.562	29.32%	10,770
Bergen	Northern Valley Reg	7-12 Reg	Found	677,340	1,870	844,080	801,633	263,792	1,909,505	22,103,272	19,758,141	1.560	29.15%	11,820
Camden	Cherry Hill Township	K-12	Found	459,128	10,135	2,859,501	6,613,164	1,519,643	10,992,308	89,286,351	72,334,775	1.554	28.70%	8,810
Somerset	Bound Brook Boro	K-12	Found	324,263	1,373	2,126,682	829,289	0	2,955,971	10,652,271	8,888,461	1.549	28.29%	7,758
Hunterdon	Califon	K-8	Found	391,545	154	104,423	81,676	17,700	203,799	1,151,608	930,912	1.544	27.82%	7,478
Bergen	Northern Highland Reg H	7-12 Reg	Trans	800,485	680	0	589,972	113,401	703,373	9,493,825	8,382,149	1.543	27.74%	13,972
Sussex	Hamburg Borough	K-8	Found	306,499	344	673,536	208,845	0	882,381	2,480,819	1,625,587	1.542	27.65%	7,212
Monmouth	Long Branch City	K-12	SND	332,822	4,125	11,667,091	6,938,885	0	18,605,976	39,653,115	21,103,905	1.537	27.29%	9,814
Middlesex	Metuchen Boro	K-12	Trans	537,395	1,716	0	822,808	203,563	1,026,371	15,566,413	14,146,971	1.535	27.05%	9,074
Bergen	Ramapo Ind Hill Reg	7-12 Reg	Trans	816,587	1,750	0	1,154,182	238,908	1,391,090	23,471,477	21,870,903	1.531	26.75%	13,416
Warren	Belvidere Town	K-12	Found	263,548	545	1,495,737	469,604	0	1,965,341	6,971,862	2,193,849	1.529	26.58%	12,804
Monmouth	Farmingdale Borough	K-8	Found	289,441	207	479,067	142,065	0	621,132	1,524,438	914,586	1.526	26.39%	7,364

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Lev, 1994/95	Equalize 1994/95	Above or Below State	Cost
													1.2078	
Burlington	Rancocas Valley Regional	7-12 Reg	Found	262,825	1,368	6,289,814	1,155,527	0	7,445,341	13,518,608	5,485,026	1.526	26.31%	9,882
Burlington	Riverton	K-8	Trans	460,128	314	0	186,366	98,021	284,387	2,729,904	2,184,416	1.519	25.75%	8,694
Somerset	Millstone Borough	N/O	Trans	600,808	51	0	43,155	4,367	47,522	547,316	464,931	1.518	25.67%	10,732
Morris	Mountain Lakes Boro	K-12	Trans	590,166	913	0	407,076	112,920	519,996	9,923,480	8,176,240	1.517	25.64%	10,869
Warren	Washington Borough	K-8	Found	270,545	649	1,294,714	527,311	0	1,822,025	4,757,114	2,660,220	1.515	25.44%	7,330
Camden	Lower Camden County Reg	7-12 Reg	Found	204,998	5,111	25,360,585	6,353,811	0	31,714,396	48,034,798	15,847,202	1.513	25.23%	9,398
Sussex	Sparta Township	K-12	Found	418,939	2,952	3,173,247	1,936,763	0	5,110,010	23,041,294	18,668,046	1.510	25.00%	7,807
Hunterdon	Glen Gardner Borough	N/O	Found	338,037	210	222,978	163,088	0	386,066	1,487,621	1,071,089	1.509	24.92%	7,084
Camden	Haddon Township	K-12	Found	308,051	2,107	3,845,520	1,208,253	225,927	5,279,700	15,420,750	9,780,896	1.508	24.89%	7,319
Union	Rahway	K-12	Found	401,222	3,246	2,999,826	3,300,719	0	6,300,545	26,245,966	19,613,768	1.506	24.69%	8,086
Morris	West Morris Regional High	7-12 Reg	Found	557,053	1,911	3,898,566	1,620,284	0	5,518,850	21,848,572	16,008,435	1.504	24.51%	11,433
Burlington	Maple Shade Township	K-12	Found	334,063	2,027	1,508,227	1,360,655	170,095	3,038,977	13,809,284	10,176,592	1.503	24.43%	6,813
Ocean	Ocean Township	K-8	Found	352,348	1,043	2,202,843	987,716	0	3,190,559	8,929,251	5,488,820	1.494	23.72%	8,565
Monmouth	Keyport Boro	K-12	Found	310,996	1,014	2,725,964	1,235,981	0	3,961,945	10,171,859	4,707,694	1.494	23.68%	10,036
Middlesex	South Amboy	K-12	Found	319,245	1,081	1,983,252	1,051,580	0	3,034,832	8,425,179	5,149,226	1.493	23.59%	7,797
Camden	Haddonfield Boro	K-12	Trans	489,375	1,867	0	937,045	200,715	1,137,760	15,330,145	13,636,399	1.492	23.57%	8,211
Burlington	Bordontown Regional	K-12	Found	400,931	1,661	2,166,723	1,436,580	0	3,603,303	13,888,620	9,937,136	1.492	23.55%	8,350
Bergen	Lodi Borough	K-12	Found	467,338	2,418	851,841	2,257,921	175,758	3,285,520	19,976,868	16,846,581	1.491	23.46%	8,263
Hunterdon	Lebanon Township	K-8	Found	440,835	743	559,147	577,262	0	1,136,409	6,117,696	4,862,843	1.491	23.43%	8,234
Bergen	Leonia Boro	K-12	Found	484,428	1,359	12,197	977,712	104,759	1,094,668	13,005,956	9,760,156	1.483	22.79%	9,574
Essex	Nutley Town	K-12	Found	473,328	3,714	641,055	1,444,520	497,825	2,583,400	28,955,005	26,034,740	1.481	22.62%	7,796
Middlesex	South Plainfield	K-12	Found	524,666	3,324	1,492,905	1,793,993	0	3,286,898	29,850,187	25,785,339	1.479	22.41%	8,980
Gloucester	South Harrison Township	K-8	Found	269,026	206	617,322	137,182	0	754,504	1,565,424	817,338	1.475	22.11%	7,589
Warren	Hope Twp	K-8	Found	405,078	296	495,896	348,214	0	844,110	2,577,383	1,766,580	1.473	21.99%	8,707
Essex	Montclair Town	K-12	Found	485,065	5,886	2,010,144	5,156,392	267,368	7,433,904	51,108,123	42,058,236	1.473	21.97%	8,683
Essex	West Orange Town	K-12	Trans	604,443	4,718	0	3,954,467	434,115	4,388,582	46,912,900	42,002,878	1.473	21.95%	9,943
Monmouth	Rumson Fair Haven Reg H	7-12 Reg	Trans	703,801	624	0	388,314	99,490	487,804	7,334,440	6,466,922	1.473	21.92%	11,754
Morris	Randolph Township	K-12	Found	419,857	4,200	7,752,584	2,906,900	0	10,659,484	36,139,747	25,930,570	1.471	21.76%	8,606
Camden	Haddon Heights	K-12	Found	400,598	944	750,355	598,992	208,155	1,557,502	10,610,732	5,557,324	1.470	21.67%	11,240
Bergen	New Milford Boro	K-12	Trans	533,362	1,718	0	1,070,472	195,010	1,265,482	15,662,414	13,402,853	1.463	21.14%	9,119
Hudson	Guttenberg Town	K-8	Found	367,640	1,040	176,565	977,057	89,678	1,243,300	6,891,539	5,589,536	1.463	21.10%	6,630
Bergen	Garfield City	K-12	SND	357,693	3,317	5,724,135	3,001,225	0	8,725,360	23,768,554	17,353,117	1.463	21.10%	7,166

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District		Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalize 1994/95	Above or Below State	
		District	Cat										1.2078	Cost
Sussex	Andover Regional	K-8	Found	448,914	856	606,392	629,643	0	1,236,035	6,976,841	5,616,393	1.462	21.08%	8,155
Burlington	Edgewater Park Township	K-8	Found	258,703	1,187	2,555,262	1,002,710	228,501	3,786,473	8,877,821	4,487,503	1.461	20.99%	7,479
Sussex	Newton	K-12	Found	313,909	1,171	3,095,000	1,224,428	0	4,319,428	13,288,590	5,365,679	1.460	20.86%	11,348
Burlington	Bass River Twp	K-8	Found	251,365	171	536,845	223,522	0	760,367	1,473,851	626,001	1.456	20.58%	8,619
Bergen	Emerson Boro	K-12	Trans	663,778	903	0	649,771	89,744	739,515	10,207,362	8,724,857	1.456	20.52%	11,304
Camden	Stratford Borough	K-8	Found	244,906	805	1,788,693	525,203	0	2,313,896	5,684,456	2,858,550	1.450	20.05%	7,061
Gloucester	Woodbury City	K-12	Found	240,935	1,700	4,822,447	1,436,323	0	6,258,770	12,134,226	5,928,646	1.448	19.88%	7,140
Gloucester	Gateway Regional High	7-12 Reg	Found	222,820	1,062	4,546,905	907,338	0	5,454,243	8,899,129	3,422,698	1.447	19.81%	8,384
Camden	Black Horse Pike Regional	7-12 Reg	Found	208,183	3,410	16,827,098	2,968,889	0	19,795,987	30,154,738	10,231,616	1.441	19.33%	8,843
Hunterdon	Milford Borough	K-8	Found	461,600	139	149,627	93,772	12,443	255,842	1,259,002	923,947	1.440	19.23%	9,058
Burlington	Beverly City	K-8	Found	198,857	431	1,695,903	611,675	0	2,307,578	3,705,398	1,234,000	1.440	19.21%	8,587
Bergen	Harrington Park Boro	K-8	Found	517,276	587	80,248	226,749	48,744	355,741	4,775,991	4,371,311	1.440	19.19%	8,136
Warren	Hackettstown	K-12	Found	356,566	1,249	2,974,965	1,021,205	0	3,996,170	14,642,892	6,406,198	1.439	19.15%	11,728
Monmouth	Keansburg Boro	K-12	SND	161,783	1,890	8,479,439	2,150,952	0	10,630,391	15,002,165	4,398,570	1.439	19.13%	7,940
Camden	Bellmawr Borough	K-8	Found	324,620	985	1,305,298	808,236	137,310	2,250,844	7,176,808	4,592,524	1.436	18.92%	7,286
Bergen	Ridgefield Park Township	K-12	Trans	578,065	1,300	0	981,702	161,676	1,143,378	13,996,123	10,784,994	1.436	18.87%	10,770
Sussex	Hampton Township	K-8	Found	381,182	488	485,802	412,528	0	898,330	3,553,961	2,666,733	1.434	18.69%	7,283
Bergen	Glen Rock Boro	K-12	Trans	579,996	1,800	0	712,220	168,312	880,532	16,584,617	14,943,537	1.431	18.51%	9,214
Essex	Newark City	K-12	SND	118,362	47,273	307,577,999	79,983,938	0	387,561,937	467,882,896	80,000,000	1.430	18.38%	9,897
Burlington	N. Burlington County Reg.	7-12 Reg	Found	240,962	1,394	6,123,718	1,173,899	0	7,297,617	13,408,901	4,800,095	1.429	18.32%	9,619
Middlesex	Woodbridge Twp	K-12	Found	516,051	11,825	1,713,816	9,009,069	1,043,245	11,766,130	99,317,077	87,133,724	1.428	18.23%	8,399
Middlesex	Milktown	K-8	Found	471,754	903	151,547	717,206	55,506	924,258	7,391,883	6,067,667	1.425	18.00%	8,190
Monmouth	Howell Township	K-8	Found	269,112	6,233	14,471,936	4,488,470	0	18,960,406	42,714,252	23,880,491	1.424	17.87%	6,853
Bergen	Fair Lawn Boro	K-12	Trans	583,212	4,110	0	2,541,486	200,645	2,742,131	36,828,242	34,079,117	1.422	17.71%	8,961
Bergen	Ridgewood Village	K-12	Trans	557,750	4,765	0	1,994,471	465,421	2,459,892	41,856,263	37,743,983	1.420	17.58%	8,784
Union	Westfield Township	K-12	Trans	608,739	4,697	0	2,503,118	497,012	3,000,130	44,060,416	40,540,736	1.418	17.39%	9,381
Camden	Berlin Township	K-8	Found	322,289	535	1,395,767	504,990	0	1,900,757	4,332,145	2,444,650	1.418	17.39%	8,097
Ocean	Island Heights Boro	K-8	Trans	519,122	140	0	141,319	17,220	158,539	1,244,542	1,029,276	1.416	17.28%	8,890
Essex	Livingston Twp	K-12	Trans	753,320	4,166	0	2,248,815	457,279	2,706,094	46,022,994	44,420,300	1.415	17.19%	11,047
Essex	Bloomfield Twp	K-12	Found	437,400	5,120	426,133	4,225,629	516,857	5,168,619	38,893,175	31,693,922	1.415	17.17%	7,596
Middlesex	East Brunswick Township	K-12	Found	459,790	7,276	7,274,638	5,896,297	0	13,170,935	60,258,852	47,339,858	1.415	17.17%	8,282
Camden	Waterford Township	K-8	Found	214,222	1,079	4,028,212	1,115,395	0	5,143,607	9,635,758	3,267,835	1.414	17.05%	8,830

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of		Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/94	Approved				Tax Levy 1984/95	Equalized Tax Rate 1984/95	Above or Below State Tax Rate 1.2078	Per Pupil Cost	
		District	Cat			Foundation	Categorical	Transition	Total Aid					Budget 1994/95
Hunterdon	Bethlehem Township	K-8	Found	419,977	459	650,378	340,602	0	990,980	3,655,111	2,716,262	1.409	16.66%	7,963
Morris	Jefferson Township	K-12	Found	359,888	3,141	6,960,288	2,341,191	0	9,301,479	24,040,004	15,876,838	1.405	16.31%	7,655
Bergen	Hackensack City	K-12	Trans	623,940	3,818	0	4,090,313	173,785	4,264,098	42,267,337	33,389,320	1.402	16.05%	11,071
Sussex	Green Township	K-8	Found	341,418	583	1,452,867	521,173	0	1,974,040	4,731,604	2,786,563	1.400	15.91%	8,116
Camden	Brooklawn	K-8	Found	252,429	310	920,510	271,245	0	1,191,755	2,249,073	1,094,552	1.399	15.81%	7,255
Burlington	Evesham Township	K-8	Found	345,662	4,539	7,164,462	2,573,943	0	9,738,405	30,879,361	21,920,423	1.397	15.68%	6,759
Camden	Pennsauken Township	K-12	Found	264,438	5,518	14,452,328	5,118,076	0	19,570,404	40,105,917	20,360,879	1.395	15.53%	7,268
Somerset	Manville Boro	K-12	Found	406,178	1,257	1,534,820	876,456	0	2,411,276	9,642,841	7,123,536	1.395	15.52%	7,671
Warren	Oxford Township	K-8	Found	321,137	267	524,714	182,028	0	706,742	2,136,168	1,194,000	1.395	15.51%	8,016
Burlington	Moorestown Township	K-12	Trans	549,095	2,789	0	1,864,029	254,345	2,118,374	23,525,614	21,362,904	1.395	15.50%	8,435
Morris	Boonton Town	K-12	Found	535,344	981	217,605	992,690	36,610	1,246,905	13,073,432	7,322,071	1.394	15.43%	13,327
Ocean	Jackson Township	K-12	Found	272,214	6,327	21,095,075	5,209,940	0	26,305,015	48,548,484	23,952,152	1.391	15.15%	7,674
Camden	Collingswood Borough	K-12	Found	224,569	2,168	6,030,897	1,584,392	0	7,615,289	17,392,292	6,763,788	1.389	15.02%	8,022
Monmouth	Freehold Township	K-8	Found	457,537	2,986	2,577,926	1,693,963	0	4,271,889	22,832,511	18,976,439	1.389	15.00%	7,647
Essex	City of Orange Twp	K-12	SND	157,500	4,087	20,876,924	6,111,389	434,551	27,422,864	35,920,127	8,933,346	1.388	14.90%	8,789
Hunterdon	Alexandria Township	K-8	Found	435,677	541	683,241	402,609	0	1,085,850	4,034,240	3,267,578	1.386	14.78%	7,457
Passaic	West Milford	K-12	Found	366,402	4,276	8,790,964	4,171,848	0	12,962,812	34,479,354	21,711,939	1.386	14.75%	8,064
Camden	Merchantville	K-8	Found	344,456	522	819,995	386,351	0	1,206,346	3,629,886	2,491,210	1.385	14.71%	6,954
Morris	Washington Township	K-8	Found	347,048	2,508	5,893,965	1,962,091	0	7,856,056	20,136,122	12,059,307	1.385	14.71%	8,028
Camden	Pine Hill Borough	K-8	Found	151,504	1,027	3,527,331	840,973	0	4,368,304	6,579,545	2,152,696	1.384	14.55%	6,407
Sussex	Hopatcong Borough	K-12	Found	296,336	2,727	8,033,954	2,607,750	0	10,641,704	21,002,141	11,169,811	1.382	14.44%	7,702
Gloucester	Clearview Regional	7-12 Reg	Found	248,872	1,363	5,603,563	1,105,436	0	6,708,999	11,435,503	4,684,591	1.382	14.38%	8,393
Burlington	Tabernacle Township	K-8	Found	229,065	1,065	3,754,703	888,974	0	4,643,677	8,253,358	3,366,228	1.380	14.25%	7,750
Atlantic	Port Republic	K-8	Found	323,705	196	632,838	149,790	0	782,628	1,703,251	875,393	1.380	14.24%	8,680
Monmouth	Millstone Township	K-8	Found	488,511	1,207	782,610	829,379	0	1,611,989	9,088,885	8,125,106	1.379	14.14%	7,533
Hudson	Hoboken City	K-12	SND	548,504	2,982	4,539,136	5,126,608	254,513	9,920,257	32,162,314	22,539,067	1.378	14.09%	10,785
Hudson	Kearny	K-12	Found	353,429	5,066	8,507,597	2,897,771	0	11,405,368	35,204,739	24,641,323	1.378	13.96%	6,950
Morris	Parsippany-Troy Hills Townsl	K-12	Trans	660,460	6,200	0	4,982,050	498,359	5,480,409	62,230,241	56,124,150	1.371	13.49%	10,038
Burlington	Pemberton Borough	K-8	Found	151,440	247	982,165	198,771	0	1,180,936	1,747,033	512,710	1.371	13.49%	7,073
Monmouth	Tinton Falls	K-8	Found	427,952	1,727	492,979	1,901,440	0	2,394,419	14,611,954	10,129,677	1.371	13.48%	8,461
Morris	Rockaway Township	K-8	Trans	537,212	2,414	0	1,714,978	174,378	1,889,356	19,892,411	17,769,906	1.370	13.45%	8,240
Union	Hillside	K-12	Found	325,947	2,934	5,997,499	2,636,765	0	8,634,264	21,417,707	13,063,741	1.366	13.10%	7,300

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State	Per Pupil Cost
													Tax Rate 1.2078	
Camden	Oaklyn Borough	K-12	Found	282,877	558	1,286,005	427,845	0	1,713,850	4,346,092	2,155,490	1.366	13.06%	7,789
Gloucester	Pitman	K-12	Found	203,778	1,775	5,831,929	1,207,791	0	7,039,720	12,094,623	4,937,450	1.365	13.05%	6,816
Camden	E. Camden County Regional	7-12 Reg	Found	356,306	1,641	5,579,452	928,601	0	6,508,053	14,174,238	7,979,662	1.365	12.99%	8,638
Union	Garwood	K-8	Trans	494,231	415	0	244,660	54,578	299,238	3,203,704	2,791,799	1.361	12.70%	7,720
Camden	Hi Nella	N/O	Found	227,470	113	299,630	113,836	0	413,466	894,324	348,951	1.358	12.40%	7,914
Monmouth	Red Bank Boro	K-8	Trans	575,097	864	0	1,168,531	61,973	1,230,504	8,165,410	6,744,074	1.357	12.38%	9,451
Burlington	Lumberton Township	K-8	Found	320,146	961	1,468,250	733,678	0	2,201,928	6,022,252	4,175,787	1.357	12.38%	6,267
Burlington	Medford Lakes	K-8	Found	348,161	480	438,684	408,697	197,138	1,044,519	4,182,089	2,265,052	1.355	12.22%	8,713
Burlington	Washington Township	K-8	Found	356,344	118	313,357	122,150	0	435,507	1,178,129	569,159	1.354	12.07%	9,984
Monmouth	Bradley Beach Boro	K-8	Trans	542,600	521	0	778,628	107,023	885,651	5,026,821	3,823,045	1.352	11.97%	9,648
Ocean	Barnegat Twp	K-8	Found	184,863	2,778	12,245,634	2,089,949	0	14,335,583	21,761,147	6,936,451	1.351	11.85%	7,835
Warren	Washington Township	K-8	Found	307,161	712	1,216,045	506,256	0	1,722,301	4,367,064	2,947,685	1.348	11.59%	6,134
Mercer	Hamilton Twp	K-12	Found	350,570	11,977	26,243,285	9,488,779	0	35,732,064	94,068,733	56,508,856	1.346	11.43%	7,854
Atlantic	Linwood	K-8	Found	408,560	866	483,656	442,766	123,233	1,049,655	6,048,663	4,758,971	1.345	11.36%	6,985
Middlesex	Piscataway Township	K-12	Found	491,137	6,320	6,402,492	5,937,786	0	12,340,278	54,547,623	41,745,751	1.345	11.35%	8,631
Monmouth	Ocean Township	K-12	Found	421,591	4,255	5,379,537	2,911,694	0	8,291,231	33,326,523	24,115,569	1.344	11.32%	7,833
Bergen	Hillsdale Boro	K-8	Trans	576,546	1,047	0	557,711	86,289	644,000	8,984,959	8,099,394	1.342	11.09%	8,582
Sussex	Montague	K-8	Found	377,238	552	887,462	680,154	0	1,567,616	4,287,496	2,793,852	1.342	11.08%	7,767
Monmouth	Neptune Twp	K-12	SND	374,831	3,616	9,958,030	5,067,282	0	15,025,312	37,239,146	18,133,992	1.338	10.77%	10,298
Camden	Gibbsboro	K-8	Found	276,657	311	870,831	212,636	0	1,083,467	2,295,033	1,149,963	1.337	10.66%	7,380
Middlesex	Middlesex Borough	K-12	Found	401,379	1,971	2,678,049	1,115,764	0	3,793,813	14,305,610	10,563,000	1.336	10.58%	7,260
Morris	Roxbury Township	K-12	Found	381,212	3,837	9,937,735	2,726,941	0	12,664,676	33,372,576	19,522,999	1.335	10.52%	8,699
Gloucester	National Park Borough	K-8	Found	139,609	350	1,412,850	285,410	0	1,698,260	2,342,833	650,919	1.332	10.29%	6,694
Burlington	Shamong Township	K-8	Found	236,195	921	3,124,385	794,043	0	3,918,428	7,319,179	2,895,437	1.331	10.20%	7,947
Hunterdon	Holland Township	K-8	Found	445,172	589	1,109,504	517,327	0	1,626,831	4,980,762	3,480,226	1.327	9.89%	8,456
Bergen	River Vale Township	K-8	Trans	611,483	1,098	0	549,733	110,109	659,842	9,804,836	8,899,940	1.326	9.75%	8,930
Union	Cranford Twp	K-12	Trans	570,777	3,086	0	1,704,662	326,645	2,031,307	26,917,685	23,326,121	1.324	9.64%	8,723
Warren	Alpha	K-8	Found	316,780	356	904,889	240,987	0	1,145,876	2,752,049	1,493,379	1.324	9.64%	7,730
Burlington	Pemberton Township	K-12	SND	127,696	6,226	35,717,477	8,833,026	0	44,550,503	54,634,893	10,527,865	1.324	9.64%	8,775
Morris	Rockaway Boro	K-8	Trans	521,607	532	0	310,783	57,241	368,024	4,170,934	3,672,053	1.323	9.58%	7,840
Essex	Irvington Township	K-12	SND	128,994	9,982	50,525,814	11,818,009	837,990	63,181,813	75,983,243	17,035,252	1.323	9.54%	7,612
Sussex	Byram Township	K-8	Found	328,555	1,021	1,920,298	663,486	0	2,583,784	7,007,254	4,431,636	1.321	9.38%	6,863

# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized	Above or Below State	Per Pupil Cost
												Tax Rate 1994/95	Tax Rate 1.2078	
Burlington	Riverside Township	K-12	Found	240,266	1,129	3,046,645	735,702	0	3,782,347	8,022,641	3,576,674	1.319	9.17%	7,106
Hudson	Jersey City	K-12	SND	191,255	31,863	142,292,579	43,371,307	0	185,663,886	238,661,578	80,236,007	1.317	9.01%	7,490
Hunterdon	Delaware Valley Regional Hlg	7-12 Reg	Found	418,987	716	2,605,628	545,446	0	3,151,074	6,941,039	3,937,566	1.313	8.67%	9,694
Middlesex	South Brunswick Twp	K-12	Found	539,416	5,096	315,338	4,157,403	243,846	4,716,587	40,395,756	36,043,736	1.311	8.56%	7,927
Monmouth	Freehold Regional High	7-12 Reg	Found	355,611	7,407	26,709,976	6,641,258	0	33,351,234	67,439,044	34,406,290	1.308	8.15%	9,105
Atlantic	Northfield City	K-8	Found	407,848	777	390,331	489,655	94,743	974,729	5,406,012	4,139,420	1.308	8.15%	6,958
Monmouth	Neptune City	K-8	Found	389,950	565	556,765	510,062	0	1,066,827	4,514,533	2,873,923	1.308	8.10%	7,997
Gloucester	Newfield	K-8	Found	257,152	251	959,201	250,042	0	1,209,243	2,043,350	840,972	1.308	8.09%	8,157
Gloucester	Woodbury Heights Boro	K-8	Found	274,881	299	504,218	124,290	94,729	723,237	1,996,043	1,072,238	1.305	8.01%	6,676
Sussex	Hardyston Township	K-8	Found	387,059	665	930,577	633,579	0	1,564,156	4,947,772	3,356,439	1.304	7.97%	7,440
Monmouth	South Belmar	N/O	Trans	521,617	201	19,777	91,008	28,706	139,491	1,624,394	1,363,626	1.304	7.95%	8,102
Burlington	Burlington City	K-12	SND	308,429	1,310	4,655,891	1,226,155	213,729	6,095,775	13,885,250	5,266,609	1.303	7.92%	10,599
Hunterdon	Bloomsbury	K-8	Found	432,377	143	352,595	110,162	0	482,757	1,304,267	802,430	1.302	7.83%	9,153
Sussex	Frankford Township	K-8	Found	401,170	689	1,204,644	729,375	0	1,934,019	6,428,444	3,590,684	1.299	7.56%	9,330
Atlantic	Hammonton Township	K-12	Found	320,276	1,909	4,751,450	1,696,090	47,942	6,495,482	15,643,548	7,941,855	1.299	7.55%	8,195
Monmouth	Asbury Park City	K-12	SND	122,165	3,220	17,452,560	5,016,431	124,072	22,593,063	28,548,792	5,097,060	1.298	7.30%	8,867
Morris	Kinnelon Boro	K-12	Trans	690,974	1,416	0	1,504,271	87,299	1,591,570	14,254,330	12,678,109	1.298	7.28%	10,067
Morris	Montville Township	K-12	Trans	638,234	2,788	0	1,675,481	245,046	1,920,527	24,220,884	23,033,879	1.294	7.18%	8,688
Bergen	Ramsey Boro	K-12	Trans	710,137	2,180	0	1,374,963	278,530	1,653,493	22,412,855	20,039,518	1.294	7.17%	10,281
Somerset	Hillsborough Township	K-12	Found	369,925	5,733	11,538,519	3,905,903	0	15,444,422	42,555,893	27,437,855	1.294	7.13%	7,424
Burlington	Medford Township	K-8	Found	377,153	2,589	3,272,151	1,893,375	48,215	5,213,741	18,090,677	12,629,636	1.293	7.09%	6,988
Camden	Audubon Boro	K-12	Found	273,931	1,374	3,420,865	802,818	0	4,223,683	11,144,904	4,865,145	1.293	7.02%	8,111
Hunterdon	East Amwell Township	K-8	Found	491,155	513	442,606	401,841	0	844,447	4,106,275	3,255,615	1.292	6.98%	8,004
Burlington	Cinnaminson Township	K-12	Found	407,883	2,188	2,726,527	1,487,095	222,289	4,435,891	16,629,789	11,524,401	1.291	6.92%	7,600
Gloucester	Wenonah	K-8	Found	308,035	230	277,544	116,007	44,289	437,820	1,381,941	914,067	1.290	6.82%	6,008
Camden	Berlin Borough	K-8	Found	304,410	689	1,220,852	432,485	0	1,653,337	4,430,637	2,698,045	1.288	6.51%	6,431
Cumberland	Stow Creek Township	K-8	Found	214,957	160	537,872	214,737	0	752,609	1,247,575	442,401	1.288	6.50%	7,797
Monmouth	Union Beach Borough	K-8	Found	162,089	1,643	5,425,310	1,173,073	0	6,598,383	9,340,223	3,417,920	1.283	6.26%	5,685
Atlantic	Absecon City	K-8	Found	426,255	935	104,968	697,867	155,133	957,968	6,029,190	5,108,410	1.282	6.18%	6,452
Gloucester	So. Gloucester Cty. Reg.	7-12 Reg	Found	180,168	1,688	8,649,693	2,060,418	0	10,710,111	14,692,989	3,899,530	1.282	6.16%	8,704
Bergen	Midland Park Boro	K-12	Found	614,404	955	37,250	580,166	116,336	733,752	9,694,422	7,511,971	1.281	6.05%	10,157
Essex	Caldwell-West Caldwell	K-12	Trans	661,851	2,271	0	1,088,464	224,519	1,312,983	20,803,039	19,251,361	1.281	6.04%	9,160

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State	Per Pupil Cost
													Tax Rate 1.2078	
Warren	Blairstown Township	K-8	Found	374,662	574	667,260	497,660	0	1,164,920	4,664,386	2,753,468	1.280	6.01%	8,126
Monmouth	Marlboro Township	K-8	Found	370,941	4,268	5,987,868	2,729,312	0	8,717,180	28,502,160	20,231,663	1.278	5.81%	6,678
Mercer	West Windsor-Plainsboro Bo	K-12	Found	566,087	6,508	2,492,377	4,171,426	0	6,663,803	51,827,651	47,067,352	1.278	5.78%	7,964
Camden	Winslow Township	K-8	Found	198,352	3,266	9,812,872	3,565,208	0	13,378,080	0	8,275,066	1.277	5.76%	0
Gloucester	Deptford Township	K-12	Found	319,266	3,536	9,264,911	3,903,222	276,137	13,444,270	28,461,223	14,401,697	1.278	5.64%	8,050
Burlington	Hainesport Township	K-8	Found	371,670	438	886,720	388,509	0	1,275,229	3,342,772	2,072,719	1.273	5.42%	7,632
Camden	Woodlynne Boro	K-8	Found	97,029	519	2,394,128	571,326	0	2,985,454	3,601,224	640,753	1.272	5.35%	6,939
Bergen	Rutherford	K-12	Found	600,288	2,140	1,248,210	1,296,907	0	2,545,117	18,887,952	16,241,988	1.265	4.71%	8,828
Bergen	Northvale Boro	K-8	Trans	695,661	439	0	335,324	28,964	364,288	4,469,674	3,854,698	1.262	4.50%	10,181
Sussex	Vernon Township	K-12	Found	278,837	5,127	16,027,019	4,240,501	0	20,267,520	37,477,052	17,990,809	1.258	4.19%	7,310
Bergen	Wallington Boro	K-12	Trans	444,901	1,183	0	566,407	127,824	694,231	7,780,353	6,500,000	1.257	4.05%	6,693
Warren	Knowlton Township	K-8	Found	345,831	297	703,863	275,579	0	979,442	2,290,322	1,289,236	1.255	3.92%	7,712
Essex	Verona Boro	K-12	Trans	672,026	1,576	0	955,374	148,149	1,103,523	15,041,656	13,289,779	1.255	3.89%	9,544
Burlington	Delanco Township	K-8	Found	306,758	514	1,415,498	284,446	0	1,709,944	3,807,997	1,978,275	1.255	3.88%	7,409
Gloucester	Glassboro	K-12	Found	233,969	2,375	7,533,222	2,245,739	148,848	9,927,809	16,718,078	6,957,621	1.252	3.67%	7,039
Monmouth	Highlands Boro	K-8	Trans	529,942	268	0	320,995	39,384	360,379	2,306,879	1,774,423	1.252	3.64%	8,624
Somerset	Branchburg Twp	K-8	Trans	708,735	1,820	0	1,314,598	169,240	1,483,838	17,778,527	16,118,133	1.250	3.49%	9,771
Warren	Frelinghuysen Township	K-8	Found	463,522	188	231,467	197,676	0	429,143	1,559,257	1,088,790	1.249	3.45%	8,294
Burlington	Delran Township	K-12	Found	318,398	2,112	5,801,778	1,328,821	0	7,130,599	16,229,112	8,390,561	1.248	3.31%	7,684
Monmouth	Manalapan-Englishtown Regl	K-8	Found	315,576	4,667	9,720,741	3,265,012	0	12,985,753	30,742,143	18,366,421	1.247	3.25%	6,587
Salem	Penns Grove-Carneys Point I	K-12	Found	178,026	2,233	10,616,756	2,287,101	0	12,903,857	18,652,420	4,900,253	1.247	3.24%	8,355
Sussex	Stillwater Township	K-8	Found	271,190	527	1,449,107	526,028	0	1,975,135	3,786,368	1,781,059	1.248	3.18%	7,185
Bergen	Cresskill Boro	K-12	Trans	799,155	1,088	0	551,021	100,179	651,200	11,528,812	10,833,393	1.248	3.16%	10,596
Burlington	Burlington Township	K-12	Found	387,378	1,936	2,878,607	1,530,448	0	4,409,055	13,328,263	9,334,081	1.245	3.05%	6,884
Bergen	Tenafly Boro	K-12	Trans	748,008	2,366	0	1,128,575	203,171	1,331,746	23,682,589	21,836,445	1.243	2.90%	10,010
Bergen	Demarest Boro	K-8	Trans	691,772	550	0	525,846	29,419	555,265	5,541,378	4,723,426	1.241	2.79%	10,075
Monmouth	Middletown Township	K-12	Found	467,194	10,142	6,849,613	8,662,684	0	15,512,297	75,944,616	58,780,517	1.241	2.72%	7,488
Camden	Voorhees Township	K-8	Found	379,113	3,311	4,137,070	1,863,158	0	6,000,228	22,870,224	15,564,559	1.240	2.66%	6,907
Warren	Mansfield Township	K-8	Found	290,687	668	1,023,305	752,791	0	1,776,096	4,323,895	2,397,717	1.239	2.54%	6,492
Monmouth	Upper Freehold Regional	K-12	Found	391,315	939	1,776,836	844,287	0	2,621,123	12,456,874	4,544,956	1.237	2.41%	13,266
Union	Plainfield City	K-12	SND	193,835	7,377	33,160,258	9,829,701	0	42,989,959	58,515,027	17,683,806	1.237	2.40%	7,933
Warren	Allamuchy Twp	K-8	Trans	666,188	404	0	412,706	18,489	431,195	4,090,787	3,323,856	1.237	2.38%	10,138

# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State	Per Pupil Cost
													Tax Rate 1.2078	
Ocean	Manchester Twp	K-12	Trans	511,188	2,767	0	3,298,240	125,543	3,423,783	23,228,896	17,425,138	1.232	2.02%	8,396
Union	Union Township	K-12	Found	472,504	6,958	2,998,219	5,132,041	306,081	8,436,341	52,051,912	40,503,702	1.232	2.01%	7,481
Sussex	Sussex-Wantage Regional	K-8	Found	273,440	1,699	4,832,472	1,707,965	0	6,540,437	12,356,346	5,721,510	1.232	1.97%	7,273
Passaic	Hawthorne Boro	K-12	Trans	601,326	1,953	0	1,217,093	193,709	1,410,802	16,423,787	14,462,094	1.231	1.96%	8,410
Hunterdon	Flemington-Raritan Regional	K-8	Found	469,374	2,914	861,919	1,782,752	98,153	2,742,824	19,512,144	16,823,060	1.230	1.84%	6,686
Atlantic	Egg Harbor City	K-8	Found	168,853	597	1,792,885	674,176	0	2,467,061	3,873,521	1,237,014	1.227	1.60%	6,488
Monmouth	Freehold Borough	K-8	Found	319,781	1,039	1,754,913	1,011,690	0	2,766,603	7,191,322	4,075,094	1.227	1.55%	6,921
Union	Linden City	K-12	Trans	569,377	5,078	0	4,578,937	452,849	5,031,786	40,627,672	35,438,475	1.226	1.48%	8,001
Camden	Clementon Borough	K-8	Found	218,780	508	1,064,023	454,623	69,111	1,587,757	3,023,327	1,360,123	1.224	1.32%	5,951
Burlington	Lenape Regional High	7-12 Reg	Found	369,503	5,551	17,383,666	4,655,514	0	22,039,180	49,800,745	25,098,470	1.224	1.31%	8,971
Middlesex	Edison Twp	K-12	Trans	548,331	12,433	0	9,407,468	665,391	10,072,859	93,681,199	83,350,998	1.223	1.23%	7,535
Union	Elizabeth City	K-12	SND	181,284	16,800	80,691,968	26,108,526	0	106,800,494	134,718,789	37,165,104	1.220	1.04%	8,019
Hudson	Harrison Town	K-12	SND	339,079	1,762	5,016,843	1,493,017	0	6,509,860	14,753,521	7,284,341	1.220	0.97%	8,376
Ocean	Ocean Gate Boro	K-8	Found	333,502	191	335,317	134,546	0	469,863	1,246,632	776,608	1.219	0.94%	6,527
Passaic	Haledon Boro	K-8	Found	330,583	714	870,392	590,318	0	1,460,710	4,335,658	2,877,222	1.219	0.93%	6,072
Sussex	Stanhope Borough	K-8	Found	472,914	364	336,093	207,393	64,563	608,049	2,799,064	2,098,241	1.219	0.92%	7,680
Atlantic	Somers Point City	K-8	Found	343,675	1,251	1,724,559	933,447	0	2,658,006	7,716,095	5,235,903	1.218	0.83%	6,168
Warren	Franklin Township	K-8	Found	381,367	260	414,283	248,040	0	662,323	0	1,207,042	1.217	0.79%	0
Burlington	Woodland Township	K-8	Found	369,512	198	694,219	240,186	0	934,405	1,856,667	890,490	1.217	0.77%	9,377
Bergen	Hasbrouck Heights Boro	K-12	Trans	643,935	1,374	0	745,216	93,628	838,844	11,779,782	10,765,174	1.217	0.74%	8,573
Salem	Salem City	K-12	Found	112,403	1,240	5,763,963	1,862,803	0	7,626,766	11,122,321	1,683,109	1.208	-0.02%	8,970
Camden	Somerdale Borough	K-8	Found	327,016	423	612,481	504,824	66,360	1,183,665	2,962,626	1,668,812	1.206	-0.11%	7,004
Atlantic	Galloway Twp	K-8	Found	275,445	3,229	7,960,329	2,414,226	0	10,374,555	21,287,638	10,729,526	1.206	-0.12%	6,593
Ocean	Point Pleasant Borough	K-12	Found	427,175	2,894	3,714,353	1,601,285	0	5,315,638	19,527,213	14,886,436	1.204	-0.28%	6,749
Middlesex	North Brunswick Township	K-12	Found	498,111	4,402	2,963,319	4,074,284	0	7,037,603	33,208,831	26,388,672	1.203	-0.36%	7,544
Atlantic	Pleasantville City	K-12	SND	170,783	3,063	15,268,410	3,910,742	0	19,179,152	24,469,785	6,287,800	1.202	-0.46%	7,980
Union	Clark Twp	K-8	Trans	662,101	1,205	0	724,536	92,167	816,703	10,967,395	9,588,892	1.202	-0.49%	9,102
Hudson	Bayonne	K-12	Found	330,809	7,867	9,788,385	5,976,923	139,859	15,905,167	47,000,696	31,258,998	1.201	-0.55%	5,975
Middlesex	Perth Amboy City	K-12	SND	203,961	7,266	31,909,626	11,962,734	0	43,872,360	58,246,359	17,781,512	1.200	-0.65%	8,017
Ocean	Toms River Regional	K-12	Found	366,295	16,842	45,227,461	11,445,702	0	56,673,163	129,312,398	73,998,691	1.199	-0.69%	7,678
Warren	Pohatcong Township	K-8	Found	435,774	521	987,861	546,834	0	1,534,695	4,331,326	2,713,562	1.198	-0.95%	8,321
Gloucester	Washington Township	K-12	Found	217,336	9,039	33,560,554	6,032,610	0	39,593,164	62,527,580	23,461,586	1.194	-1.11%	6,918

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/94					Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/86	Above or Below State Tax Rate 1.2078	Per Pupil Cost
						Foundation	Categorical	Transition	Total Aid					
Bergen	Allendale Boro	K-8	Trans	654,495	808	0	303,740	86,945	390,685	6,880,995	6,315,769	1.194	-1.12%	8,516
Camden	Mount Ephraim Borough	K-8	Found	311,786	538	1,267,842	326,748	0	1,594,390	3,780,772	1,999,136	1.192	-1.32%	7,027
Hudson	West New York Town	K-12	SND	177,808	5,958	28,666,197	6,358,278	0	35,024,475	45,013,752	12,609,783	1.190	-1.45%	7,555
Ocean	Lakewood Township	K-12	Found	363,640	5,263	11,954,797	6,964,669	0	18,919,466	42,156,984	22,775,869	1.190	-1.47%	8,010
Bergen	Fairview Boro	K-8	Found	460,105	1,176	533,325	884,466	0	1,417,791	8,239,836	6,436,439	1.190	-1.47%	7,010
Mercer	Hopewell Valley Reg	K-12	Trans	598,365	2,839	0	1,835,172	227,512	2,062,684	22,969,942	20,212,217	1.190	-1.47%	8,082
Warren	Phillipsburg Township	K-12	SND	196,133	2,681	12,020,031	2,970,533	0	14,990,564	24,223,725	6,256,009	1.190	-1.48%	9,037
Hunterdon	Frenchtown Borough	K-8	Found	287,802	197	527,177	127,387	0	654,564	1,443,429	673,781	1.188	-1.61%	7,327
Burlington	Florence Township	K-12	Found	272,991	1,578	4,104,150	845,882	0	4,950,032	10,036,484	5,119,015	1.188	-1.61%	6,360
Burlington	Southampton Township	K-8	Found	404,372	885	1,286,021	920,508	0	2,206,529	6,505,002	4,238,559	1.184	-1.94%	7,350
Cumberland	Fairfield Township	K-8	Found	118,841	750	2,719,789	999,350	0	3,719,139	5,078,712	1,054,654	1.183	-2.03%	6,772
Monmouth	Fair Haven Boro	K-8	Trans	465,184	809	0	367,824	81,395	449,219	5,086,900	4,445,102	1.181	-2.21%	6,288
Salem	Elmer Borough	K-8	Found	249,454	254	940,242	199,358	0	1,139,600	1,837,840	744,807	1.178	-2.48%	7,250
Passaic	Prospect Park Boro	K-8	Found	210,724	660	1,034,427	484,376	0	1,518,803	3,278,243	1,635,923	1.176	-2.61%	4,967
Salem	Lower Alloways Creek Towns	K-8	Found	524,623	310	835,223	236,263	0	1,071,486	3,313,015	1,905,230	1.173	-2.85%	10,704
Warren	GREAT MEADOWS REGIONAL [NEW]			324,797	1,278	3,626,175	1,085,014	0	4,711,189	9,751,465	4,868,117	1.173	-2.86%	7,633
Warren	Greenwich Township	K-8	Found	336,460	443	1,068,153	324,464	0	1,392,617	3,140,488	1,742,456	1.169	-3.21%	7,089
Morris	Passaic/Long Hill Twp	K-8	Trans	760,818	708	0	561,996	73,739	635,735	6,744,138	6,281,544	1.166	-3.45%	9,526
Hudson	Union City	K-12	SND	148,250	8,741	44,545,554	11,623,107	0	56,168,661	65,792,391	15,105,114	1.166	-3.49%	7,527
Ocean	Central Regional H	7-12 Reg	Trans	706,289	1,802	0	2,064,239	55,727	2,119,966	18,419,919	14,782,574	1.161	-3.83%	10,222
Somerset	Franklin Twp	K-12	Trans	685,121	5,036	0	6,077,846	325,700	6,403,546	45,722,574	40,007,537	1.160	-3.99%	9,080
Gloucester	Mantua Township	K-8	Found	258,108	1,109	2,706,503	767,340	3,917	3,477,760	6,843,266	3,316,839	1.159	-4.06%	6,171
Camden	Gloucester Township	K-8	Found	185,617	7,646	23,646,256	5,728,815	0	29,375,071	45,700,500	16,438,419	1.158	-4.10%	5,977
Atlantic	Buena Regional	K-12	Found	212,493	1,991	6,660,146	3,287,689	0	9,947,835	18,562,854	4,897,065	1.157	-4.16%	9,323
Salem	Elsinboro Township	K-8	Found	428,290	140	256,556	121,044	9,866	387,466	1,113,843	691,343	1.157	-4.20%	7,885
Hudson	North Bergen Twp	K-12	Found	367,202	6,176	10,674,681	6,238,706	0	16,913,387	47,333,852	26,217,478	1.156	-4.28%	7,665
Monmouth	Holmdel Twp	K-12	Trans	649,852	2,689	0	1,541,095	225,091	1,766,186	21,587,191	20,183,663	1.155	-4.37%	8,028
Somerset	Green Brook Twp	K-8	Trans	832,398	586	0	449,262	60,105	509,367	6,337,842	5,824,565	1.154	-4.45%	10,825
Cumberland	Downe Township	K-8	Found	277,969	267	1,186,102	547,941	0	1,734,043	3,715,695	856,497	1.154	-4.45%	13,916
Morris	Chester Township	K-8	Trans	685,022	964	0	836,008	71,061	907,069	8,353,302	7,601,825	1.151	-4.69%	8,665
Hunterdon	Lambertville City	K-8	Trans	608,072	258	0	226,766	25,541	252,307	2,105,059	1,804,905	1.150	-4.75%	8,159
Monmouth	Little Silver Boro	K-8	Trans	559,083	752	0	288,919	71,949	360,868	5,224,633	4,827,207	1.148	-4.94%	6,948

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/84					Approved Budget 1984/85	Tax Levy 1984/85	Equalized Tax Rate 1984/85	Above or Below State Tax Rate 1.2078	Per Pupil Cost
						Foundation	Categorical	Transition	Total Aid					
Mercer	Lawrence Twp	K-12	Trans	663,577	3,403	0	2,856,687	189,695	3,046,382	30,907,401	25,909,713	1.147	-5.00%	9,082
Bergen	Haworth Boro	K-8	Trans	773,907	347	0	223,966	18,551	242,517	3,378,761	3,079,420	1.147	-5.06%	9,737
Burlington	Eastampton Township	K-8	Found	210,906	823	1,930,998	549,871	0	2,480,869	4,257,635	1,990,352	1.147	-5.06%	5,173
Cape May	Lower Township	K-8	Found	403,385	1,867	3,252,451	1,932,983	0	5,185,434	13,253,036	8,630,698	1.146	-5.12%	7,089
Passaic	Passaic County Regional Hg	7-12 Reg	Trans	836,367	1,022	0	1,113,266	34,815	1,148,081	11,390,095	9,794,138	1.146	-5.13%	11,145
Hunterdon	Franklin Twp	K-8	Trans	636,177	306	0	251,692	19,295	270,987	2,562,073	2,230,457	1.146	-5.14%	8,373
Somerset	Bridgewater-Raritan Reg	K-12	Trans	712,132	5,982	0	4,611,158	517,898	5,129,056	53,599,601	48,745,282	1.144	-5.26%	8,960
Atlantic	Folsom Boro	K-8	Found	195,857	421	1,874,471	444,475	0	2,318,946	3,447,598	939,610	1.140	-5.65%	8,189
Burlington	Mount Laurel Township	K-8	Trans	480,149	3,715	0	2,366,560	243,866	2,610,426	23,815,683	20,289,985	1.137	-5.82%	6,411
Middlesex	Sayerville	K-12	Found	429,996	4,908	4,954,868	3,898,520	0	8,853,388	32,800,581	24,004,931	1.137	-5.82%	6,683
Ocean	Brick Township	K-12	Found	414,238	10,045	14,103,022	9,630,493	0	23,733,515	70,325,101	47,299,539	1.137	-5.88%	7,001
Essex	East Orange	K-12	SND	108,572	12,096	71,417,623	14,160,885	0	85,578,508	94,548,788	14,922,637	1.136	-5.92%	7,817
Hunterdon	Kingwood Township	K-8	Found	400,800	462	568,462	338,213	0	906,675	3,039,706	2,103,001	1.136	-5.97%	6,579
Ocean	Lakehurst Boro	K-8	Found	118,969	666	2,762,385	652,389	0	3,414,774	5,209,119	898,900	1.135	-6.00%	7,827
Bergen	Westwood Reg	K-12	Trans	750,586	2,236	0	1,528,381	197,835	1,726,216	20,936,130	19,046,828	1.135	-6.02%	9,365
Bergen	Closter Boro	K-8	Trans	682,835	893	0	424,178	80,693	504,871	7,705,135	6,918,197	1.135	-6.08%	8,828
Bergen	Elmwood Park	K-12	Trans	626,101	1,803	0	1,472,097	57,849	1,529,946	14,417,440	12,780,230	1.132	-6.26%	7,996
Bergen	North Arlington Boro	K-12	Found	553,594	1,482	240,350	1,028,839	120,049	1,389,238	10,835,272	9,279,429	1.131	-6.35%	7,311
Cape May	Middle Township	K-12	Found	324,329	2,420	6,538,106	2,262,454	0	8,800,560	20,237,614	8,869,190	1.130	-6.44%	8,363
Hunterdon	Union Twp	K-8	Trans	614,528	453	0	316,189	46,655	362,844	3,521,742	3,137,285	1.127	-6.69%	7,774
Ocean	Plumsted Township	K-8	Found	245,916	1,155	4,679,394	1,107,128	0	5,786,522	9,645,980	3,177,302	1.119	-7.38%	8,351
Bergen	Englewood City	K-12	Trans	800,083	2,542	0	3,246,714	112,122	3,358,836	26,474,354	22,746,014	1.119	-7.38%	10,417
Cumberland	Cumberland Regional	7-12 Reg	Found	190,115	1,196	5,716,518	1,660,010	0	7,376,528	10,595,675	2,539,656	1.117	-7.52%	8,859
Bergen	Wood Ridge Boro	K-12	Trans	923,953	640	0	618,790	52,005	670,795	7,839,838	6,599,088	1.118	-7.60%	12,250
Union	New Providence Boro	K-12	Trans	764,365	1,613	0	608,104	144,429	750,533	15,115,735	13,690,983	1.110	-8.06%	9,371
Atlantic	Hamilton Township	K-8	Found	314,264	2,269	4,210,470	2,574,705	0	6,785,175	15,383,596	7,906,837	1.109	-8.19%	6,780
Ocean	Little Egg Harbor Township	K-8	Found	335,600	1,502	2,901,435	1,575,042	0	4,476,477	9,720,997	5,583,098	1.108	-8.30%	6,472
Burlington	Willingboro Township	K-12	Found	190,515	5,796	25,278,728	5,044,168	794,486	31,117,382	48,977,049	12,227,731	1.107	-8.32%	8,450
Burlington	Springfield Township	K-8	Found	375,087	302	558,885	230,921	0	789,806	2,189,561	1,252,574	1.106	-8.45%	7,250
Somerset	Watchung Hills Reg H	7-12 Reg	Trans	985,897	939	0	884,118	65,817	949,935	13,487,594	10,231,341	1.105	-8.50%	14,384
Gloucester	East Greenwich Township	K-8	Found	288,581	538	1,806,281	318,673	0	2,124,954	3,831,176	1,714,753	1.104	-8.56%	7,121
Somerset	Montgomery Twp	K-12	Trans	633,649	1,923	0	1,221,953	205,895	1,427,848	16,134,237	13,454,718	1.104	-8.58%	8,380

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District		Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State	Per Pupil Cost
			Cat										Tax Rate 1.2078	
Salem	Mannington Township	K-8	Found	488,677	216	232,834	284,679	56,747	574,260	1,834,082	1,160,623	1.102	-8.75%	8,511
Hunterdon	Clinton Twp	K-8	Found	551,074	1,443	88,168	928,898	94,562	1,111,628	10,532,043	8,756,424	1.101	-8.83%	7,299
Bergen	Wyckoff	K-8	Trans	696,584	1,952	0	899,590	102,604	1,002,194	15,777,114	14,964,608	1.101	-8.88%	8,083
Gloucester	West Deptford Township	K-12	Found	406,321	2,996	6,089,954	2,712,839	0	8,802,793	22,341,146	13,395,059	1.100	-8.90%	7,457
Cumberland	Lawrence Township	K-8	Found	176,526	483	2,162,479	786,713	0	2,949,192	4,299,602	938,000	1.100	-8.91%	8,902
Salem	Pennsville Township	K-12	Found	302,231	2,357	6,749,426	1,358,090	80,873	8,188,389	16,164,823	7,827,455	1.099	-9.02%	6,858
Sussex	Sandyston-Walpack Townshi	K-8	Found	437,358	169	215,240	145,063	0	360,303	1,417,315	811,298	1.098	-9.12%	8,386
Monmouth	Oceanport Boro	K-8	Trans	549,736	597	0	311,565	55,615	367,180	4,917,160	3,597,526	1.096	-9.24%	8,236
Bergen	Norwood Boro	K-8	Trans	661,326	613	0	327,704	23,848	351,552	4,794,808	4,442,475	1.096	-9.27%	7,822
Warren	Harmony Township	K-8	Trans	829,215	401	0	372,950	0	372,950	4,222,500	3,619,006	1.088	-9.89%	10,530
Gloucester	Kingsway Reg HS Dist	7-12 Reg	Found	269,645	867	3,832,442	937,457	0	4,769,899	8,848,903	2,543,526	1.088	-9.92%	10,206
Cape May	Dennis Township	K-8	Found	305,435	1,058	3,191,277	1,085,328	0	4,276,605	7,559,654	3,508,973	1.086	-10.05%	7,149
Bergen	Park Ridge Boro	K-12	Trans	761,184	1,123	0	489,585	107,493	597,078	10,245,327	9,267,664	1.085	-10.20%	9,127
Ocean	Stafford Township	K-8	Found	507,903	1,409	1,110,404	1,503,889	0	2,614,293	10,071,581	7,736,874	1.081	-10.49%	7,148
Hunterdon	Lebanon Borough	K-8	Trans	868,180	125	0	94,434	0	94,434	1,273,844	1,172,935	1.081	-10.51%	10,191
Burlington	Westampton Township	K-8	Found	293,676	870	1,631,745	562,521	0	2,194,266	4,827,505	2,761,482	1.081	-10.51%	5,549
Hunterdon	West Amwell Twp	K-8	Trans	671,603	186	0	165,358	5,653	171,011	1,648,929	1,347,625	1.079	-10.68%	8,865
Morris	Madison Boro	K-12	Trans	931,171	1,675	0	886,532	125,840	1,012,372	18,056,963	16,805,414	1.078	-10.76%	10,783
Ocean	Seaside Heights Borough	K-8	Trans	793,436	197	0	280,995	19,750	300,745	1,942,305	1,680,656	1.075	-10.98%	9,859
Gloucester	Harrison Township	K-8	Found	234,441	764	1,424,375	332,234	0	1,756,609	3,611,138	1,925,497	1.075	-10.99%	4,727
Bergen	River Edge Boro	K-8	Trans	601,677	751	0	437,767	71,965	509,732	5,606,224	4,853,157	1.074	-11.07%	7,465
Mercer	Trenton City	K-12	SND	151,579	13,012	79,228,261	21,799,706	0	101,027,967	120,390,835	21,115,662	1.071	-11.36%	9,252
Middlesex	Cranbury Twp	K-8	Trans	816,323	522	0	313,198	21,049	334,247	4,973,804	4,552,482	1.069	-11.46%	9,537
Passaic	Wayne Twp	K-12	Trans	743,782	6,652	0	4,552,925	218,715	4,771,640	58,502,243	52,783,539	1.067	-11.66%	8,795
Burlington	Mansfield Township	K-8	Trans	514,244	295	0	238,255	10,526	248,781	2,292,815	1,618,457	1.067	-11.67%	7,772
Warren	White Township	K-8	Found	558,881	536	911,097	562,357	0	1,473,454	4,641,926	3,193,864	1.066	-11.73%	8,660
Gloucester	Paulsboro Boro	K-12	Found	237,496	1,211	4,336,851	1,587,766	0	5,924,617	10,874,761	3,065,746	1.066	-11.74%	8,980
Salem	Oldmans Township	K-8	Found	345,791	370	1,403,182	312,055	0	1,715,237	3,017,220	1,359,109	1.064	-11.93%	8,166
Burlington	Palmyra Borough	K-12	Found	263,642	1,100	2,149,939	826,642	327,493	3,304,074	8,809,460	3,080,081	1.062	-12.07%	8,009
Bergen	Maywood Boro	K-8	Trans	728,629	991	0	715,045	56,267	771,312	8,480,056	7,642,934	1.062	-12.08%	8,561
Morris	Denville Township	K-8	Trans	647,709	1,325	0	1,067,563	52,544	1,120,107	10,415,194	9,112,984	1.062	-12.08%	7,861
Cumberland	Maurice River Township	K-8	Found	199,881	656	2,853,263	908,322	0	3,761,585	5,585,988	1,389,764	1.061	-12.18%	8,522

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 9/1/84	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Appropriated Budget 1994/95	FAA 1994/95	Equalize 1994/95	Above or Below State	Cost
													1.2078	
Cape May	Lower Cape May Regional	7-12 Reg	Found	556,537	1,524	3,448,715	1,736,764	0	5,185,479	14,564,130	8,958,311	1.057	-12.52%	9,560
Salem	Quinton Township	K-8	Found	263,089	410	1,637,508	443,290	0	2,080,798	3,318,579	1,134,579	1.052	-12.91%	8,084
Ocean	Eagleswood Twp	K-8	Found	335,592	141	421,521	149,900	0	571,421	1,220,909	497,533	1.051	-12.94%	8,659
Atlantic	Egg Harbor Twp	K-12	Found	320,240	4,641	13,498,199	6,068,025	0	19,566,224	34,245,998	15,626,704	1.051	-12.95%	7,379
Bergen	Little Ferry Boro	K-8	Found	617,808	1,043	151,797	741,748	49,520	943,065	7,624,900	6,767,472	1.050	-13.05%	7,311
Union	Berkeley Heights Twp	K-8	Trans	814,941	1,361	0	865,479	90,606	956,085	12,730,560	11,644,922	1.050	-13.07%	9,354
Morris	Hanover Park Regional High	7-12 Reg	Trans	1,187,819	1,230	0	1,026,439	147,819	1,174,258	17,045,130	15,328,455	1.050	-13.10%	13,863
Cape May	Wildwood City	K-12	Trans	710,278	801	0	1,174,764	0	1,174,764	9,661,294	5,966,454	1.049	-13.17%	12,062
Passaic	West Paterson	K-8	Trans	672,322	828	0	588,227	0	588,227	6,716,907	5,831,935	1.048	-13.26%	8,112
Mercer	Washington Twp	K-8	Trans	622,369	782	0	765,063	49,485	814,548	5,798,997	5,098,516	1.048	-13.27%	7,416
Atlantic	Estell Manor City	K-8	Found	304,258	310	1,191,661	251,040	0	1,442,701	2,450,703	983,399	1.044	-13.54%	7,918
Monmouth	Wall Township	K-12	Found	560,407	3,403	1,065,483	2,757,000	193,433	4,015,916	24,621,236	19,891,488	1.043	-13.64%	7,235
Bergen	Old Tappan Boro	K-8	Trans	745,714	557	0	204,035	42,317	246,352	4,690,853	4,320,905	1.040	-13.87%	8,422
Middlesex	Monroe Twp	K-12	Trans	732,249	2,533	0	2,598,135	166,721	2,764,856	24,057,970	19,248,984	1.038	-14.08%	9,498
Cape May	Woodbine Boro	K-8	Found	164,465	335	1,747,682	623,241	0	2,370,923	3,061,617	571,502	1.037	-14.12%	9,139
Hunterdon	Stockton Boro	K-8	Trans	595,447	53	0	18,225	4,658	22,883	354,596	326,222	1.034	-14.41%	6,680
Morris	Morris Plains Boro	K-8	Trans	1,176,650	644	0	405,182	34,143	439,325	8,643,393	7,830,039	1.033	-14.45%	13,421
Salem	Woodstown-Pilesgrove Reg.	K-12	Found	253,240	1,249	3,976,310	855,210	0	4,831,520	10,996,132	3,284,740	1.032	-14.54%	8,804
Monmouth	Atlantic Highlands	K-8	Trans	621,458	317	0	167,550	30,221	197,771	2,314,983	2,029,182	1.030	-14.72%	7,303
Bergen	Palisades Park	K-12	Trans	500,657	1,684	0	1,048,894	137,255	1,186,149	10,273,394	8,679,847	1.030	-14.76%	6,101
Cumberland	Vineland City	K-12	SND	173,986	9,351	48,087,328	12,462,227	0	60,549,555	71,813,121	16,742,812	1.029	-14.80%	7,680
Atlantic	Weymouth Township	K-8	Found	218,027	347	1,210,792	435,450	0	1,646,242	2,740,845	774,569	1.025	-15.11%	7,910
Morris	Riverdale Boro	K-8	Trans	736,753	344	0	241,970	31,360	273,330	2,840,796	2,598,262	1.025	-15.12%	8,258
Morris	Boonton Township	K-8	Trans	691,099	560	0	293,748	25,264	319,012	4,373,977	3,966,068	1.025	-15.15%	7,811
Somerset	Rocky Hill	N/O	Trans	1,003,914	64	0	49,696	1,990	51,686	707,020	655,339	1.020	-15.55%	11,047
Essex	Cedar Grove Twp	K-12	Trans	803,433	1,246	0	777,992	94,749	872,741	12,279,668	10,189,452	1.018	-15.73%	9,855
Cumberland	Upper Deerfield Township	K-8	Found	225,179	1,019	2,946,244	1,005,766	0	3,952,010	6,320,091	2,322,775	1.012	-16.19%	6,202
Passaic	Passaic City	K-12	SND	135,117	9,970	55,795,508	15,991,894	0	71,787,402	77,421,155	13,569,390	1.007	-16.60%	7,765
Bergen	Upper Saddle River Boro	K-8	Trans	937,210	931	0	483,015	47,008	530,023	9,531,025	8,785,365	1.007	-16.64%	10,237
Morris	The Chathams	K-12	Trans	898,865	2,313	0	1,534,350	201,429	1,735,779	23,024,923	20,873,496	1.004	-16.86%	9,957
Monmouth	Manasquan Boro	K-12	Trans	605,521	912	1,834	457,566	88,827	546,227	11,117,930	5,514,535	0.999	-17.28%	12,197
Warren	Lopatcong Township	K-8	Found	437,670	717	1,378,996	284,530	0	1,663,526	4,933,297	3,132,676	0.999	-17.29%	6,885

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District	Cat	Equal Val Per Pupil 8/1/94	Resident Enroll 10/15/94	Appropriation				Total Aid	Appropriation Budget 1994/95	1994/95	Equalize 1994/95	Above or Below State 1.2078	Cost
						Foundation	Categorical	Transition							
Monmouth	West Long Branch Boro	K-8	Trans	587,849	652	0	274,224	67,068	341,292	4,787,269	3,825,623	0.998	-17.36%	7,342	
Essex	North Caldwell Boro	K-8	Trans	820,190	502	0	230,303	81,521	291,824	4,567,859	4,105,926	0.997	-17.43%	9,099	
Essex	West Essex Reg	7-12 Reg	Trans	1,305,223	1,225	0	1,044,906	95,163	1,140,069	17,125,590	15,915,892	0.996	-17.55%	13,986	
Hudson	East Newark Boro	K-8	Found	236,487	333	1,090,525	352,230	0	1,442,755	2,352,794	783,298	0.995	-17.65%	7,065	
Bergen	Saddle Brook Township	K-12	Trans	826,142	1,406	0	941,751	175,979	1,117,730	12,345,940	11,505,719	0.991	-17.99%	8,781	
Camden	Gloucester City	K-12	SND	153,147	2,163	11,714,202	2,249,453	0	13,963,655	16,239,865	3,267,108	0.986	-18.34%	7,508	
Cumberland	Commercial Township	K-8	Found	110,674	1,047	4,187,998	1,651,972	0	5,839,970	7,047,147	1,141,367	0.985	-18.45%	6,731	
Morris	Mendham Boro	K-8	Trans	894,096	476	0	273,340	21,702	295,042	4,529,161	4,185,607	0.983	-18.57%	9,515	
Salem	Pittsgrove Township	K-12	Found	177,087	1,823	7,005,950	1,755,758	0	8,761,708	12,366,059	3,173,644	0.983	-18.58%	6,785	
Passaic	Clifton City	K-12	Trans	606,976	8,330	0	7,176,721	634,815	7,811,536	59,471,501	49,471,485	0.979	-18.98%	7,140	
Gloucester	Clayton Boro	K-12	Found	178,688	1,148	4,563,397	1,608,918	0	6,172,315	8,228,830	2,002,483	0.977	-19.14%	7,171	
Hunterdon	Clinton Town	K-8	Trans	604,385	236	0	136,280	25,592	161,872	2,820,834	1,387,993	0.973	-19.43%	11,953	
Atlantic	Mullica Township	K-8	Found	232,536	827	2,196,796	991,880	0	3,188,676	4,933,448	1,871,283	0.973	-19.43%	5,965	
Ocean	Tuckerton Borough	K-8	Found	342,114	275	621,695	279,490	0	901,185	1,987,767	913,498	0.971	-19.61%	7,228	
Bergen	Carlstadt East Rutherford	7-12 Reg	Trans	1,314,540	417	0	307,405	0	307,405	5,805,263	5,312,216	0.970	-19.67%	13,938	
Gloucester	Franklin Township	K-8	Found	179,988	1,676	4,539,285	2,126,607	0	6,665,892	9,430,374	2,895,027	0.960	-20.54%	5,627	
Salem	Alloway Township	K-8	Found	237,594	625	2,374,114	394,841	0	2,768,955	4,370,559	1,419,717	0.957	-20.78%	6,998	
Union	Springfield Twp	K-8	Trans	830,728	1,176	0	519,545	6,362	525,907	10,267,686	9,341,183	0.956	-20.83%	8,731	
Sussex	Branchville Boro	N/O	Trans	701,251	108	0	58,796	5,685	64,481	870,656	723,934	0.956	-20.86%	8,062	
Hunterdon	Readington Twp	K-8	Trans	678,467	1,635	0	1,159,656	120,093	1,279,749	11,811,870	10,575,299	0.953	-21.07%	7,224	
Bergen	Ridgefield Boro	K-12	Found	661,903	1,353	1,120,847	733,025	27,741	1,887,613	12,141,060	8,521,585	0.952	-21.18%	8,977	
Bergen	Montvale Boro	K-8	Trans	971,246	707	0	619,264	0	619,264	7,330,858	6,522,813	0.950	-21.35%	10,369	
Hunterdon	Delaware Township	K-8	Found	514,158	516	631,443	472,885	0	1,104,328	3,798,849	2,506,431	0.945	-21.78%	7,362	
Bergen	Oradell Boro	K-8	Trans	817,016	620	0	379,491	18,168	395,659	4,834,329	4,777,851	0.943	-21.91%	7,797	
Hudson	Weehawken Twp	K-12	Trans	600,006	1,324	0	1,677,179	108,744	1,785,923	10,458,488	7,477,185	0.942	-22.04%	7,902	
Morris	Hanover Township	K-8	Trans	1,049,025	1,134	0	788,284	0	788,284	12,580,261	11,183,575	0.940	-22.16%	11,084	
Middlesex	Helmetta	N/O	Found	370,825	208	489,761	213,084	0	702,845	1,617,462	723,500	0.938	-22.34%	7,776	
Mercer	Princeton Reg	K-12	Trans	996,519	2,720	0	1,804,073	73,207	1,877,280	29,079,783	25,323,866	0.934	-22.63%	10,693	
Bergen	Cliffside Park Boro	K-12	Trans	743,239	1,838	0	1,585,100	94,381	1,679,481	17,915,874	12,759,875	0.934	-22.64%	9,750	
Gloucester	Monroe Township	K-12	Found	220,101	4,286	13,618,962	4,020,705	0	17,639,667	28,321,219	8,806,717	0.934	-22.70%	8,609	
Ocean	Point Pleasant Beach Boro	K-12	Trans	884,340	697	0	544,143	23,334	567,477	7,430,037	5,737,570	0.932	-22.88%	10,668	
Cumberland	Deerfield Township	K-8	Found	176,529	380	1,144,625	445,799	0	1,590,424	2,505,694	620,000	0.924	-23.48%	6,594	

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District		Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State Tax Rate 1.2078	Per Pupil Cost
		District	Cat											
Gloucester	Logan Township	K-8	Found	414,741	1,144	3,729,975	675,434	0	4,405,409	8,706,080	4,366,039	0.920	-23.81%	7,610
Atlantic	Corbin City	N/O	Found	292,535	70	92,386	50,147	0	142,533	481,453	188,085	0.918	-23.95%	6,878
Salem	Upper Pittsgrove Township	K-8	Found	240,902	585	2,358,533	590,597	0	2,949,130	4,566,936	1,292,201	0.917	-24.08%	7,807
Monmouth	Shrewsbury Boro	K-8	Trans	751,910	420	0	241,994	22,029	264,023	3,243,723	2,891,561	0.916	-24.19%	7,723
Ocean	Lacey Twp	K-12	Found	353,601	4,314	10,679,522	3,492,329	0	14,171,851	27,815,935	13,904,169	0.912	-24.52%	6,449
Gloucester	Westville Boro	K-8	Found	220,144	402	865,858	325,445	0	1,191,303	2,038,395	805,105	0.910	-24.68%	5,071
Bergen	Paramus Boro	K-12	Trans	981,430	3,560	0	2,496,524	141,903	2,638,427	34,991,520	31,708,489	0.908	-24.86%	9,829
Burlington	North Hanover Township	K-8	Found	68,767	1,762	3,414,698	1,158,982	0	4,573,680	11,116,727	1,097,259	0.906	-25.02%	6,309
Monmouth	Eaton town	K-8	Found	449,980	1,617	2,931,932	1,407,206	0	4,339,138	13,643,800	6,557,790	0.901	-25.38%	8,438
Gloucester	Elk Township	K-8	Found	179,883	396	1,311,715	445,052	0	1,756,767	2,508,775	641,431	0.900	-25.45%	6,335
Camden	Camden City	K-12	SND	48,494	20,177	134,184,843	33,520,436	0	167,705,279	172,647,792	8,699,327	0.889	-26.39%	8,557
Burlington	New Hanover Township	K-8	Found	299,027	225	473,221	267,693	7,474	748,388	1,831,187	597,951	0.889	-26.42%	8,139
Bergen	Rochelle Park Township	K-8	Trans	941,694	554	0	386,010	11,602	397,612	5,304,051	4,831,415	0.888	-26.50%	9,574
Morris	Morris School District	K-12	Trans	1,051,902	3,840	0	4,351,131	64,579	4,415,710	44,220,024	35,835,545	0.887	-26.54%	11,517
Union	Kenilworth Boro	K-8	Trans	795,274	656	0	399,469	59,907	459,376	5,103,527	4,595,769	0.881	-27.08%	7,780
Bergen	Fort Lee Boro	K-12	Trans	910,644	3,288	0	1,903,386	0	1,903,386	27,938,618	26,344,862	0.880	-27.15%	8,497
Bergen	Lyndhurst Township	K-12	Trans	844,550	1,944	0	1,415,583	114,505	1,530,088	15,674,821	14,365,357	0.875	-27.54%	8,065
Morris	East Hanover Township	K-8	Trans	1,078,501	939	0	694,055	75,996	770,051	10,217,823	8,766,997	0.886	-28.32%	10,882
Somerset	Warren Twp	K-8	Trans	958,195	1,385	0	1,165,717	617	1,166,334	12,194,874	11,398,728	0.859	-28.89%	8,805
Bergen	Woodcliff Lake Boro	K-8	Trans	976,014	715	0	277,304	17,498	294,802	6,352,263	5,978,161	0.857	-29.07%	8,884
Cumberland	Hopewell Township	K-8	Found	222,309	502	1,619,317	606,295	0	2,225,612	3,627,484	954,811	0.856	-29.16%	7,226
Monmouth	Brielle Borough	K-8	Trans	865,613	592	0	335,662	19,770	355,432	4,844,919	4,326,107	0.845	-30.04%	8,191
Monmouth	Belmar Boro	K-8	Trans	645,411	640	0	646,209	28,109	674,318	5,197,134	3,411,678	0.827	-31.56%	8,127
Monmouth	Spring Lake Heights Boro	K-8	Trans	809,448	496	0	416,340	26,989	443,329	3,949,800	3,313,394	0.828	-31.60%	7,971
Bergen	Mahwah Township	K-12	Trans	1,070,386	2,263	0	2,177,269	0	2,177,269	22,288,857	19,949,336	0.824	-31.81%	9,849
Cumberland	Millville City	K-12	SND	171,518	5,149	28,441,463	5,214,908	0	33,656,371	38,735,241	7,239,731	0.820	-32.12%	7,524
Cumberland	Bridgeton City	K-12	SND	102,564	3,785	23,354,230	5,484,542	0	28,838,772	29,557,029	3,143,058	0.810	-32.98%	7,810
Passaic	Little Falls Twp	K-8	Trans	801,177	789	0	505,124	14,473	519,597	5,793,764	5,100,782	0.807	-33.19%	7,343
Hunterdon	Tewksbury Twp	K-8	Trans	942,876	571	0	377,994	24,997	402,991	4,709,418	4,329,948	0.804	-33.41%	8,248
Gloucester	Greenwich Township	K-8	Found	843,259	816	787,316	748,011	0	1,515,327	7,287,264	5,491,834	0.799	-33.88%	8,938
Bergen	South Hackensack Twp	K-8	Trans	1,213,314	282	0	321,737	0	321,737	3,292,122	2,712,775	0.794	-34.24%	11,695
Passaic	North Haledon Boro	K-8	Trans	763,081	527	0	375,900	49,816	425,716	4,001,549	3,191,120	0.794	-34.30%	7,593

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District		Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Approved Budget 1994/95				Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State Tax Rate 1.2078	Per Pupil Cost	
		District	Cat			Foundation	Categorical	Transition	Total Aid					
Ocean	Berkeley Twp	K-8	Trans	678,466	1,774	0	1,467,026	63,213	1,530,239	12,060,837	9,497,778	0.789	-34.67%	6,799
Union	Summit City	K-12	Trans	1,103,102	2,613	0	1,282,506	121,441	1,403,947	24,766,010	22,502,759	0.781	-35.36%	9,478
Cape May	Upper Township	K-8	Found	339,565	2,276	6,471,894	2,099,287	0	8,571,181	17,034,294	6,014,761	0.778	-35.56%	7,484
Bergen	Ho Ho Kus Boro	K-8	Trans	1,097,078	509	0	367,513	18,332	385,845	4,697,519	4,338,231	0.777	-35.68%	9,229
Atlantic	Brigantine City	K-8	Trans	835,013	1,286	0	1,215,801	0	1,215,801	9,673,301	8,266,239	0.770	-36.26%	7,522
Bergen	East Rutherford Boro	K-8	Trans	984,116	685	0	415,500	38,549	454,049	5,661,176	5,163,823	0.766	-36.58%	8,264
Cape May	West Cape May Boro	K-8	Trans	1,164,844	59	0	49,714	1,795	51,509	602,003	523,770	0.762	-36.90%	10,203
Cape May	West Wildwood	N/O	Trans	1,187,335	51	0	11,776	6,370	18,146	475,243	455,130	0.759	-37.15%	9,411
Essex	Millburn Twp	K-12	Trans	1,239,130	2,669	0	1,197,067	0	1,197,067	26,614,774	25,070,305	0.758	-37.24%	9,972
Gloucester	Swedesboro-Woolwich	K-8	Found	260,734	476	1,418,985	407,569	0	1,826,554	3,136,586	931,701	0.751	-37.84%	6,589
Warren	Hardwick Township	N/O	Found	377,933	146	197,491	94,441	0	291,932	831,685	412,453	0.747	-38.11%	5,696
Somerset	Watchung Boro	K-8	Trans	1,454,267	423	0	253,042	0	253,042	4,832,466	4,491,660	0.730	-39.55%	11,424
Atlantic	Ventnor City	K-8	Trans	887,067	1,104	0	810,180	30,005	840,185	7,968,040	7,124,750	0.728	-39.74%	7,221
Somerset	Bernards Twp	K-12	Trans	1,003,238	2,543	0	1,444,284	204,649	1,648,933	20,610,040	18,482,548	0.725	-40.01%	8,106
Morris	Mendham Township	K-8	Trans	1,190,762	507	0	397,040	25,821	422,861	5,036,661	4,354,664	0.721	-40.28%	9,934
Bergen	Franklin Lakes Boro	K-8	Trans	1,269,589	1,078	0	886,633	10,931	897,564	10,544,604	9,842,241	0.719	-40.46%	9,782
Monmouth	Rumson Boro	K-8	Trans	919,046	822	0	364,391	26,494	390,885	5,872,787	5,374,688	0.711	-41.10%	7,145
Passaic	Totowa Boro	K-8	Trans	1,035,565	768	0	543,068	13,433	556,501	6,700,128	5,613,810	0.706	-41.56%	8,724
Monmouth	Colts Neck Twp	K-8	Trans	912,150	882	0	575,282	42,588	617,870	6,748,316	5,580,439	0.694	-42.57%	7,651
Cape May	North Wildwood City	K-8	Trans	1,160,923	530	0	602,938	0	602,938	5,049,965	4,199,044	0.683	-43.44%	9,537
Essex	Fairfield Twp	K-8	Trans	1,399,200	591	0	350,602	18,341	368,943	6,453,367	5,523,479	0.668	-44.70%	10,919
Bergen	Edgewater Boro	K-8	Trans	1,194,909	550	0	694,307	0	694,307	5,289,550	4,360,432	0.664	-45.02%	9,626
Union	Mountainside Boro	K-8	Trans	1,140,948	516	0	283,605	6,409	290,014	4,360,400	3,806,670	0.664	-45.06%	8,450
Monmouth	Avon Boro	K-8	Trans	1,282,754	171	0	109,384	24,243	133,627	1,735,294	1,445,245	0.659	-45.45%	10,148
Bergen	Moonachie Boro	K-8	Trans	1,461,141	369	0	411,492	0	411,492	3,944,641	3,488,904	0.647	-46.42%	10,690
Ocean	Southern Regional	7-12 Reg	Trans	1,446,294	1,604	0	1,990,571	0	1,990,571	26,930,476	14,693,368	0.634	-47.54%	16,795
Morris	Florham Park Boro	K-8	Trans	1,634,446	707	0	436,253	0	436,253	7,844,941	7,234,640	0.626	-48.16%	11,086
Hudson	Secaucus Town	K-12	Trans	1,342,625	1,614	0	1,102,565	20,723	1,123,288	14,570,800	13,493,638	0.623	-48.44%	9,028
Monmouth	Monmouth Beach Boro	K-8	Trans	1,014,594	273	0	210,414	0	210,414	2,025,552	1,698,514	0.613	-49.23%	7,420
Cape May	Wildwood Crest Boro	K-8	Trans	1,526,608	448	0	285,609	0	285,609	4,241,839	3,978,685	0.582	-51.78%	9,479
Somerset	Bedminster Twp	K-8	Trans	1,854,727	645	0	617,171	0	617,171	7,091,032	6,916,726	0.579	-52.08%	11,002
Essex	Essex Fells Boro	K-8	Trans	1,597,424	170	0	31,752	4,390	36,142	1,375,103	1,404,707	0.517	-57.17%	8,089

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of District		Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation			Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State Tax Rate 1.2078	Per Pupil Cost
		District	Cat			Foundation	Categorical	Transition						
Atlantic	Margate City	K-8	Trans	1,885,988	681	0	552,501	0	552,501	7,673,921	6,400,199	0.498	-58.74%	11,269
Atlantic	Atlantic City	K-12	Trans	1,071,252	6,584	0	9,889,571	232,089	10,121,660	57,523,074	34,654,800	0.491	-59.32%	8,737
Camden	Tavistock	N/O	Found	1,456,830	2	0	0	0	0	15,500	13,900	0.477	-60.50%	7,750
Bergen	Carlstadt Boro	K-8	Trans	1,699,584	563	0	253,819	0	253,819	4,945,148	4,483,633	0.469	-61.20%	8,784
Bergen	Alpine Boro	K-8	Trans	2,898,511	243	0	274,692	0	274,692	3,241,226	3,043,926	0.432	-64.22%	13,338
Ocean	Seaside Park Boro	K-8	Trans	1,864,063	133	0	119,352	0	119,352	1,279,256	1,061,029	0.428	-64.57%	9,618
Monmouth	Sea Girt Boro	K-8	Trans	2,332,471	218	0	86,943	0	86,943	2,286,033	2,174,707	0.428	-64.59%	10,486
Cape May	Ocean City	K-12	Trans	1,750,263	1,803	0	1,621,042	0	1,621,042	22,267,324	13,248,781	0.420	-65.23%	12,354
Bergen	Englewood Cliffs Boro	K-8	Trans	2,534,009	468	0	424,216	0	424,216	5,659,073	4,978,714	0.420	-65.24%	12,092
Essex	Roseland Boro	K-8	Trans	1,912,623	306	0	247,317	0	247,317	2,809,362	2,434,073	0.416	-65.57%	9,181
Cape May	Cape May City	K-8	Trans	1,749,294	298	0	175,769	0	175,769	2,550,141	1,826,572	0.350	-70.99%	8,558
Monmouth	Spring Lake Boro	K-8	Trans	2,335,917	338	0	177,884	0	177,884	2,980,985	2,699,589	0.342	-71.65%	8,833
Ocean	Lavallette	K-8	Trans	2,556,419	233	0	162,998	0	162,998	2,223,233	2,036,986	0.342	-71.69%	9,542
Morris	Harding Township	K-8	Trans	2,930,700	341	0	263,613	9,862	273,475	4,139,660	3,366,927	0.337	-72.11%	12,140
Bergen	Saddle River Boro	K-8	Trans	2,970,703	336	0	203,460	0	203,460	3,710,217	3,237,352	0.325	-73.11%	11,059
Monmouth	Sea Bright Boro	N/O	Trans	2,041,729	80	0	84,716	16,581	101,297	645,138	515,271	0.315	-73.88%	8,064
Ocean	Bay Head	K-8	Trans	5,110,690	80	0	62,794	0	62,794	1,482,933	1,233,154	0.302	-75.03%	18,537
Ocean	Beach Haven Borough	K-8	Trans	3,298,472	96	0	58,813	0	58,813	983,057	854,747	0.270	-77.65%	10,240
Cape May	Sea Isle City	K-8	Trans	3,325,749	288	0	349,306	0	349,306	3,297,249	2,534,090	0.265	-78.09%	11,449
Ocean	Long Beach Island	K-8	Trans	5,603,939	385	0	362,103	0	362,103	4,157,487	4,020,698	0.186	-84.57%	10,799
Monmouth	Interlaken Borough	N/O	Trans	16,684,585	6	0	15,421	8,531	23,952	230,366	165,597	0.180	-85.06%	41,885
Monmouth	Deal Boro	K-8	Trans	11,366,239	46	0	93,128	9,306	102,434	1,309,861	924,934	0.177	-85.35%	28,475
Monmouth	Allenhurst	N/O	Trans	18,475,487	6	0	42,554	0	42,554	268,330	156,410	0.141	-88.32%	44,722
Atlantic	Longport	N/O	Trans	9,876,465	51	0	26,554	0	26,554	733,222	671,118	0.133	-88.97%	14,377
Cape May	Stone Harbor Boro	K-8	Trans	10,182,736	98	0	35,058	5,075	40,133	1,263,645	1,160,643	0.116	-90.37%	12,894
Cape May	Avalon Boro	K-8	Trans	9,361,215	176	0	68,679	866	69,545	1,836,092	1,693,885	0.103	-91.48%	10,462
Cape May	Cape May Point	N/O	Trans	13,022,543	11	0	13,787	78	13,865	139,491	128,380	0.090	-92.58%	12,681
Bergen	Rockleigh	N/O	Trans	10,584,799	16	0	3,037	5,282	8,319	196,348	130,518	0.077	-93.62%	12,272
Ocean	Mantoloking	N/O	Trans	24,774,366	17	0	5,826	750	6,576	225,513	197,781	0.047	-96.11%	13,285
Bergen	Teterboro	N/O	Found		0	0	0	0	0	5,500	0	0.000	-100.00%	
Atlantic	Atlantic Cty Voc	VOC	Voc	0	529	716,381	920,620	0	1,637,001	5,187,046	0			9,805
Atlantic	Atlantic Cty Spec Serv	SS	CSS	0	445	597,374	4,833,658	679,585	6,110,617	10,501,292	0			23,598

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# STATE AID COMPARISONS

[June 1, 1995]

County	District	Type of		Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalize d Tax Rate 1994/95	Above or	Per Pupil Cost
		District	Cat										Tax Rate 1.2078	
Bergen	Bergen County Spec Svcs	SS	CSS	0	839	0	8,037,121	1,710,214	9,747,335	26,838,709	0			32,008
Bergen	Bergen County Voc	VOC	Voc	0	1,413	0	4,312,803	0	4,312,803	29,848,500	0			21,132
Burlington	Burlington Co Spec Serv	SS	CSS	0	1,152	3,067,947	11,461,568	0	14,529,515	19,930,436	0			17,301
Burlington	Burlington County Voc.	VOC	Voc	0	1,850	5,874,190	3,212,924	0	9,087,114	16,576,904	0			8,960
Camden	Camden County Voc	VOC	Voc	0	3,810	10,372,186	8,306,530	0	18,678,716	25,465,078	0			6,684
Cape May	Cape May Co Spec Ser Dist	SS	CSS	0	400	0	3,932,755	435,245	4,368,000	9,547,088	0			23,868
Cape May	Cape May Co Voc	VOC	Voc	0	469	0	827,848	0	827,848	4,388,625	0			9,357
Cumberland	Cumberland Co Voc Tech	VOC	Voc	0	367	1,604,898	804,139	0	2,409,037	3,680,574	0			10,042
Essex	Essex Cty Voc	VOC	Voc	0	2,020	4,952,996	6,754,846	0	11,707,842	20,814,638	0			10,307
Gloucester	Gloucester Co Sp Ser Dist	SS	CSS	0	132	273,107	1,113,925	0	1,387,032	6,884,988	0			52,357
Gloucester	Gloucester County Voc. Tech	VOC	Voc	0	755	3,250,284	1,494,469	0	4,744,753	9,290,117	0			12,305
Hudson	Hudson County Voc. Tech.	VOC	Voc	0	3,085	7,105,865	3,341,944	9,277	10,457,086	21,983,000	0			7,126
Hunterdon	Hunterdon Cty Vocational	VOC	Voc	0	265	531,769	471,702	0	1,003,471	2,475,870	0			9,361
Mercer	Mercer Co Spec Ser	SS	CSS	0	705	1,056,743	7,457,315	370,807	8,884,865	13,268,347	0			18,834
Mercer	Mercer Cty Voc Schools	VOC	Voc	0	521	1,118,419	1,157,626	0	2,276,045	6,907,477	0			13,271
Middlesex	Middlesex Cty Voc	VOC	Voc	0	2,632	3,683,149	7,043,030	0	10,726,179	25,637,663	0			9,743
Monmouth	Monmouth Cty Voc	VOC	Voc	0	1,946	1,861,040	2,747,173	0	4,608,213	17,607,410	0			9,048
Morris	CHATHAM BORO				0	0	0	0	0	0	0			
Morris	CHATHAM TWP				0	0	0	0	0	0	0			
Morris	Morris County Voc Schools	VOC	Voc	0	487	0	1,127,179	0	1,127,179	4,821,481	0			9,911
Ocean	Ocean County Voc	VOC	Voc	0	1,079	1,969,222	2,839,790	0	4,809,012	11,925,178	0			11,057
Passaic	Passaic Co Tech Voc	VOC	Voc	0	2,034	851,403	6,526,085	0	7,377,488	23,592,269	0			11,602
Salem	Salem Co Spec Serv Dist	SS	CSS	0	151	0	894,729	0	894,729	3,004,539	0			18,964
Salem	Salem Co Vocational	VOC	Voc	0	268	1,323,764	738,170	1,500	2,063,434	3,538,387	0			13,203
Somerset	Bernardsville Boro [NEW RE]	K-12	Trans		0	0	0	0	0	13,269,126	8,321,711			
Somerset	Far Hills Borough [NEW REC	N/O	Trans		0	0	0	0	0	655,225	576,628			
Somerset	Peapack-Gladstone Boro [NE	N/O	Trans		0	0	0	0	0	2,843,515	2,655,488			
Somerset	Somerset County Voc	VOC	Voc	0	624	0	1,285,849	0	1,285,849	8,416,529	0			13,488
Somerset	SOMERSET HILLS REGIONAL [NEW]			0	1,156	0	691,650	65,175	756,825	0	0			0
Sussex	Sussex County Voc. Tech. Hi	VOC	Voc	0	891	2,221,149	1,836,710	0	4,057,859	7,614,301	0			8,551
Union	Union County Vocational	VOC	Voc	0	415	423,489	752,417	0	1,175,906	6,636,600	0			16,011
Warren	Independence Township [NE	K-8	Found		0	0	0	0	0	0	0			

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# STATE AID COMPARISONS

[June 1, 1995]

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County	District	Type of District		Equal Val Per Pupil 9/1/94	Resident Enroll 10/15/94	Foundation	Categorical	Transition	Total Aid	Approved Budget 1994/95	Tax Levy 1994/95	Equalized Tax Rate 1994/95	Above or Below State	Per Pupil Cost
		District	Cat										Tax Rate 1.2078	
Warren	Liberty Township [NEW REC	K-8	Found		0	0	0	0	0	0	0			
Warren	Warren Co Spec Ser Sch Di	SS	CSS	0	91	91,960	414,234	18,749	524,943	1,640,775	0			18,030
Warren	Warren County Vocational	VOC	Voc	0	490	959,205	1,090,449	0	2,049,654	4,029,685	0			8,224

## GSCS/GARDEN STATE COALITION OF SCHOOLS/GSCS

THE JOINT PUBLIC HEARING BEFORE THE SENATE EDUCATION COMMITTEE  
AND THE ASSEMBLY EDUCATION COMMITTEE, 12/5/95  
STATEHOUSE ANNEX, COMMITTEE ROOM 6, TRENTON

### "THE COMPREHENSIVE PLAN FOR EDUCATIONAL IMPROVEMENT AND FINANCING"

TESTIMONY: DR. LAWRENCE S. FEINSOD, PRESIDENT, GSCS

Good morning, my name is Larry Feinsod. I am the president of the Garden State Coalition of Schools (GSCS), as well as the superintendent of the Madison School District in Morris County. With me today is Lynne Strickland, Director of GSCS.

As many of you are aware, the Garden State Coalition of Schools is a statewide organization composed of 110 public school districts, primarily suburban, that focuses on on the interrelated issues of excellence and equity in academic achievement, educational practices and school finance. GSCS believes that equity should be achieved by improving education and not by diminishing quality and eliminating school programs which have led to high student achievement.

The overriding issue that stands out when reviewing the Department of Education's "Comprehensive Plan for Educational Improvement and Financing" is that implementation of this plan will result in exactly what we're worried about - the erosion of quality school programs for all children. Many questions arise from this proposal that must be studied in depth. Nonetheless, given the short time we've had available prior to these hearings to analyze the impact of this plan which has yet to be translated from the hypothetical to the practical, we already have the following concerns:

-The suggestion to move the election of school board members to the November elections is a bad idea. Overwhelmingly, our districts do not experience partisan party politicking now and we feel that advancing the elections of school board member to November would foster partisanship which would deteriorate our first priority - the advancement and well-being of public education.

-The T & E Foundation target is very low. GSCS districts, and many districts throughout the state, will be over the 'target box' from the onset.

-Districts that are above the box will be required to go to for a public vote for expenditures that will be billed as "excessive and unnecessary." (FYI - the last 3 pages of the plan are entitled "Unnecessary Municipal Spending on Schools" and include the words "unnecessary" and "excessive," and words related, such as "overspending," 31 times.) Also, please bear in mind that the Daily

Record reported that no district in Morris County would fall within that target box range. Other areas, such as Bergen County, clearly will be in a very similar situation.

-While the plan suggests a flexible range be put in place within the T & E Foundation budget, there are no specific percentages mentioned. Cost differences across the state for housing and cost-of-living do vary. Yet, the proposal recommends that districts absorb locally any costs for teacher salaries, as well as pensions and social security, that are above the statewide average. We are very opposed to adding this burden to the local property owner.

-Districts are also being asked in this plan to absorb certain special education costs, such as speech impairment, that to date have been flowing to districts as categorical aid. In the Haddonfield school district in Camden County, this would mean an additional \$150,000 would have to be raised locally, or more programs would have to be cut.

-State policy as recommended in this plan would then require localities to absorb costs that the state has been funding to date. GSCS districts are already required to support 85-95% of their school budgets locally. If the voter does decide not to downgrade from status quo, local property taxes would be hiked just to fund the education program as it exists today. With enrollments growing at fast pace in the suburbs, combined with less dollar-for-student aid going to the majority of our school districts, property taxes still have risen statewide from an equalized rate of 99 cents in 1991-1992 to \$1.24 for the 1995-1996 school year. At the same time these increases have been occurring, spending growth rates in the I & J districts have only averaged a little over 2% a year since the 1991-1992 school year. Policies that reduce funding, when combined with growing enrollments and mandated student needs, leads to having to find the requisite funds from somewhere. Outside of private foundations, GSCS districts only consistent source is the property tax. The plan will increase reliance on property taxes. The localities and our students will both be negatively impacted.

Realistically, there is no room for growth here. The voters will be placed in a very difficult position. They will be told, on the one hand, that the state has determined that students can be provided with a fine education determined by the Department of Education's cost model; on the other hand, local school districts will be telling their voters the truth when saying that voting against the additional budget for education support, will eventuate in the children receiving even less of an education than they are today.

If this plan were in effect for the 1993-1994 school budget in my district of Madison, the Madison voter would have been confronted with having to pass on an additional expenditure for education support of \$ 4,974,533. If that budget proposal failed, and if the municipality did not restore any of that funding, that loss of revenue would have meant reduction in teaching staff, advanced placement

programs, extracurricular activities and interscholastic sports. In Haddonfield, the projected additional educational support for 1993-1994 would have been \$2,279,436. If 5% is applied as a flexible range, the Haddonfield figure still would amount to \$1,726,001 from a \$13.3M budget for T & E foundation budget items. In Ridgewood, that amount is estimated to be in the \$8M range. Ridgewood, with a pupil population of 4,900 students has the largest enrollment in Bergen County. This is a district that has had an increase of 10% in elementary population since 1992-1992, and since 1990 has eliminated 29 teachers, 3 central office administrators, among others, and in addition has contracted out its custodial and maintenance personnel.

It is hard to believe that the legislature will not see the inherent problems in this plan far outweigh its stated benefits. Quality education may not be cheap; none of us insisting that cost should not be a factor. But please be advised, many GSCS districts routinely send 98-99% of their students on to higher education (nearly 90% to 4 year institutions); our combined SAT's average over 1000, generally with 95% of our student bodies participating in these tests. We are achieving, do not allow the perception to persist that New Jersey does not have many very fine schools. We do. Do not suppress the opportunity for striving to be the best from any of us - the special needs districts as well; we all must have something fine to aim for, for the well-being of all the students in this state, and for the health of our state as a whole.

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**GARDEN STATE COALITION OF SCHOOLS/FAXNET/12-3-95**  
**(3 pages: To replace & clarify FAXNET/12-1-95)**

[PLEASE NOTE: THE NEXT GSCS BOARD OF TRUSTEES MEETING IS SCHEDULED FOR WED., DECEMBER 13, 1995 AT MONROE TWSP, BROOKSIDE SCHOOL, 4 P.M. THE TENTATIVE DECEMBER 6TH GENERAL MEETING AT LIVINGSTON IS BEING RESCHEDULED, MOST LIKELY TO THE FIRST WEDNESDAY, FEB. 1996.]

Thursday, 11/30/95, GSCS representatives (President Larry Feinsod/Madison superintendent, Director Lynne Strickland, Executive Board Vice-President/Mountain Lakes school board member delegate Bill Burkett, Interim Treasurer Barry Ersek/Haddonfield superintendent, and Kelly Hatfield school board member delegate/Summit and current appointee to the legislature's Ad Hoc Task Force for Special Education/Funding) met, at the invitation of the Department of Education, with Commissioner Leo Klagholz, Deputy Commissioner Richard Di Patri, and Director of Finance Michael Azzara for an information session regarding the Commissioner's revised "Comprehensive Plan for Education Improvement and Financing."

While our analysis of the plan is still in the initial stage, several points were clarified at this meeting regarding the recommendations put forth to the legislature in the plan. They are:

- \*Certain budget elections will still occur in the spring.
- \*School board member elections will be moved to coincide with the November general elections.
- \*If it is determined that your per pupil expenditures fall within the "T & E foundation budget" model, your district's budget will not be put to a popular vote.
- \*A 'flexible range' within the T & E foundation budget is suggested with the thought that this range might accommodate cost disparities across New Jersey. The percentage has not been set.
- \*The semantic "legitimate disparity" is used, and is specified to be: teacher salaries, regional cost differences, achievement differences.
- \*Annual budget elections will be held for any districts which have per pupil expenditures over and above the T&E foundation ( plus required categorical spending).
- \*A district's budget that stays within the T & E foundation range may increase by the CPI and not be

subject to popular vote. CAPS will be set on the expenditure side of school budgets, not the revenue side, as is the current practice. Districts that have to spend above the T&E range, will be required to have a budget election.

\*Current year enrollments will be employed; there will be some sort of annual escalator built in.

\*No CAP will be set on these 'voter's choice budgets' for education support of local schools.

\*There will be no appeal to the Commissioner if budgets are defeated; however, "If the question is rejected the municipal governing body would then decide on the appropriate amount of optional spending, if any."  
( see p. 77 top).

\*GSCS districts will receive less state aid support in special education, transportation, while at the same time have to pay for teacher pensions/social security over the state average.

\*The plan is based on hypothetical models and averages, and as such does not take into account relevant cost fluctuations, except for the suggestion of the 'flexible range.'

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*THE FOLLOWING IS AN EXCELLENT WORKING EXAMPLE: Effects of the T % E Foundation Budget calculations on the Haddonfield School District (Camden County), using pps. 66-68 and 1993-94 resident enrollment per pupil costs listed on the third line from the bottom on each page:*

K-5 = 876 X 5872 = \$5,143,872	Includes: child study team, speech &
6-8 = 366 X 6346 = \$2,322,636	all other "regular" program costs;
9-12 = 500 X 7204 = <u>\$3,602,000</u>	Excludes: spec. ed., trnsp., debt serv.
	and all special projects
T&E Found. Budg. = \$11,068,508	

Haddonfield's actual expenditures were:

\$13,347,944 for T & E foundation budget items  
 - 11,068,508 average T & E foundation budget

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 \$ \*2,279,436 WOULD HAVE REQUIRED VOTER APPROVAL IN A SPRING BUDGET ELECTION IF THE NEW FUNDING PLAN WERE IN EFFECT. THIS AMOUNT WOULD BE PERCEIVED AS EXCESSIVE, COMPARED TO THE PLAN'S MODEL.

\*(If 5% is added for the possible top of the T&E "flexible range," the T&E foundation budget would be \$11,621,933; what would be considered the "excess cost" then is \$1,726,011, which would require voter approval.)

It appears that Haddonfield would not be eligible for any foundation aid. The same type of 'measure of wealth' is indicated in this plan as in currently in use now (i.e., property values + community income = transition aid district, and/or foundation aid district, etc.).

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Many more questions arise from this plan than should be answered cursorily. The absorption of: (1) certain currently classified students (speech, some P.L.) into the regular education budget, (2) teacher salaries and pensions/social security over the statewide average; the required voting on expenditures that will be billed as "excessive and unnecessary," are certain to adversely impact GSCS districts, and many others throughout New Jersey. The overwhelming majority of GSCS districts will have to go to the voters on their budgets. GSCS local property taxpayers will be impacted as well - they will be truly situated between a rock and a hard place. These taxpayers will be asked to pay more for what they are already getting; in GSCS districts the same local taxpayers are already supporting their schools at an 85% - 95% rate. These are issues that already concern GSCS a great deal.

The constitutional equity questions that arise will undoubtedly be revisited in courts also. The practical implications that spring forth from the consistently-crafted theory in this plan certainly appear to be negative for continuance of quality education in high-achieving districts. **The legislature has been handed an enormous task.** GSCS will be there testify at the first hearing on December 5, this Tuesday. We will keep you informed.

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*Madison*

Sheet 1

T&E FOUNDATION BUDGET CALCULATIONS			
93-94			
GRADE	STATE'S COST	NO. OF STU.	
K-5	5,872	823	4,832,656
6-8	6,346	358	2,271,868
9-12	7,204	492	3,544,368
			10,648,892
BUDGET 93-94 ADJUSTED BUDGET			15,623,425
AMOUNT TO BE VOTED ON			4,974,533
IF 5% IS ADDED			11,181,337
ADJUSTED FOR VOTER APPROVAL			4,442,088

*MADISON  
ESTIMATE  
of  
Over THE Found. Budget  
per plan*

*131X*

**Impact of the Comprehensive Plan  
For Educational Improvement and Financing  
on the Ridgewood Public School District**

Using C.P.I. of 3% annually, the 1993-94 elementary cost per pupil would project in 1995-96 to \$6,230 (5,872 x 1.03 x 1.03)

Ridgewood's 1995-96 weighted enrollment is:

Elementary	2,327 x 1.00	=	2,327
Middle School	1,136 x 1.08	=	1,227
High School	1,438 x 1.23	=	<u>1,769</u>
			5,323

Therefore, Ridgewood's Foundation Budget is:

$$5,323 \times \$6,230 = \$33,162,290$$

Ridgewood's 1995-96 Current Expense budget excluding transportation and special education:

\$ 41,816,542	
<u>33,162,290</u>	Foundation Budget
\$ 8,654,252	Amount requiring voter approval

Amount requiring Voter approval = \$8,654,252

(Analysis 12/4/95)

DEC 4 1995 MON 11:15 RIDGEWOOD SCHOOLS SUP'Y. 2016702668 P.02

**COMMISSIONER OF EDUCATION'S HEARINGS  
Paramus High School  
September 14, 1995**

**Statement**

by

**Dr. Frederick J. Stokley  
Superintendent of Schools  
Ridgewood, New Jersey**

Thank you Commissioner for conducting this hearing and providing me with an opportunity to make some comments.

I'm Superintendent of Schools in Ridgewood.

- A community of 24,000 citizens.
- The public school pupil population is 4,900, the largest in the county.
- The budget for 1995-96 is \$45,000,000.
- 20 percent of the town's population attends local public schools (the state average is 14 percent). People move to Ridgewood "for the schools."
- The school district is recognized nationally and locally for excellence in education.
- Since 1991-92, the elementary pupil population has increased 10 percent.
- Special education costs have increased 55 percent, while state aid has been "frozen" with no significant increases. State aid for special education has been reduced from 44 to 31 percent of actual costs.
- In 1991-92 state aid supported 8 percent of the total budget. Today, state aid supports 5 percent -- a 39 percent reduction over four years.

Since 1990, when the misnamed Quality Education Act became law, we have made the following reductions:

- Eliminated 29 teachers -- 20 at the high school, 6 at the two middle schools, and 3 specialists at the elementary level.
- Eliminated 2 high school guidance counselors.
- Eliminated 1 elementary computer coordinator.
- Eliminated 1 high school T.V. coordinator.
- Eliminated 3 central office administrators including an assistant superintendent.
- Eliminated 3 central office secretaries and 2 school secretaries.
- Eliminated 65 custodial and maintenance personnel (we contracted-out these services for a net savings of \$1.2 million per year).
- Eliminated 7 bus drivers (we contracted-out these services for a net savings of \$171,000.00 per year).

- Privatized food services to operate in the black.
- Since 1991-92, the average budget increase has been 3 percent per year, average tax increase has been 4.0 percent per year, and the average home increase has been \$200 per year.
- The Governor's budget this year again reduced state aid by \$156,000.00, percent reduction, and increased special education funding by 2 percent, w special education expenses increased over 20 percent.

When thinking about funding and the state's role, please remember:

- The state is responsible for the education of all public school children and, legislation, delegates and shares this responsibility with local school board. The state and local communities are partners, not adversaries.

When thinking about funding and the state's role as partner with local communities, recommend you consider proposing legislation which:

- Revises the cap law to provide flexibility for local districts to deal w increased-fixed costs and cope with reduced state funding, and revise election law to limit local school budget elections to budgets which exceed state cap. Where school budgets are at or below cap, voting on local revenues should be eliminated.
- Expands categorical aid to include state mandates, particularly those passed since 1990.
- Provides at least 50 percent of the funds for each school district or provides funding for all public school children at a minimum level of \$200 per pupil annually.
- Provides funding for the use of technology at the rate of \$50.00 per student per year.
- Funds special education and other categories at the 1991-92 levels, prorated for annual increases.
- Funds special needs districts to receive needed program improvement. Progress toward equity in funding requires that special needs districts receive at the least, full aid entitlement.
- Retains the principle that local school boards must have the primary responsibility for ensuring that each child in its district obtains a thorough and efficient education. The state's role is to provide aid and assistance.

ABSECON

- ALLENDALE • BERGEN COUNTY SPEC. SERV. • BERKELEY HEIGHTS • BERNARDS TWSP. • BERNARDSVILLE • BOONTON TWSP. • CEDAR GROVE • CHATHAM • CHERRY HILL • CHESTER TWSP. • CLARK CLINTON TWSP. • CLOSTER • COLTS NECK TWSP. • CRANBURY TWSP. • CRANFORD • CRESSKILL • EAST HANOVER • EDISON • ELMWOOD PARK EMERSON • ENGLEWOOD CLIFFS • FAIR LAWN • FLORHAM PARK • FORT LEE FRANKLIN LAKES • GLEN RIDGE • GREEN BROOK TWSP. • HACKENSACK HADDON TWSP. • HADDONFIELD • HANOVER PARK REG'L. • HANOVER TWSP. HARDING TWSP. • HAWORTH • HILLSDALE • HO-HO-KUS BOROUGH • HOLMDEL HOPEWELL VALLEY REG'L. • KENILWORTH • KINNELON • LAYFAYETTE/AUGUSTA LAWRENCE TWSP. • LIVINGSTON • LINCOLN PARK • LITTLE FALLS • LONG HILL TWSP. MADISON • MAYWOOD • MEDFORD LAKES • MENDHAM BOROUGH • MILLBURN TWSP. MINE HILL • MONROE TWSP. • MONTCLAIR • MONTGOMERY TWSP. • MONTVILLE TWSP. MOORESTOWN TWSP. • MORRIS • MORRIS-UNION JTR. COMM. • MOUNT LAUREL MOUNTAIN LAKES • MOUNTAINSIDE • NEW MILFORD • NORTH BRUNSWICK • NORTH CALDWELL • NORTH HALEDON • NORTHERN HIGHLANDS • NORTHERN VALLEY REG'L./DEM. • OLD TAPPAN • ORADELL • PARAMUS • PARK RIDGE • PARSIPPANY/TROY HILLS • PASCACK VALLEY REG'L. • POINT PLEASANT BEACH • PRINCETON RAMAPO/INDIAN HILLS • RAMSEY • RIDGEFIELD PARK • RIDGEWOOD TWSP. RIVERDELL TWSP. • RIVER EDGE • ROCHELLE PARK • RUMSON • SADDLE BROOK • SADDLE RIVER • SCOTCH PLAINS/FANWOOD • SHREWSBURY BOROUGH SOMERVILLE • SOUTH ORANGE/MAPLEWOOD • SOUTH BRUNSWICK TWSP. SUMMIT • TEANECK • TENAFLY • UPPER SADDLE RIVER • UNION COUNTY REG'L. H.S. • UNION TWSP. • VOORHEES TWSP. • WATCHUNG HILLS REG'L. H.S. WAYNE • WEST ESSEX REG'L. • WEST WINDSOR/ PLAINSBORO • WESTFIELD • WESTWOOD REG'L. WOODCLIFF LAKE • WOOD-RIDGE WYCKOFF

TRUSTEE DISTRICT

TRUSTEE DISTRICT

# GARDEN STATE

*The Garden State Coalition of Schools supports efforts towards more equitable education opportunities for all school children. Wise public policy includes a permanent commitment to both quality and equity.*

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*Recognized as a force at the state level, GSCS is a valuable resource of information and innovative thinking for New Jersey leadership.*

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Lynne Strickland, Garden State Coalition of Schools  
85 Windsor Road  
Tenafly, New Jersey  
(201) 569-1992 Fax: (201) 569-2825

# GARDEN STATE

The purpose of the Garden State Coalition is to promote educational practices, reasonable state regulations and state laws which further high academic achievement for all children. Its primary focus deals with the interrelated issues of excellence and equity in academic achievement, educational practices and school finance. The Garden State Coalition of Schools believes that equity should be achieved by improving education and not by diminishing quality and eliminating school programs which have led to high student achievement.

GSCS is:

- composed of 110 public school districts, primarily suburban. GSCS has nearly quadrupled in membership since formally organizing in June of 1992.
- statewide in representation. Member districts span New Jersey, from Absecon in Atlantic county to Wyckoff in Bergen County.
- presently representing over 225,000 public school children through its member districts.
- unique in that its participating individual members are a combination of education and lay leadership, specifically board of education members and superintendents.
- reflective of a broader perspective since its membership input stems from school and community concerns combined. The decision to join GSCS must be made at the board of education table with passage of a formal board resolution.
- truly grass roots in its decision-making process. GSCS is directed by a 21-district board of trustees that meets monthly.
- led by a highly-motivated membership. All member efforts are voluntary in nature. GSCS is supported by only one paid staff person.
- tightly organized and therefore able to facilitate information gathering, analysis and/or recommended action in a short time frame.

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# New Jersey School Boards Association

Headquarters: 413 West State Street, P.O. Box 909, Trenton, New Jersey 08605-0909  
Telephone (609) 695-7600 Fax 609-695-0413

## JOINT EDUCATION COMMITTEES OF THE SENATE AND ASSEMBLY HEARING ON THE DEPARTMENT OF EDUCATION'S COMPREHENSIVE PLAN

### TESTIMONY OF ROBERT E. BOOSE, Ed.D., EXECUTIVE DIRECTOR NEW JERSEY SCHOOL BOARDS ASSOCIATION

Good morning, members of the Senate and Assembly Education Committees. I am Robert Boose, Executive Director of the New Jersey School Boards Association. I appreciate the opportunity to address you on the Comprehensive Plan for Educational Improvement and Financing.

Our Association has spent the last nine months in an in-depth study of the draft Comprehensive Plan. Our members told us what they thought and what they suggested be done about the various issues in the Plan and we passed those thoughts and suggestions on to the Department of Education. We have several major areas of concern with this final version which require further discussion and, hopefully, inclusion in the legislation which will implement the Plan. These include:

- Special Education
- Shared Services
- Vocational education
- A host of funding issues
- Transportation
- Facilities
- Pension and Social Security costs
- Tenure, seniority, and recertification
- Collective bargaining issues.

We are particularly disappointed because the department seems to have gotten it backwards. The purpose of the Comprehensive Plan is to identify what needs to be provided in order for students to achieve the knowledge and skills set out in the curriculum standards. We support the concept of curriculum standards and we certainly agree that whatever is needed to have students meet them should be provided for by the state.

But, where are these curriculum standards?

How do we know how many classes of what subjects with which teachers and what textbooks and materials are needed if we don't know what we want the students to know or be able to do when they leave their classes?

How do we know what level of expertise or types of professional development teachers should have if we don't know what we want them to teach?

How do we know what class size should be if we don't know what will be going on in the class? How do we know what types of special subjects or extra-curricular activities or vocational training we need if we haven't decided on the skills students should have when they exit a class?

We were delighted at the department's push toward curriculum standards exactly because they would give us answers to all of these questions. But we need those standards before we can reasonably decide whether the Comprehensive Plan as it currently exists will enable students to achieve them.

The department's goals, as enumerated in its Strategic Plan, are to:

- Define the primary mission of schools as the enhancement of students academic achievement through high quality instruction and closely-related educational services.
- Define student academic achievement through the development of Core Curriculum Standards and assessments of what all students should know and be able to do.

This is stressed in the Comprehensive Plan itself where it says "school funding and fiscal equity must not be seen as ends in themselves. Rather, the purpose of an educational funding system must be to support and foster student learning. Therefore, its design must begin with an identification of the knowledge and skills all students are expected to acquire in each subject, by graduation and at key intermediate points in their education. These curriculum standards represent the substantive goals of a thorough and efficient system of education...

These must come first. As an assistant commissioner has written, "...curriculum content standards will help define the state's constitutional guarantee of a thorough and efficient public education for all children. Standards focused on student academic achievement will help local districts direct tax dollars toward the most effective programs and strategies. Standards also inform the general public about the direction in which public education is headed.

Standards set our expectations for students; in effect, we are telling them what we want them to know and be able to do at different times in their school careers and at graduation. Standards also serve as a signpost for staff; in effect, we are telling them that they will be evaluated on whether their students have achieved the standards.

Most important, standards are the foundation of the Comprehensive Plan. They must be in place before we can have any basis on which to judge the Plan -- its contents, its conclusions, or its judgments.

It is our understanding that the curriculum standards will

initially be presented to the State Board of Education in January to begin the adoption process. We ask that the legislature use those standards as the window through which it looks at this Comprehensive Plan. If the Plan reflects the standards and provides in sufficient amounts the funding necessary to ensure student achievement of them -- then enact it. If it does not -- then we ask that you include in your legislation those items that really will bring New Jersey's students up to the true standard of excellence we know they can achieve.

What is going to be different for today's first graders as they move through their schools over the next twelve years? We hope the legislation you enact guarantees them a truly comprehensive education.

Thank you.

**Chiara R. Nappi**

**Testimony on the Comprehensive Plan for Education Improvement and financing.**

**Trenton, December 5, 1995.**

I am a member of the Board of Education of the Princeton Regional Schools. The Princeton Regional School Board is a member of the Garden State Coalition of Schools as well as a member of the New Jersey School Boards Association. So said, I need to emphasize that the views expressed in this testimony do not necessarily represent the views of any of the above mentioned bodies.

The Comprehensive Plan is certainly an ambitious attempt to give a global look at the way education is defined, delivered and financed in New Jersey. What concerns me, however, is the lack of consistency. Here I am not talking about the minor inconsistencies in the document itself ( for instance, the narrative section of the document talks of three central office administrators (page 60), the quantitative section reduces them to 2.5 (page 69)).

What I am concerned about are major strategic inconsistencies. On one side districts are asked to cut their cost. On the other side they are imposed expensive new requirements and restrictive as well as unnecessary mandates that will undoubtedly increase educational costs. I will limit myself to a couple of examples.

### **Example 1: Curriculum Standards**

Educational issues have been dealt with separately in the "Strategic Plan for Educational Improvement", but obviously the two "plans" are intimately related. I am a strong supporter of Standards, so I do not want my statement here to be interpreted in any way as an anti-Standards statement. Curriculum standards are

the first step toward ensuring educational equity independently of the district's geographic location and socio-economic status. Nevertheless, I have concerns.

The Curriculum Standards, if interpreted literally, require introducing the study of languages throughout K-12. Now languages start in middle school and are optional. Mandating World Languages from K to 12 is a very expensive proposition. The Curriculum Standards talk of expanding the art program by introducing dance and drama throughout K-12. Where do we get the money to do all this? Where do we get the time? Are we talking of teaching dance rather than writing or math? How is this compatible with the concept of academic achievement that the Administration rightly emphasizes in the definition of T & E? If we do not want to cut out basics and academics, then the Administration must be talking of longer school day, more teachers, etc.. Who is going to pay for it?

There is also the problem of what it means to implement the curriculum standards in high school. Although currently very vague, the high school standards appear to be very ambitious in all subject areas. Are they minimal requirements for all students? How can they possibly be met in the current high school structure? It would require more staff, more time, more money (and, in my opinion, a completely different school structure).

How is all this compatible with lowering the cost of education? I think all these issues should be addressed by the DOE when it comes up with a money figure for a T&E education.

### **Example 2: Bilingual Education**

The Comprehensive Plan does not deal with bilingual education, since it is an "unchanged funding area". In the mean time, it appears that the Department of Education is still pushing A66. The Office of Bilingual Education and Equity a few weeks ago held a technical assistance session for bilingual educators to prepare them for the implementation of A66.

Under many respects, A66 is many steps backward with respect what we have now. On top of that, it would be very costly and a true administrative nightmare to implement it. The message of A66 is: if there are 20 LEP students in two consecutive grades, full-time bilingual programs must be established. If there are between 10 and 20 LEP students in two consecutive grades, then there must be part-time bilingual programs, and so on. In Princeton, as in many other districts, we would have to provide part-time bilingual programs for quite a few of the 40 languages we have in the district: aside from Spanish, Hebrew, German, French, and Chinese. In Princeton we spend already half a million dollars on bilingual and related programs. If A66 is approved, costs could easily triple. I fail to understand how we be asked at the same time to lower our educational and administrative costs, as we are in the Comprehensive Plan.

#### About the funding:

The Comprehensive Plan suggests a dramatic change in the way schools are run in New Jersey, but no significant departure on the way they are financed: still the financial burden would be on property owners. At no extra emotional cost, one could try to implement an alternative financing formula which makes more sense than the one proposed in the Comprehensive Plan, and deals much better with the issue of educational equity.

The Administration needs to read the message that the electorate is sending. The overwhelming approval of the constitutional amendment "State mandate, State Pay" on November 7 sends the powerful message that New Jersey voters want the State to pick up a more significant share of school expenditures, rather than relying overly on property taxes to pay for school programs and services. This could be the answer to the equity issue as well. Shifting public school funding from local taxes to state taxes is undoubtedly the most effective way to ensure more equity.

This is the direction Michigan and other states have started moving toward under similar pressures as in New Jersey, *i.e.* the need to come up with a more equitable funding formula as well as to control property taxes. State funding of education is a not-too-revolutionary idea whose time has come, even in New Jersey.

My specific recommendation is that the State must provide baseline funding at a level considered adequate to deliver a "thorough and efficient" education. On top of that, schools districts or individual schools must be permitted to provide supplemental funding through local revenues or voluntary contributions. This supplemental funding must not exceed 10% of the baseline funding, so as not to perpetuate or reintroduce economic disparities.

At the same time, New Jersey needs to deal with the NJEA. Local negotiations are inherently inequitable, on top of being very disruptive to the school community and disadvantageous to the taxpayers. Teachers salaries should be negotiated at the state level. This should be the next step toward meeting the goals of educational equity, the declared goal behind the "Comprehensive Plan".

My point is that if the Whitman Administration is going to go through all this trouble to meet the court order, it might as well go all the way, and deal with the problems at their root, instead of dancing around them.

Patricia E. Rist  
6 Country Lane  
Califon, NJ 07832  
(908)832-5605

I am a board member in Tewksbury Township, Hunterdon County. I currently serve as the president of the Hunterdon County School Boards Association and of the Hunterdon County Educational Services Commission. I chaired the ad hoc Committee on Shared services for NJSBA and was a member of the Task Force on the Consolidation of Services. It would be very nice to be able to tell you that my remarks are the result of considered discussions of the latest plan by any or all of these bodies. Unfortunately, most of these groups have not had a meeting since the report was released. Therefore, the opinions expressed are mine, and not necessarily those of any group.

I am sure the timelines for developing a final plan are quite constricted. However, the short time that has been available to look at the plan has made it impossible to do a thorough analysis of the ramifications of the proposed funding levels in time for this meeting. I will therefore limit my comments to more general aspects of the proposed plan. I hope you will be accepting written comments on the other areas.

I have a concern with the proposal to move school board elections to November. I understand that this was done as an attempt to increase the public participation in the election. But, I am concerned with the effect it will have on the budget process. School finances is an area that requires a level of understanding that most new board members do not have, and the proposed November election of board members means that new members will immediately be involved in the development of a new budget. I don't think this bodes well for the public. If they are not comfortable in their understanding of school finances, new board members will be more likely to (a) accept what an administrator says without questioning the necessity, or (b) to reject out of hand allocations that are required by law. Neither of these is in the best interests of the school children or the taxpayers of this state.

My second point concerns the budget vote itself. If I understand correctly, the T and E amounts would not go to the voters, but that any additional spending would be subject to voter approval at an election in the spring. If the department is concerned about increasing the participation of the public and about creating efficiency, I would suggest that holding an election in the spring that consists solely of one question is not a good way to achieve that goal. It would increase the costs of advertising, election workers, etc. involved in elections. I would hazard to guess that it would mean even fewer people turn out to vote in the spring on the budget than do now when they vote on budget questions and elect school board members.

I have some concerns about the logistics of the proposed aid for transportation. In particular, it would appear that the state would not pay for transportation for any children living within the area designated as "courtesy busing" and that it expects municipalities or parents to pay for such transportation. Yet the "efficiency" of routes will be judged by the

number of "eligible" students on a bus route. Districts who work with parents and/or municipalities to create routes that deal with both the required and courtesy busing in an efficient manner would still be penalized because the state DoE, (looking only at the "eligible" students per route), would see "empty" seats on buses that are actually filled with "courtesy" students. Simplistic formulas may not work very well at all when one starts looking at shared services and multiple financing sources. This plan still assumes that districts will work alone. If you are truly interested in encouraging schools to work with other agencies in order to improve efficiency, please make sure that your models for evaluating efficiency include ways of taking such interactions into account.

Good morning. My name is John Hanley and I am a member of the Board of Education of the Mercer County Special Services School District.

In establishing the Mercer County Special Services School District, the state and the community created a model institution which has efficiently and effectively met the needs of disabled students over the past seventeen years. We have maintained high quality programs with strict financial controls. Factors which have contributed to maintaining fiscal restraint are

- \* Administrative costs that have been among the lowest in Mercer County
- \* Teacher salaries which are the lowest in Mercer County
- \* Facilities and administrative costs which are shared with the Mercer County Community College and other county entities

Attendance at the Mercer County Special Services School District is considered the right way to provide an appropriate education for severely disabled students in Mercer County and the Mercer County Executive and Freeholders have annually provided approximately thirteen percent of our funding.

With the introduction of the Commissioner's Comprehensive Plan for Educational Improvement and Financing, certain assumptions have changed. While it is obviously commendable to place a reasonable cap on the growth of special education, there is grave danger in the current proposal. There is a need for discretion when making choices for individual students and, in an attempt to solve one problem, other problems must not be created. Students with widely varying degrees of handicapping conditions cannot be lumped together in one funding formula. A system which will place undo pressure on local districts to seek inappropriate placements based strictly on cost savings must not be established. The present proposal with incentives for reducing numbers and costs would require a vast panoply of controls to administer if equity and roughly equal treatment is to prevail. There needs to be an additional high cost factor in the funding factor to protect the quality of the instructional and related services for the most severely disabled school population.

When reviewing the components which make up a quality district, efficiency, stability and effective planning are key factors. By disbursing state aid directly to the local districts, the state would greatly reduce our capabilities in these areas. As we do not receive tuition payments until November, the lack of state aid in the summer and autumn months will

adverse effect cash flow and will lead to borrowing money to pay our bills. While this may not lead to increased costs at the state levels, interest payments will indirectly be paid by the taxpayer at the county or local level.

In creating this new Comprehensive Plan, what is the State really saying to the County Special Services School Districts, the parents and students? The State has invested resources in creating outstanding institutions and has now decided that in pursuit of its goals of inclusion and cost containment to withdraw its support and ask these institutions to essentially compete in a privatized world. The County Special Services School Districts have always maintained that we are part of the solution, not part of the problem. We need to be freed from onerous and unnecessary regulations which drive up costs and prevent us from treating students as individuals. We do not merely provide regular school programs in a segregated setting. We provide truly alternative programs which teach functional skills for independent living and vocational training. These programs cannot be found in the mainstream.

In closing, I am asking you to make these essential amendments to your plan.

- \* There needs to be an additional high cost factor to reflect the needs of severely disabled pupils whose expenses range from \$15,000 to \$50,000.
- \* County Special Services School Districts must receive all state aid directly as do all other school districts. Direct aid is essential to the efficient operation of the county district, program stability and effective planning.
- \* Should this plan go forward, a level and appropriate playing field must be constructed:
  1. Elimination of tenure, insurance and other rules applying only to the public sector
  2. Instructional requirements which have validity and apply equally to all providers
  3. Immediate assumption by the state of presently existing capital debt
  4. Enforcement provisions and staff to ensure a reasonable level of service to handicapped children.

Good Morning. My name is Gina Buzgo. I am a mother of three school aged children. My son who will be five in January is a child with special needs.

He attends Mercer County Special Services School District and receives extensive speech, occupational and physical therapy. The program with its total services has made the difference in my son's ability to learn in a positive, supportive, least restrictive manner.

Because he attends school in a Special Services School District, he gets the best program meeting all his needs. The staff is trained in and familiar with diverse disabilities and in the implementation of specialized programs. They have experience in working not only with the child but with each other--all services being offered in a collaborative manner--which is in the best interest of all students.

I want my son to reach his fullest potential. In order for him to achieve that, he needs a program that is established and has the expertise to help him accomplish this.

My first concern is with the proposed limitations on categorical aid and out-of-district placements. These restrictions mean that many children who need specialized services will be kept in district, and not be given the opportunity to attend a program that has everything in place to best serve the student. A student may not continue to grow if he is not in an appropriate environment. Regular districts cannot duplicate the intensity of therapies, the extensiveness of working in a collaborative model or the acceptance of all students by staff and peers.

My second concern with this proposal is that it does not address the need for an additional high cost factor to reflect the needs of severely disabled students. The education of children who need a full range of services including speech therapy, occupational therapy and physical therapy, may range from \$15,000 to \$50,000. The proposed state calculated "optional" special education cost does not allow for the higher cost of providing a complete education for these children.

My final concern is with State aid going to the regular school districts and not directly to the special services school districts. By doing so you would be jeopardizing the quality of services. State aid, disbursed in regular payment allows for the stability and planning needed by all schools. I am only asking that my disabled child in a Special Services School District be given a program at the same quality and continuity as my two children in regular school.

Thank you for giving me the opportunity to speak this morning.



# maecom

1 Meridian Road  
Industrial Way West  
P.O. Box 187  
Eatontown, NJ 07724  
(908) 542-3439  
Fax (908) 389-6043

Valerie Bianco  
Director of the  
Monmouth-Ocean Educational Services Commission/MAECOM

I am the Principal of MAECOM's Adult High School. We have been serving adults in need of a locally issued high school diploma for the past 20 years, with approximately 1200 high school graduates earning their diplomas through this vital program. We operate a year round day and evening school centrally located in Monmouth County to accommodate the diverse needs of adults seeking to better themselves educationally and financially so they can become self supporting and solid contributors in New Jersey. There are critical concerns and vital recommendations for the continuation of New Jersey Adult High Schools into the future that should be evident from the success of Adult High Schools over the years and should be foremost in your minds while deciding to keep this delivery system alive and in tact.

There have been over 10,000 Adult High School graduates through the efforts of New Jersey Adult High Schools since 1988. Follow - up on graduates throughout the years has resulted in advanced training and employment opportunities, entrance to military service, who by the way only recognize and accept candidates with locally - issued high school diplomas, **NOT GED**, or

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the State issued high school equivalency. Many graduates have gone directly to community or four- year colleges to continue their education, graduating and becoming productive workers in New Jersey's economy.

Along with these follow-up accomplishments are the immeasurable benefits of better parenting skills, better informed citizens and motivated role models for others in need of attaining minimum high school proficiency standards to better cope with an ever-changing world, both socially and technologically.

If the Adult High School is eliminated, what options does a person 16 years or older have, if they are unsuccessful in a traditional school or are already out of school? Is the only option New Jersey will offer the thousands who are in need of a High School diploma, the GED which would require that the only way a person could get a High School diploma is by passing 5 standardized tests under time restrictions and by then obtain a GED which is limited in many future educational endeavors?

Approximately one third of MAECOM Adult High School students are 16, 17 and 18 years old, referred by the school districts to earn a diploma in a more flexible and non-traditional environment leading to educational success rather than drop-out failure.

Adult Educators have always been the "foot soldiers" of the educational community and have managed quite brilliantly over the years to establish a cost efficient vehicle for adults to earn a locally issued high school diploma or provide basic skills literacy education. You must consider the social implications of the discontinuance of this vital mechanism and how it would put New Jersey years behind the multitude of other states who endorse this educational avenue as a viable part of their delivery system.

I represent all Adult Education Directors across the State and welcome your local representatives to visit and see "grass-roots education" in action. Also included in my report are two attachments: "Dead End for Drop Outs" and "Earning Power Versus Educational Attainment" which should prompt your positive support in maintaining Adult High Schools as part of New Jersey's educational mission.

## Dead End for Dropouts

It doesn't pay to drop out of high school. A BLS study found that as of October 1992, only 36 percent of high school dropouts were employed within a year of quitting school. The unemployment rate for all high school dropouts, those not working and actively looking for a job, was 39 percent. In contrast, 63 percent of high school graduates not enrolled in college were employed within a year of graduation, and 19 percent—nearly half the rate for dropouts—were unemployed. (For information about earnings of high school and college graduates, see “Job Market Profile of College Graduates in 1992: A Focus on Earnings and Jobs” elsewhere in this issue of the *Quarterly*.)

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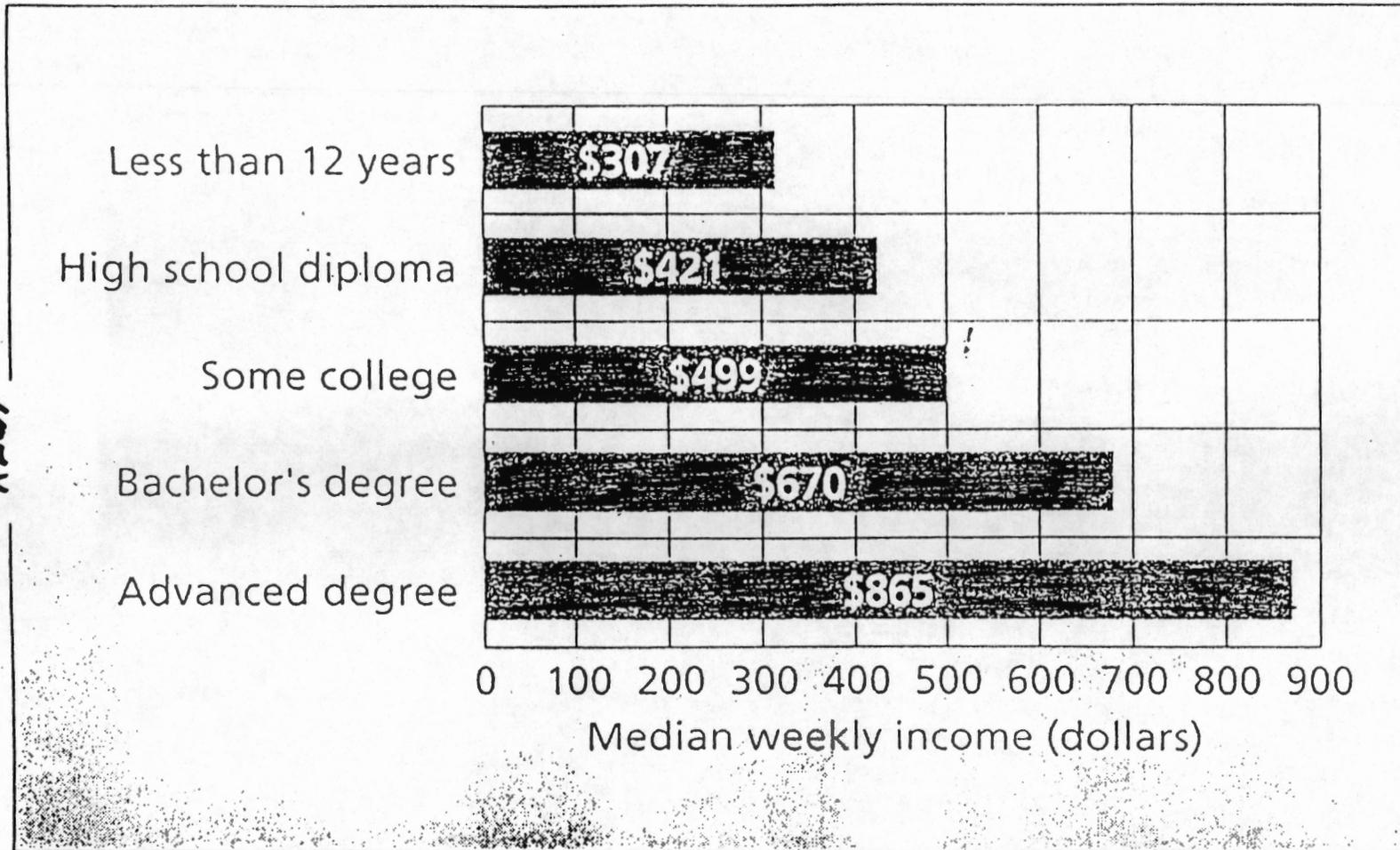


Figure 1. Earning power versus educational attainment. Source:

