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PUBLIC MEETING

before

SUBCOMMITTEE ON SCHOOL FINANCE

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

Testimony regarding the "Public School Education Act of 1975" and its provisions for the constitutionally mandated "thorough and efficient system of free public schools"

February 20, 1990
Room 341
State House Annex
Trenton, New Jersey

MEMBERS OF SUBCOMMITTEE PRESENT:

Senator Gerald R. Stockman, Chairman
Senator Wynona M. Lipman
Senator John H. Ewing
Senator Leanna Brown
Assemblyman Anthony Impreveduto

ALSO PRESENT:

Assemblywoman Dolores G. Cooper
District 2

Assemblyman William J. Pascrell, Jr.
District 35

David C. Hespe
Office of Legislative Services
Aide, Subcommittee on School Finance

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COMMITTEE NOTICE

TO: MEMBERS, SUBCOMMITTEE ON SCHOOL FINANCE
JOINT COMMITTEE ON PUBLIC SCHOOLS
FROM: SENATOR GERALD R. STOCKMAN, CHAIRMAN
SUBJECT: SUBCOMMITTEE MEETING - February 20, 1990

*The public may address comments and questions to David C. Hesse, or
make scheduling inquiries to Mary C. Lutz, secretary, at (609) 984-6843.*

The Subcommittee on School Finance will meet on Tuesday, February 20,
1990 at 10:00 a.m. in the State House Annex, Trenton, Room 341.

Subcommittee guest speakers, will include Dr. Ernest Reock, Albert
Burstein and Stephen Wiley who will testify regarding the "Public School
Education Act of 1975" and its provisions for the constitutionally mandated
"thorough and efficient system of free public schools."

Issued 2/13/90

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SENATOR GERALD R. STOCKMAN (Chairman): Let me apologize for the slight delay in organizing and beginning the first hearing of the special Subcommittee of the Joint Committee on Public Schools, assigned to look into the question of public school funding and, in particular, the questions raised by the Abbott v. Burke litigation and the possible consequences of a court decision in that case in the not-too-distant future.

My name is Jerry Stockman. I am a member of the Senate and a member of the Joint Committee on Public Schools. I am very honored and very pleased that Senator Feldman, Chairman of that Committee, has appointed me as Chairman of this special Subcommittee to begin exploring this subject.

I think there is a sense and a feeling that a greater legislative record and greater legislative attention and interest in this subject could not be more timely. Perhaps some would suggest that these hearings should have started at an earlier time. I am not really interested in questions so much of the past, as contributing something to the future, in an area that I think every member of this Committee, by virtue of their membership on this Committee and their presence, recognizes as a major area of concern in terms of public policy.

I would like to recognize and acknowledge the presence of the members of the Committee who are here. There are a couple who hope to be here, although they may be here late. To my far right is the dean, in a way I guess, of the Committee and someone who has had many, many years of involvement in public education policy in New Jersey, Senator Jack Ewing. Also to my right is my colleague in the Senate and someone who has shown a great deal of interest in public education issues, Senator Leanna Brown. Senator Wynona Lipman hopes to be here, and she is a part of this Committee.

To my left, I am very pleased and happy to see Assemblyman Bill Pascrell, who is not a formal member of the

Committee, but who has offered to sit in and attend, out of great interest in this subject, and who is actually Chairman of another special subcommittee of the Joint Committee on Public Schools dealing with takeover issues. Therefore, I am delighted to see Assemblyman Pascrell here. Also, a member of this Committee present who has a deep interest in educational issues and some special expertise in his own right in the area of public education, Assemblyman Impreveduto. And I am going to get that name better as time goes along.

ASSEMBLYMAN IMPREVEDUTO: You got it right, Jerry; you got it right.

SENATOR STOCKMAN: All right. So, that is the makeup of the Committee. I am delighted to see such interest in this first of our hearings from the media and from the public. Again, I don't think I have to belabor the point that this is a tremendously important area of concern to the citizens of the State of New Jersey, and anything that we can develop in terms of insights, understanding, information, and knowledge out of these hearings that help us to shape, or reshape our public education formula, I think has to be very valuable.

I don't want, at the outset, to sound partisan or get into the tougher issues that will come quickly enough between those who emphasize the proposition that money doesn't do everything, or isn't always the answer, and the other side about, put your money where your mouth and hopefully your heart is. We will get into some of those kinds of things, I think, quickly enough. Suffice to say I think everybody senses that the issues we are trying to develop, more expertise and understanding, are tremendously important and equally difficult.

I am delighted, on behalf of the Committee, to welcome three distinguished public citizens who each, in his own way, has contributed tremendously to education policy and has shown remarkable interest, both as private citizens and as public officials, over the course of a lot of years, maybe more years

than they necessarily want to dwell on -- Al Burstein, Steve Wiley, and Ernie Reock. Each of them has agreed and offered to share with us some ideas and opinions and information that they have in this area as a beginning point. I can't think of any three people who probably could help us more to try to begin this series of hearings by looking back to 1975 or thereabouts -- or before that, actually, to a court decision that began this further debate.

So we are going to ask, as our first witness, the former Majority Leader of the Assembly, the distinguished Assemblyman and a colleague of mine in the Assembly when I was in the Assembly, and one of the most respected and recognized authorities on public education policy in New Jersey, to begin the hearing. I would ask Al Burstein to please come up and join us first.

I would like to welcome another member of the Committee at large who apparently has enough interest -- and I am delighted -- in the subject to want to be here to participate with the Committee, Assemblywoman Cooper, from Atlantic City. Assemblywoman Cooper obviously has a great interest in public education, and she has traveled a great distance today to be here with us and participate in this hearing. Assemblywoman, we are delighted to have you here.

With that, I would like to invite Al Burstein who, I think, has some sense of what we are about in this Committee. I am not sure he has a formal statement; I didn't ask him to have one. But I would invite him to begin this Committee hearing with any comments, any observations he would like to make, to get us started. We have questions of our own, and I am sure that as we go along, members of the Committee will develop more on this.

I would like to welcome you, and invite you, Al, to help us out.

A L B E R T B U R S T E I N, E S Q.: I was afraid that the latter part of your introduction-- Thank you. It is in a way good to be here, but in a way discouraging. Perhaps I can most fruitfully talk about the current problems by taking a historical look at what happened in the mid-'70s and earlier, because Robinson v. Cahill actually began in the early part of the 1970s and came about, of course, in the same fashion as the current Abbott v. Burke, an allegation of vast disparities and inequities in the State formula for the distribution of education moneys.

Without going into a lot of the detail, perhaps it would be best if I gave a little of the background. I am sure it will be embellished and I will be corrected for misstatements by both Steve Wiley and Ernie Reock, and with that comfort--

SENATOR STOCKMAN: And Jack Ewing, maybe.

MR. BURSTEIN: And Jack Ewing, of course. As a matter of fact, my first experience in the legislative education sphere came as a member of an entity whose name I don't recall at the moment, Jack, but it was derived from the original Bateman/Tanzman law, and Senator Ewing was the Chairman of that Committee. The idea behind that Committee was to establish certain levels of performance objectives for each school district in the State, and that objective level, if attained, would have brought about additional funding from the State. That never worked, unfortunately, at least not through that Committee, and I don't think those funding levels were ever attained by any district; again, money being a problem during those years.

But, in any event, when the Botter decision came down, and when the Legislature, beginning in 1973, was elected and took office, it was evident under the Byrne administration that that was going to be the first order of business. That, of course, was tied in with the matter of taxation. A Joint

Committee on the Public Schools -- a Joint legislative Committee -- was formed between the two houses. Senator Wiley was the Chairman of that Committee, and I was the Assistant Chairman, which meant that I carried the Senator's bags to these meetings.

We undertook a study that I guess went for at least a year, or maybe longer. During the course of that study, we tried to be as thorough as possible in examining various types of funding formulations, in anticipation of what the Supreme Court itself was going to do once the appellate process of Robinson v. Cahill was concluded. In so doing, I think we probably considered every funding formula known to man. I say that not because we are trying to trumpet our own thoroughness, and efficiency perhaps, but simple to indicate that we made the effort to determine what would be best for New Jersey, in light of what we knew was about to come in the way of a Supreme Court decision.

We had originally hoped that we could jump from the 28% level of State funding, which I believe was the figure at the time that the Robinson v. Cahill case first come to the attention of the courts, to something closer to 50%, when we considered the matter of how much State funding would be appropriate, and what could provide a thorough and efficient education so as to meet the constitutional mandate. We took a look initially at the fact that nationwide, the average of state contribution to local school districts was about 40%, or 42%, somewhere in that vicinity. That would have been a minimum target, but at the outset we felt that in order to meet New Jersey's needs, a higher level of State distribution really ought to be required.

In the first go-around, that is to say in trying to put together a formula and legislation, we targeted a 50% distribution level, and I believe that would have been met had there been adoption of the first income tax program that had

been presented by the Byrne administration. Had we had the 50% fully funded from the mid-1970s onward, I don't think we would be in court today, but that wasn't to be. We fell short of getting the necessary votes and, as you gentlemen and ladies well know, having the necessary votes through the Legislature is something that is of the uppermost importance in getting programs adopted. Otherwise, they might sound good in theory and on paper, but until you get the 21 and 41 that are required, you have nothing.

So, we had to go back to the drawing board, and tailor the funding distribution mechanism to what we anticipated to be the money available. It is a kind of deductive reasoning process, rather than inductive and working up toward a final conclusion. But that is what we were faced with at the time.

You must remember what the atmosphere of the '70s, not having had an income tax yet imposed in the State, was. It was not the easiest thing to contemplate a new tax and give assurance to people who were the taxpayers that the money was going to be used for the designed purpose. And that is still a problem, and was a problem even then as we put together the law, because we were trying to achieve tax equity. But what I guess proved to be the major defect in the law, was that there was no assurance that the additional money that was coming into the municipalities derived from the income tax, a dedicated tax, was going to be used for educational purposes. And, in fact, because certainly in the urban areas what is an established fact of life, unfortunately, is that due to their many other problems aside from the educational, much of the money, or part of the money, had to be used in order to maintain a tax stability in those communities because of their welfare costs, because of the other infrastructure costs that the municipalities had -- the urban municipalities particularly -- that other communities did not have. Even though the State -- even as of now -- picks up a major part of school costs in many of these communities, it is still inadequate to the task.

There are many other reasons, but I don't want to go into some of the analyses or details of why it would appear that at the present time Chapter 212 is under very vigorous attack in the courts, with the anticipation being that there is going to be some finding of unconstitutionality as implemented. I think those reasons should impress themselves upon this Committee as they go about the anticipation of a new court decision, deciding what to do. How this will all sift out is very difficult to predict, but if one takes a look at the Administrative Law Judge's decision -- Judge Lefelt's decision -- one can see, in very specific detail, where problems have arisen, in urban communities particularly, and some rural communities as well.

He has given us a laundry list of things -- educational projects and programs that are absent from your local communities in urban areas, that other communities in the State, because of their greater tax base, because of their easier ability to raise funds, can produce for their children. When you take a look at that kind of detail and see that there are many communities -- many urban communities -- without science laboratories, without libraries, with insufficient aides in the classroom, a litany of problems that are particularly pertinent to those areas, and when you take a look at the below-average test scores on the uniform tests that are given, not only the New Jersey tests that are a part of our literature now, but the uniform standard nationwide tests, all of that bespeaks the necessity of paying greater attention to those needs than has been the case up to this point, and that has been within the capacity of those school districts to realize for their students.

The type of disparity in spending between high- and low-spending districts that we faced in the mid-'70s, unfortunately, seems to have returned in, perhaps, accentuated form. Again, there can be a lot of analysis as to why that has happened, but it is a fact, and it has to be addressed.

One of the things that might be mentioned, is that at the time of the Supreme Court decision -- I believe it was by this time the Hughes court-- They found that Chapter 212 was constitutional, and had within it language that was very cautionary. It said something to the effect that, this statute meets constitutional standards if fully funded. Now, that phrase, "if fully funded," seems to me quite important, because as you look over the history of that law since 1976 to the present time, I think it was perhaps in one or two fiscal years only that the law was fully funded, and the deficiencies have mounted as the years have gone by, in dollar terms.

That, I think, is one major area where the present court is going to look and say that this law, perhaps if fully funded, might have met constitutional standards, but without full funding it may have fallen below that standard. In that area-- I am not one to guess at what a court is going to do -- God knows I have been disappointed often enough in that respect -- but I tend to believe that the current Supreme Court is going to make a finding that will cause this Committee, as well as the executive and the entire Legislature to get back to the drawing board with a new funding formula. What that is going to be is something which, obviously, I am not going to get into now, because I just wanted to give a bit of historical perspective.

With that, I think I will stop because I know you want to hear from the others. If you have any questions, I would be glad to answer them.

SENATOR STOCKMAN: I suspect the Committee has some questions or observations. One of the interesting points you made that I would like to ask staff to look at just to see what it would produce, is the suggestion that if the first suggested income tax that became a matter of debate, but apparently fell short, had been passed-- It seems to me that there ought to be an ability to evaluate what the revenue produced by that would

be, and whether, in fact, we would not be in court; or whether the dynamics of the local reaction and withdrawing perhaps from educational spending in some of those poorer districts would have, nevertheless, left us where we are. I think that is a major issue, but it is an interesting question which I think we will look a little further at.

I will defer, initially, to any Committee members who have any questions at the outset of Al Burstein. Senator Ewing?

SENATOR EWING: I think the name of that committee was the Permit Study Commission.

MR. BURSTEIN: The Permit Study Commission. You were an excellent Chairman, Senator.

SENATOR EWING: Thank you. I thought you gave a very good presentation.

MR. BURSTEIN: This is "scratch your back" week.
(laughter)

ASSEMBLYMAN IMPREVEDUTO: Mr. Chairman, if I may?

SENATOR STOCKMAN: Yes, sure, Assemblyman.

ASSEMBLYMAN IMPREVEDUTO: Counselor, if I could just-- Originally, going back into the early '70s when the T&E concept as you proposed it was coming to fruition, you looked at a myriad of things, I am sure, and certainly one was funding. We know that since Robinson v. Cahill we needed to fund T&E. As we look back now, 15 years later, we see that part of the program -- the T&E program -- is in effect, and part certainly isn't, the funding part of it.

I have a problem with having -- being half pregnant in this particular case, I think. You know, how do we force school systems to meet some of the mandates of T&E and, on the other hand, say, "We are not going to meet our end," which is the funding part of it, in some instances, specifically in Jersey City -- be it good or bad, and for no other reason I use that as an example -- as well as Paterson, Passaic, and many of the other urban areas, which are being taken to task, and in

some cases rightfully so, for not meeting certain mandates of the T&E law, but yet may not be able to meet those mandates, facilities, for instance, because the dollars are just not there?

Certainly we can go back to the taxpayer, the homeowner, but how often can you go to that well, which is almost dry at this particular point? As you look back, your thoughts on going halfway with T&E: Should we go halfway? Should we scrap the whole concept and begin again, and say, "Look, either we are going to fund it and do it right, or we're not going to do it at all"? Or, look for a new system that says, "Hey, we can do this, but we have to really, through strange machinations, convert what I said back in '75" -- or in '73, or whatever the year was -- "and come up with something totally new, a new concept"? I just ask for your comments.

MR. BURSTEIN: A totally new concept, I would have no quarrel with, provided the distribution mechanism has, as its result, some type of equity in available education funding. But there are really not that many different types of programs that would create that situation.

But, to get to the thrust of your question, I think there has been, to some extent, a breach of faith and a breach of responsibility by the Legislature with respect to the school program. When you adopt a piece of legislation -- and, unfortunately, I have seen this happen in more than just this one area -- that carries with it a fiscal implication. There ought to be a sense of responsibility on the part of the body, and the executive signing the law, with respect to that legislation, to enable it to become operative. And, although in this case you wouldn't say that the law was not operative, nonetheless it didn't go the full distance that it should have as was contemplated when adopted.

I recognize that education is just one part, although a major part, of the total State budget, and that when budget

time comes it is very difficult to put something together that puts it into balance without cutting certain other aspects of the State responsibility. But again, one has to take a look at what that total responsibility is and meet the obligations with the necessary funding, and change the funding system, if that is required; that is to say to raise more revenue, or cut back expenditures in other areas.

ASSEMBLYMAN IMPREVEDUTO: I guess my question really is: Should we -- the State Department of Education -- be monitoring the schools currently as they exist, using the monitoring process we are now using to make sure that our schools are thorough and efficient, or meeting good educational programs; going into a school system, and saying, "Your sidewalks are cracked; you've got leaky roofs; you are going to fail. Your education programs may be good, maybe they are not so good, but they are passable, but because of your facilities, you are not going to pass, and now you have to draw some plan that says what you are going to do to improve your facilities, and yet you do not have the money to do that"? Are we doing the right thing by going in and using half of the law and not the whole law? Or, should we be using none of it?

MR. BURSTEIN: Well, the monitoring system and the accountability sections of Chapter 212 which were put in by design because there was a substantial amount of additional money coming into the local school districts, with the feeling that there ought to be accountability to the State by the local districts, in principle is a good idea. From what I have heard -- and I haven't been that close to it so that I can talk as an expert on it, God knows -- but, from what I have heard, some of the monitoring that goes on today is precisely as you have described it, Assemblyman; that there is too much focus upon the noneducational portions of the monitoring system.

I think that if we are going to be monitoring and holding districts accountable, it should be for the manner in

which children are taught, achieve, score on tests, don't become dropouts. Those are the things that we ought to be making a district accountable for, and helping them where necessary with respect to those discrete problems.

SENATOR STOCKMAN: Al, how do you define a "thorough and efficient education"?

MR. BURSTEIN: We attempted to do it in Chapter 212 with a series of sections that related to, in general terms, and echo some of the things that were said in the court decision -- in the Weintraub Robinson/Cahill decision. I think that that perhaps is about as far as you can go without getting into a lot of detailed specifics, such as saying that a thorough and efficient education is only achieved when a test score of "X" is the median level that all students -- or, not all, but certainly the majority of students have to pass in a particular school year. Without getting into those kinds of specifics, you really talk in generalities to produce students who can survive in the workplace, who can find jobs, and who can become productive citizens in our society. Those were the standards substantially laid down by Justice Weintraub in the Robinson v. Cahill decision. And I don't think you can go too much further in trying to delineate it.

SENATOR STOCKMAN: I asked our staff to get some history of the concept of thorough and efficient, and I find out that apparently the phrase was written into our Constitution in the mid--

MR. BURSTEIN: I think it was 1875, because it was the century anniversary when all of this came into being.

SENATOR STOCKMAN: Also, the research pointed out that we were among the last of the states to put into place a public education system publicly funded, and that that phrase was not developed and crafted out of New Jersey, but rather was a phrase, I gather, that must have been popular around the country, and was adopted into the New Jersey Constitution way

back then. And, of course, it has been referred to, and is a basis for this law.

I wonder what you think about whether the definition of it essentially needs changing or reexamination, in light of social changes; in light, for instance, of the tremendously increased acknowledgement of a need for preschool education, early education outside of the traditional kindergarten, especially in our poorer districts; in light of an expanding need for family education dealing with the whole drug problem, the AIDS problem, things of this sort, social kinds of, or even health kinds of programs which traditionally have been viewed as strictly separate and distinct from education, but more and more are seen as inextricably interconnected; and then the whole explosion in terms of societal changes in the way we communicate and travel and move around, computers, the new technology, whether those things really necessitate some fundamental change in our thinking about what a thorough and efficient education is. And, following from that, if it does, whether the formula must not be reexamined very carefully.

MR. BURSTEIN: I think that starting with the phraseology in the Constitution itself, that there need be no change. I really don't think it makes too much difference what words you put into the Constitution, unless you would change, of course, the mandate and expand it from, instead of K through 12 -- rather, it is in terms of age, the age brackets in the Constitution -- to put them into the lower years, either four or three years old, depending upon how far you wanted to go for early childhood education. But aside from that, I really don't think it is productive to take that kind of constitutional approach and put in an amendment.

I think that by legislation you can achieve those same goals, without the kind of change that would be, I think, generally meaningless. In other words, the general-- I am of the opinion that in dealing with constitutions, the broader the

language the better, because it allows for the flexibility of interpretation.

SENATOR STOCKMAN: What about the law? Before I do that, I must share with you the fact that some people are now arguing that we ought to move, perhaps, towards a constitutional bill of rights for children; some kind of a constitutional expression of basic rights for children, and that such a step would even more firmly guarantee and protect children in a society which, because of its changes, arguably is threatened with the consequences of inattention to its children. That is really, in some ways, beyond the scope of this hearing, and I don't want to get too far-- I don't know whether you have ever been drawn into, or have given any thought to that concept or not.

MR. BURSTEIN: No, I really haven't.

SENATOR STOCKMAN: Ernie Boyer brought it to my attention.

MR. BURSTEIN: Yes. Again, I think that that kind of constitutional language might be helpful in drawing attention to the needs of children. But again, unless that is implemented in a way that makes it meaningful, then you might as well have no language at all.

SENATOR STOCKMAN: Coming to the language that we, as legislators, forgetting -- not forgetting, but the backdrop being the Constitution-- Our obligation to fashion laws-- Do you think that the laws that we have to fashion in this area now to meet and arrive at a thorough and efficient education are different than those that you needed to fashion in '75 -- this notion about societal changes, or other changes, which necessitate a different drawing of language by the Legislature?

MR. BURSTEIN: I think there are some areas, Senator, where there can be changes. As an example, although it has been done on a spasmodic basis throughout the State, the use of schools as a center for things other than education is

something that may very well become a part of any legislation you adopt, if you are going to adopt new legislation or amend Chapter 212.

Atlantic City, as a matter of fact, has had a history of the use of their school systems for many purposes other than simply the educational; health and recreational and so on services that go beyond the ordinary school day. Several districts around the State have done that.

I think we have to take a look at that type of concept to determine whether or not it ought to be mandated statewide. There has been a lot of displeasure at the fact that many school districts simply close the doors of their schools at three or four or five o'clock in the afternoon, and that is the end of the usage. And in the summertime, there is very sparse usage. So, perhaps we ought to take a look at that as one example of areas where there is something that could be written into legislation that would be very helpful.

SENATOR STOCKMAN: Assemblywoman Cooper?

ASSEMBLYWOMAN COOPER: Speaking of Atlantic City, I just read something. Isn't the new controversy about the religious use of schools?

MR. BURSTEIN: That has been a controversy that has been going on for a long time.

ASSEMBLYWOMAN COOPER: Will it ever be resolved? It is starting again. I mean, I am aware of it now because I am on this Committee. I am aware of it now, but how are we going to face it?

MR. BURSTEIN: Well, there are U.S. Supreme Court decisions which deal with a lot of that. Obviously, there are very thin lines that are drawn between what is appropriate for public school use, as opposed to use by religious schools. I really haven't looked at those cases in quite a while, but I vaguely recall a finding of unconstitutionality, a breach of the so-called wall between church and state, where a religious

school used public school facilities for teaching special courses. It is almost on a case-by-case basis. It is very difficult to talk about in generalities.

SENATOR STOCKMAN: Senator Ewing?

SENATOR EWING: Al, this time, because I don't think we did it before, we ought to really try to put in some controls to make sure that the money that goes to the school districts from the State and the Federal government is used for the child -- have you given any thought to that? -- and is not just squandered away, the way it is in some districts.

MR. BURSTEIN: Well, without getting into the squandering aspect of it, Senator, surely there ought to be some thought given, it seems to me, to making sure that the money that is appropriated for educational purposes is, in fact, spent for those purposes.

SENATOR EWING: That is not always being done.

MR. BURSTEIN: In some cases, it is not being done, yes.

SENATOR EWING: That's right, but we failed to do anything before in the legislation to make sure that there were really tight controls on it some way or other.

MR. BURSTEIN: We were attempting to walk that very shaky line between too much centralization of control of education problems at the State level, as opposed to the local interest in education. It is not always a clear line that is cut between those two interests. They are really contending interests. But nonetheless--

SENATOR STOCKMAN: Do you recall any arguments being made in that direction for greater control that failed, that were beaten down?

MR. BURSTEIN: I don't believe so. I don't think it was a central issue at the time.

SENATOR EWING: I don't think it was really an issue at that time.

MR. BURSTEIN: That's right.

SENATOR STOCKMAN: I think Senator Lipman, and then Assemblyman Pascrell.

SENATOR LIPMAN: I want to go back to the use of schools for after-school purposes. That is a very good idea. I think one of the reasons that urban school districts do not do much in this line, is the wear and tear on already too old school buildings; and also, it costs money to run the schools, and they barely have enough money. So, we rarely use them for after-school activities. I think we need to take that into account. I agree that it is a good thing to do, but we are just not doing it in the urban districts.

MR. BURSTEIN: I can well understand, Senator, that that is one of the inhibiting factors; the fact that the urban districts do not have sufficient funds to continue with the use of the schools beyond the normal school time. With regard to physical facilities, I think it is important -- although it is perhaps beyond the scope of this immediate hearing -- to think in terms perhaps of an urban school bond issue, because for local districts to undertake school capital improvements on their own in the urban areas has become an increasing problem. This implicates the whole idea of early childhood education, because the schools in the urban areas do not have the physical facilities for it, as well as a whole host -- a whole array of other matters that they could undertake with new facilities.

SENATOR STOCKMAN: Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Thank you, Mr. Chairman. Al, how do you avoid what has happened in the past 14 years that you describe? In the last seven-and-a-half years there has been \$950 million that the Governor has taken out of the educational budget in order to balance the budget.

Secondly, municipalities, because of the way the formula was written, are not only going to get money in that municipality for education, but some of that money is going to

be directed to equalizing taxation. I mean, that was also written into the bill. It is not something that anyone is mysteriously doing.

The urban districts have a double burden, the municipal overburden which we read about and hear about. I mean, how do you avoid these things, other than going into a foundation program rather than a formula program? What are your feelings about that?

MR. BURSTEIN: I think that when you hear Dr. Reock speak, he has, if I am not mistaken, come up with a program that would keep things on an equalized basis. I believe it is through a foundation program essentially that he would be working. I would leave to him some of the specific notions as to how it can be done, but it can be done. It can be done.

However, I must tell you that even with an altered distribution program, each year that you come to budget time you are going to be faced with the identical problem that you have been faced with over the last 15 or so years, and that is, do you stick with the formula that is in the law, or do you alter it in order to meet your budget considerations? The budget essentially, over a long period of time now, has gone into balance on the backs of the children of this State.

ASSEMBLYMAN PASCRELL: If that is the case, if balancing the budget has been done on the backs of the children of this State, do we need a constitutional mandate? Do we need to pass legislation saying that money that is in the budget directed to local assistance for education must go to those local districts on either a formula or foundation basis, and no one, not even the Governor, should be able to take that money and balance the budget? Or, is that an oversimplification?

MR. BURSTEIN: I think it would be very difficult to do because, knowing the way budgets are made, there would be ways around it. I am not at all sure that putting language into the Constitution is going to address the problem. That would be one thing.

The second thing is, I don't think that I would want to go quite as far as that, because when you put into concrete form that type of language that represents a mandate upon the executive and Legislature, it is a straitjacket that in time to come, in days that we cannot foresee at the moment, we might regret.

ASSEMBLYMAN PASCRELL: One of the things that we didn't have in 1975, although we had a disparity, which has now gotten worse-- One of the things that we didn't have was the equity in high property taxes. In 1975, the urban districts throughout the State of New Jersey, and suburban districts-- The gap in the property taxes was far greater than it is today. What was interesting last March and April down in the Capitol, was when so many people from all boards of education from all over the State, be they suburban, rural, or city, you know, stood fanny to fanny out there, outside, because the property tax spiral had reached their communities. So, maybe it is a blessing in disguise that we are all in the same boat, that we weren't in back in 1975.

If that is the case -- if that is the case -- and I know you don't like to predict, but, you know, you're qualified, I think--

MR. BURSTEIN: Only because I'm wrong sometimes.

ASSEMBLYMAN PASCRELL: --better than any of us-- That being the case, perhaps there would be more sympathy at this point, in 1990, to examine a more equitable tax base for the funding of education, and who knows what else?

MR. BURSTEIN: Well, the overemphasis on real property taxation as the source for school funding, and for other funding of municipal needs, is a cry that we heard as well during the '70s. It is not as though it is a new cry. But perhaps today it is accentuated in a manner that we didn't quite have to face in the mid-'70s because of the changing type of population and the ability to meet those spiraling costs.

We only used the real property system as a basis for the funding formula because it represented, despite some of the numbers you have seen, more of a stable kind of mechanism, because after all, this formula is only a mechanism to get money into the school districts. It is not sacrosanct; it is not the only thing. But nonetheless, it was a mechanism whereby you could make a distribution formula.

I have no qualms if you, in the course of your study, were to find other ways of doing it, but the other ways are really fairly limited, because your funding source, if not the real estate tax in major part, has got to look to the other significant sources of State revenues -- your sales tax, your income tax, your business taxes. When you take a look at those, and if you are going to relieve the real property tax burden, then you've got to come up with a different system of taxation at the same time.

If you do that, then I think you can perhaps still use the real property ratable base as part of the system, and a minor part of the system, but utilize your money in a more targeted way. If you see difficulties in a particular district and they do not have the funding despite local effort to do what has to be done educationally, to put money into that district. In other words, I would try to take a look, as best as possible, at targeted aid, programmatic aid.

SENATOR STOCKMAN: Al, you said something earlier, and I don't want to get away from the point you have just made, which I think is an important one. But I want to challenge you on it a little bit, because it is something I have thought about and have been totally frustrated in dealing with. That is, you suggested that the State budgets have been balanced on the backs of the children of this State. I would just challenge that a little bit by saying, more accurately -- and this is the dilemma -- that the budgets have been balanced on the backs of certain children in this State. Frankly, they

tend to be overwhelmingly Afro-American and Hispanic and minority. They tend to be largely and overwhelmingly in poorer districts.

The point I am trying to make, and it is a point, of course, that the Chief Executive Officer of this State for the last eight years has proudly emphasized, and it creates a real dilemma, a real challenge to us-- That is the contention that on average, the State of New Jersey is near the top states in the United States in terms of its per capita investment in children.

I think you agree with me on all of that. How do we deal with that? I mean, I like to think that the public in New Jersey is a caring and concerned public. I do believe that, and particularly caring and concerned about its children, and the well-being of its children. How do we get beyond this averaging kind of dialogue that really, I think, has probably chilled the Legislature in terms of a willingness to take on the issue? Because, time and again, I have been in debates with, oh, a variety of people, including many of my colleagues in the Legislature on both sides of the aisle, where a beginning discussion about the need for a greater commitment of resources to certain children is met with this claim: "Wait a minute. We're spending, you know, on average, one of the highest amounts in the country. Why are you telling me that? It must be a matter of waste." How do you deal with that?

MR. BURSTEIN: The use of averages in public discourse is highly misleading. You can't use an average, as you have implied in what you just asked me, and say that that answers the problem of those school districts, largely in the urban areas, that cannot afford to spend the same amount of money as the high-spending districts.

Sure, when you lump them all together, and divide into that figure the total number of students in attendance at public schools, you come out with a figure per capita that

leaves New Jersey either the highest, or next highest, or certainly in the upper range of spending for public schools -- when you put all of the money together, local spending as well as State spending. But that does not address the real problem of, how do you reduce the inequity? That is what the court is dealing with, and that is what the Legislature has to deal with.

It is too easy to forget about that problem -- that part of the problem -- in your day-by-day operations here, unless somebody brings it to your attention, and it is now being brought to your attention by means of the courts.

SENATOR STOCKMAN: I couldn't agree with you more that the use of averaging is probably one of the most mischievous uses and phrases in public dialogue on education policy. You know, I have never met an average child, I don't think. I mean, I have met a lot of children -- I have a lot of them myself (laughter) -- and--

MR. BURSTEIN: And all of them are above average.

SENATOR STOCKMAN: --I think when you bring that concept to determination in this area, it has produced and has caused us great problems. I agree with you.

I don't know whether any of my colleagues have any further rejoinder or comment on that, but I think you would agree with me that that is a real dilemma.

SENATOR EWING: What it comes down to is the honesty of whether the money is spent on the child or elsewhere. I believe you will find that many of the urban areas are getting substantial sums of Federal money and State money and their own tax money. Whether it is really being spent on the children or not, I think is very, very questionable.

SENATOR STOCKMAN: Al, can you respond to that?

MR. BURSTEIN: I think that the last I saw figures anyway, and this may be outdated-- The last I saw was that the district with the most Federal money coming to it was Newark, and if not Newark, certainly one of the other major urban areas

in the State. That portion represented no more than 7% of their total school budget. It is not significant. And when you consider further that, I believe, only 20% of eligible students for the Head Start Program are actually being serviced in the State, that dramatizes some of the problems and the deficiencies in the amounts of money that are coming in from outside sources.

But insofar as the basic principle is concerned, Senator, I think you are quite right. The money that is being used ought to be used for educational purposes, and the waste and inefficiency that has been revealed from time to time, in one or another of the districts in the State, is unconscionable. Money that is wasted because of the padding of education payrolls and the usage of local education jobs for those not qualified, or for those not fulfilling those positions on a regular basis, is just insupportable. What has been happening, as an example, in my own alma mater in a sense in Jersey City, I think highlights those facts.

SENATOR STOCKMAN: Senator Brown?

SENATOR BROWN: I appreciate your taking the time to enlighten us here this morning. The drug problem certainly has a bearing on the education of our young people. Are you at all surprised at how this has played in the last 20 years? Did you envision years ago this being as much of a factor in impeding the good education of our youngsters as it probably is doing today?

MR. BURSTEIN: In no way. In no way could one foresee the kind of impact this has had on the schools. Well, when I was in school -- and that really is much too far back; that's ancient history-- But, when I was in the public schools, there was no such thing as a drug problem. There wasn't even an alcohol problem. Sure, you would find one or two aberrational kids who wanted to get feisty and show that they were different than the rest, but other than that, you didn't have that type

of thing going on. And your dropout rate, and I think there is a direct linkage between the problem and children leaving school, was much less, much lower than it is today. These are entirely new problems that have to be dealt with.

SENATOR EWING: You didn't have the single-parent family situation, which is tremendous.

MR. BURSTEIN: It was much less than today. You didn't have the divorce rate; you didn't have the single-parent family.

SENATOR EWING: Teenage pregnancy.

MR. BURSTEIN: Well, I grew up in an agrarian society, Jack.

SENATOR STOCKMAN: Senator Lipman?

SENATOR LIPMAN: Yes. We didn't have the security problem either -- the amount of money spent to secure the schools from drugs and so forth. In Newark, it is as much as some districts' whole school budget. I think that is a big handicap, when we look at whether the funds are spent properly, whether the funds are put totally into education. One of our largest problems is the problem of paying for security.

MR. BURSTEIN: I recognize that, Senator.

SENATOR STOCKMAN: Assemblywoman Cooper?

ASSEMBLYWOMAN COOPER: Yes. Considering I am new on this Committee-- Two years ago, I attended an ALED (phonetic spelling) convention at which Commissioner William Bennett was the featured keynote speaker. Many of the topics he covered were apropos of this meeting today. I stood up and said, "Whatever happened to words like 'penmanship'? I cannot read letters and documents coming from college students to my office.

"My original profession was cryptography, and I, like, decode letters now from college students and high school students. Whatever happened to geography? Whatever happened to history?" Then one of the other legislators got up and said, "Oh, she must be from the golden age of education." I

was, pre-World War II. But, it is really very sad today. I get these letters from college students that I cannot decipher. The English is a travesty. And, whoever set the standards for gifted and talented children? Because last year I received a letter from a high schooler, not in my district, but in another district where this child was doing a survey, and she concluded her letter with: "I am in a talented and gifted class in my school." I found 12 misspelled words -- I was an English major, so I do know English -- and grammar that was a travesty. When I responded to the child, I said, "By the way, take this back to your teacher and your principal, and ask the question, 'On what grounds' -- unless she was a music major or something -- 'am I in the gifted and talented class?' because--"

Do you know, the principal wrote back to me that I upset this child emotionally, because I criticized the child. Is this thorough and efficient education today? I don't know. I wonder. Where is the money going, if a principal writes that back to me? (laughter)

SENATOR LIPMAN: A very good point.

ASSEMBLYMAN PASCRELL: Something's wrong.

SENATOR STOCKMAN: Assemblyman Impreveduto?

ASSEMBLYMAN IMPREVEDUTO: There are two points that I would like to address: One, whenever you put this many legislators at a table, we tend to go far afield. I know this is funding, but actually you can't talk about funding without talking about education. It's got to be holistically. Senator Brown raised a point about drugs, and Dolores certainly raised the point about what's happening in the schools.

Just to go along with Senator Ewing, if we are going to spend the money-- If the State is going to say, "Okay, we are going to spend 'X' amount of dollars, and here it is," should the State also then be looking at a statewide curriculum saying, "This is what you must teach, if I am paying for it"?

Should that, in fact, be part of thorough and efficient? Is that equal? Is everyone getting the same education if we are all teaching the same history, the same mathematics, the same grade level, and there are certain goals and objectives that we must meet in this statewide curriculum; that every student must meet these minimum basic skills -- again, if we can use that terminology -- as taught by a statewide curriculum? Or should there, in fact, be home rule as there is now, which says: "We can teach what we want to teach," although we do mandate certain courses be taught -- so many years of history, so many years of mathematics? Should we be looking in that direction -- a statewide curriculum?

MR. BURSTEIN: I think not. I think that would be a mistake. The needs of children, although there are certain core educational programs that they ought to have-- The needs of children vary from district to district throughout the State. We are a highly varied State, as small as we are, and I would not think it wise to mandate a curriculum statewide. I think we have gone about as far as we ought to in the current system, and perhaps too far. I think there are recommendations that can come from the State Department of Education and the State Board of Education with regard to the types of curriculum that would be expected of any child taking the standard tests, and I think that those, in themselves, mandate, or give direction to the kind of curriculum that ought to be taught. But, to put it into legislative form, I would doubt--

SENATOR STOCKMAN: Al-- I'm sorry. Go ahead, Assemblyman.

ASSEMBLYMAN IMPREVEDUTO: Just the second -- observation, I guess: We talked about, where has education gone since the days when you were in school? There are certain things-- The dropout rate then, as you said, might have been much lower than it is now. And there were certain other things maybe back in the days when you were in school which have changed today.

However, I think one of the things that, again, may be the reason for the change -- and certainly we are not mystics here; we can't tell-- But, our values seem to have changed someplace between those days -- which I'm sure were not that long ago, when you were in high school -- and today. The difference was, had your parents been called to school for some reason -- because young Al was not doing the right thing -- I'm sure you met with more than just the verbal correction of your parents. Where today what I find, and I am in the school system, is that you get parents coming in saying, "Well, I can't take care of it. You guys handle it. It's your job. I don't know what to do," or parents not coming in at all.

I guess it is compounded by the fact that probably sometimes in the fifth grade, a kid will go home with homework, and the homework is beyond his parents. You know, maybe we need to look at-- When I talked before about revamping the system, we can't just talk about this in a vacuum. You know, we look at the SLERP report; we look at so many things that affect us. I think Wayne Bryant said this at a NJEA thing a couple of weeks back. If a parent -- a single parent or even a married parent -- collecting welfare has a child, this parent may only have a third or fourth or fifth grade education. Maybe part of her welfare program should be going back to school, or educating herself, so that she can then help her child to become educated. I think that all too often, our kids are not getting the same values that our parents gave us. There seems to be some drop-off in respect for other people and other people's properties and what is expected of you as a good person. In fact, parents have abrogated their responsibility at the birth of their children; have not taken that responsibility, as they may have done going back not too long ago.

MR. BURSTEIN: Well, the whole sense of family cohesion, of course, has eroded during the many years that have

passed through my lifetime, certainly. That is a very difficult thing to redress.

One of the thoughts that I had, and I really haven't thought it through to the extent that I have a program to offer, is to focus upon the parental neglect, and perhaps come in with some type of incentive program; a pilot type of program which would be available for funding, to provide parents of a very limited economic status with a stipend, provided their child in the school system showed some type of marked improvement over some defined period of time. Maybe that would be one way of doing it, because I think this business of parental neglect is a very significant one, and has a direct link to some of the failures in our school system.

SENATOR STOCKMAN: Is it, Al, a legitimate argument to make that government should fill whatever vacuum is left by, arguably, this erosion of family cohesion, or is that an attempt at excessive government involvement in areas where they are just bound to fail? It seems to me that that is a fundamental question that is part of this struggle over funding.

Is it appropriate for someone like myself to argue -- and this is my instinct -- that because we are dealing with the rarest, most uncopiable, the most wonderful and important part of earth and life, that is, children, is it appropriate to say we cannot not provide these things for them because of who they are and what value they are to us; and that to the extent that there is a withdrawal of parental responsibility, that the State must find ways to fill that area? Is that good judgment? Is that wisdom, or is that folly?

MR. BURSTEIN: The State, as surrogate parent, is perhaps a frightening concept, because it implies a certain authoritarianism that you may want to stay away from. But what I think is true, is that on the one hand you can't bewail the imperfections of an education system with the types and numbers of dropouts we have, and the inadequacies in many of our urban

areas of the education systems and what kinds of students they are producing, without taking as objective a look at the causes for it as is possible. That is why there may be some kind of middle ground that can be arrived at where government is not all intrusive, but where it does play some type of limited role within the limitations of its available resources.

But, that is the kind of thing that is a highly judgmental type of response that a Legislature and a Governor will have to make, and that, only after studying the problem and seeing where you can go with it.

SENATOR STOCKMAN: Incidentally, I have been reminded by staff that we do have to be careful about this dropout concept, because while there is a popular notion that there is much greater dropout today -- and I open this up for debate -- there is a lot of evidence that there was a lot of dropout many years ago.

My dad, who is now deceased, dropped out in the eighth grade. My mom dropped out about that time as well. My mom is in her late '80s now, so we are going back some substantial amount of time. I think probably if we looked at it, there was a significant dropout. It may have been a little earlier time, and then there was more emphasis maybe on a selective group for quality education. I don't say that to negate the thrust of some of your points, but I do think that is important historically.

ASSEMBLYMAN PASCRELL: Senator?

SENATOR STOCKMAN: Yes, Assemblyman Pascrell?

ASSEMBLYMAN PASCRELL: Senator--

SENATOR STOCKMAN: Excuse me, but I know Senator Wiley has been very patient, and we are going to get him up on the hot seat very shortly.

ASSEMBLYMAN PASCRELL: --if I may move from the philosophical to the more specific-- You know, the Governor and his wife were dropouts, too. I mean, that isn't the issue

here. The issue is very simply this, and I have to respond to what Senator Ewing just said before, because there is a perception out there -- I think it is incorrect -- that the ills of the urban districts are laid at the foundation, or the footsteps of mismanagement. I don't think that is accurate at all. Certainly, none of us sitting around this table want to defend mismanagement. But the fact is -- the sobering fact is -- that the cuts in education since 1976, Mr. Chairman, have been loaded heavily on the poorest communities in this State. If you don't understand that it means to have a dollar cut from Princeton or Clifton, or Paterson or Newark, be it equalization money or categorical money, and if you believe that a dollar is a dollar, you do not understand financing education in the State of New Jersey.

There is a perception out there that we need to respond to, all of us, regardless of whether we come from urban, rural, or suburban districts, that we are all in the same boat. We all live in the same State. And, this notion out there that we are all talking about the same money, is erroneous, isn't it, because to restore that dollar in categorical aid, to restore that dollar in equalization money, is quite different in Paterson's property values than in Clifton's property values or Princeton's property values or Ridgewood's property values. It is a whole different megillah, isn't it? And if we don't understand that, we are never going to come up with a new formula, or deal with a new foundation of financing education in this State.

MR. BURSTEIN: If you could translate "megillah" for me, I would probably be able to answer the question. (laughter)

ASSEMBLYMAN IMPREVEDUTO: It's a Passaic County term.

ASSEMBLYMAN PASCRELL: Hopefully the same definition as T&E, I think.

SENATOR STOCKMAN: Would you adopt that statement, Al?

MR. BURSTEIN: Well, I think the Assemblyman has brought us back full circle. The inequities, as far as fund-raising ability, are wide, and must be redressed by State action.

SENATOR STOCKMAN: How much of the picture is this question of waste and corruption and incompetence and nepotism?

MR. BURSTEIN: It is hard to quantify, but I think that after you get a report out of the Jersey City experience you will have a better idea, at least in one school district. It does not necessarily equate with every school district in the urban areas, but it would certainly give you some notion of what significance it is.

SENATOR STOCKMAN: Now will you answer my question? No, I'm only kidding, Al. What is your sense, what is your instinct of the answer to that question?

MR. BURSTEIN: Which one? I'm sorry, Senator.

SENATOR STOCKMAN: The question of what portion of the problem of-- I think there is a consensus that we are not satisfied with the results of public education in our poorer districts. The question is: Is it primarily or substantially or significantly or minimally or not at all a consequence of waste, corruption, incompetence, and nepotism?

MR. BURSTEIN: The problems in the urban districts, as I view them, are certainly not going to be solved by the most efficient system. That, I think, is a minimal portion. It is simply that where you have great needs, it is unconscionable to have waste.

SENATOR STOCKMAN: How would you distribute aid for public education? I mean, I am not sure I have gotten an answer from you or the Committee in terms of whether the formula we have simply needs full funding and some minor tinkering, or whether you are persuaded -- and, of course, it would be a matter of Monday morning quarterbacking, or knowing a lot more now than you did when you struggled with Senator

Ewing in putting in place the program we had. What is your instinct in that regard? What is your suggestion to this Committee?

MR. BURSTEIN: From the standpoint-- I would put on my ex-legislative hat. If I were a legislator, the probability is that I would try to do as little as possible not to have a dramatic change.

SENATOR STOCKMAN: Why?

MR. BURSTEIN: Because that is easier to swallow, and easier to sell to the general public. Conceptually, however, I think it would be a mistake for the Legislature and the Governor to do that. I believe that if we are going to take a new look at the funding system in New Jersey, we ought to take a look at what happened in a comparable setting and background in the State of California, and perhaps in a couple of other places around the country, which likewise are under the gun of a court decision, and which have now determined that the best way to meet their education problems as far as providing equal educational opportunities, is to concentrate the funding mechanism in state hands. California today, I think, is somewhere in the vicinity of 80% to 90% of total school funding provided by the State of California.

SENATOR STOCKMAN: Rather than in the hands of 611 separate school districts--

MR. BURSTEIN: That is correct.

SENATOR STOCKMAN: --in the State of New Jersey?

MR. BURSTEIN: You can achieve equity in a far greater manner by means of that type of centralization, than you can in any other fashion.

SENATOR STOCKMAN: I wonder if we could invite you to stay, unless you have other commitments? I don't think Senator Wiley would be uncomfortable having you alongside of him there. I will ask him to come up and perhaps join us in this discussion.

SENATOR BROWN: Mr. Chairman?

SENATOR STOCKMAN: Yes?

SENATOR BROWN: While he is coming up, may I just--

SENATOR STOCKMAN: Surely.

SENATOR BROWN: --make an observation, because I think it is important that we all play by the same rules as far as language is concerned. When there was a discussion about cuts at the other end of the table in the last couple of years, it was my understanding that those were cuts in increases, not cuts from what was done before.

ASSEMBLYMAN PASCRELL: Yes, that is correct, Senator. There was a total breaking of the law; that's correct. Absolutely. (laughter)

SENATOR STOCKMAN: Excuse me, that comment was made through the Chairman, and I gather there is a reply to be made through the Chairman.

SENATOR BROWN: Through the Chair, are we spending more on education in '89, in '90 in New Jersey than we did 10 years ago?

SENATOR STOCKMAN: Al, do you want to answer that? I think the answer is--

MR. BURSTEIN: In dollar terms, is that the question? Significantly more.

SENATOR BROWN: Because I think it is very easy for it to get recorded for our people to read back home. We have had all sorts of cuts in the number of dollars that we are contributing to our schoolchildren and, in fact, we have not lived up to the formula that there has been overall more money behind each of the pupils in the State of New Jersey than there was 10 years ago. I just get a little leery of the term "cuts," that we are talking about.

MR. BURSTEIN: To sum up, I would say that 212 is not a total failure. (laughter)

SENATOR STOCKMAN: Senator Wiley was a distinguished member of the Legislature for a long time. He reminded me, before this hearing began, that he came into the Legislature in 1974 with a new administration and with new control of the Legislature in his party, and as a result he immediately became Chairman of the Senate Education Committee. He joined with then Assemblyman Burstein to jointly undertake an effort to respond to the Robinson v. Cahill decision. He played a major role in public education policy for a long time while in the Senate. We, as a Committee, very much appreciate his volunteering to take time out of his busy private schedule, as Assemblyman Burstein did, to come here to share with us his views, his recollection of events, and any advice or suggestions he has to us about these monumental problems we are talking about.

So, with that introduction and thanks, Senator Wiley, I would like to invite you, as I did Assemblyman Burstein, if you would like, to make some initial observations or comments. I know the Committee did not ask you for a formal statement, so--

S T E P H E N B. W I L E Y, E S Q.: Thank you very much, Mr. Chairman, members of the Committee, and staff. It is a pleasure to be here. You asked me if I would be comfortable having Al Burstein next to me. The answer is, I would be uncomfortable if he weren't here, Senator. That goes back a few years, but we got accustomed to that after a while, and it is very appropriate that Jack Ewing is on our left.

MR. BURSTEIN: Quite so.

SENATOR EWING: I should be on the right.

MR. BURSTEIN: He was the radical of our group.

MR. WILEY: That's right. It is nice to see you all, and it is a pleasure to be here.

Al has answered all of the questions. What can I do? Let me give you an observation or two. I was thrown into the

middle of this thing back in 1974. I wanted to be Chairman of the Law and Public Safety Committee, Mr. Chairman, but they made me Chairman of the Education Committee, so I got into T&E.

I wondered what T&E was -- what a thorough and efficient education was -- and I am here to tell you 15 years later that I don't know. But I found an interesting thing, that "thorough and efficient education" is a term that somebody invented out of the air. It sure as the devil isn't in the Constitution. I went and looked. That was the first thing I did when I became Chairman. There is nothing about thorough and efficient education in the Constitution or the statutes, as far as I know. I wrestled with the implications of that in trying to figure out whether we ought to have, on the one hand, a State system that was run by the State and got rid of all the school districts, or a local system of free public schools, with some kind of State participation.

I found it instructive to go back to the Constitution and read it, because what it says-- It is interesting. It says: "The State shall maintain and support, provide for the maintenance and support of a thorough and efficient" -- the words that were key to me -- "thorough and efficient system of free public schools in the State of New Jersey -- thorough and efficient system of free public schools." I think that provided some guidance, to me at least, in trying to figure out what the answer to this problem was.

It is easy when you sit in Trenton, I found, to think that you have the wisdom to provide the answers for a million school kids, or whatever it is. But you quickly learn that that is not the case, and the best you can do is try to participate in setting up a system that can provide some answers. I backed off very quickly from, and fought against, an idea which would have provided effectively for a State takeover of all education, and a statewide system. I thought that was potentially disastrous for New Jersey.

On the other hand, to try to build on the system which we had had for some time, the system of free public schools, to make it work, to provide for its maintenance and support, so that the localities, the school districts, in their own local democratic way, could adequately cope with the problems faced by their children. I came to the feeling that if we had to build our house on a rock, the best rock I could find was the rock of the people whose kids we are talking about and the communities where those children live. If they are not interested in providing for their children's education, then none of us are going to get very far, and I concluded that that was where I would build my house, or try to, to the extent that I had anything to do with the legislation; to build it on the local system, but to set it up in such a way that those people could realize their legitimate aspirations for their children, and so that they could realize the kinds of lives and hopes that all of them, I felt, wanted for their children.

It was with that in mind that I personally advocated the equalization mechanism. Al has told the story. We wanted 50%. We weren't able to get it. We ultimately backed off and settled for 40%, which was facially constitutional, and that hasn't been funded. I think 40% is too little; I thought so at the time. I think it ought to be higher. And, there is lots to be learned from the experience of the intervening 15 years.

But I would conclude for myself that the State's role should be on that equalizing funding mechanism, to make it possible for the local school districts to function effectively. There is a pronouncement that New Jersey is an enormously diverse place. There are no two towns alike; they are widely diverse. They are not going to want exactly the same things, and I don't think Trenton should tell them, "You've got to do the same thing for every child. It has to be the same curriculum. It has to be the same number of students per class." Trenton isn't that smart, in my experience. The

Department of Education may be good at one time and not good at another time. There is a tremendous value in the stability of 600 school systems going about the work of educating a million kids. One will make a mistake, 13 will make a mistake, another 20 will make a mistake, but the whole system exists and continues. If you centralize that power in Trenton so that one person is making the decisions for the whole system, one person can make a colossal mistake that can sink the whole system. So I was looking for that stability and broad base. But what we have not achieved, is the kind of funding that can make that local system work effectively.

SENATOR STOCKMAN: Why?

MR. WILEY: For a couple of reasons: One, we got tired, I guess, and we settled for 40%. We wanted 50%, but couldn't get it. We were trying to introduce a tax program to fund it that was new to New Jersey. The only way we could get-- You did it in the Assembly; in the Senate we couldn't get the votes for a program that would have done a better job, so we ultimately settled for 40%.

Two, it hasn't been funded even at that statutory level over the years. The money has been held back and cut. So, for a couple of reasons the funds have not been there.

SENATOR STOCKMAN: Senator, do I interpret you correctly, and Al correctly, in that there is a different philosophy perhaps here on a key issue? I thought that Al suggested, or at least time has now persuaded him, that to avoid the kind of outrageous disparity and unequalness that almost nobody can quarrel with-- We get sub-quarrels on whether there is waste producing some of that, or whether some schools should be allowed to spend more, and so on, but the disparity--

I got the impression that Al has come to -- and I may be wrong on this -- a conclusion that the only way to guarantee that that not happen down the road 10 years from now, give or

take, is to have the State much, much more in control of the funding, 80% of it perhaps. I get what I think is a different message, but perhaps not from you, in terms of an expression of concern for home rule; for the legitimacy of, for the activity of 600, plus or take, districts dealing with this.

Now, it may be that on funding you could come together and agree, with a recognition that despite the funding at the more centralized State level, you could still have that, or it may not be. Do you think you two are at odds philosophically on this fundamental question?

MR. WILEY: I can only speak for one of the two of us, of course. I am not aware that we are. I think if you talk about the level of State participation -- if it is 80%, or whatever the percentage is -- that, to me, really doesn't make much of a difference. It is the question of how that money is applied. You could, theoretically, take 99% State -- theoretically; it wouldn't work -- but 99% State money, and still have an entirely local system, by providing a guaranteed valuation -- a guaranteed tax base.

I know now that a dollar tax rate, which is supposed to be fair by somebody's standards, will provide you in Trenton with-- You would have a base -- I think I read somewhere -- of something like \$100,000 per child. So, a 1% tax rate there would get you \$1000 worth of education. And in Princeton, also in Mercer County, there is, I think, something over a million per child -- \$1,100,000 per child. So the same tax rate-- We all pay a 6% sales tax. Let's all pay a 1% property tax. That is equal. Well, in Princeton, that would get you \$11,000 per child per year; the same quality of education in Princeton as in Trenton. The only difference is, in Princeton you would go to school all year, and in Trenton you would go to school until Columbus Day, and then everybody would go home for the rest of the year because you would run out of money. That is the product of the fact that we are dealing with funding based on a

local property system. Not just a property tax; that is not really the heart of the problem. The problem is that it is a local property tax, and it is geared to say, "We are going to take each town, and we are going to look at the amount of property in that town and the number of pupils in that town, and they are going to have to provide for their own education." This is without any kind of State aid. That is the rub.

We at the State level-- You in the State Legislature can't move the kids, and say, "Okay, you go to Metuchen and you go to Princeton." You can't move the property, really. You can provide incentives, but fundamentally the property is where the property is. So, what are you going to do? You are stuck with oversized property in some places in relation to the number of children, and the reverse in other places.

If you leave it there without any State participation, you've got a terrible system, and that is what the courts have been telling us over the years. The answer to it is to, I think -- it can be, at least -- deal with these valuations per pupil. That is what we are talking about: \$1,100,000 in Princeton per pupil, and \$100,000 in Trenton per pupil. Let's deal with that. Let's use the money to create an imaginary -- a guaranteed value per pupil. And if you have enough money -- State money -- you can guarantee an adequate valuation per pupil in any town, so that when they levy that 1% tax in Trenton, they won't get \$1000 for a couple of weeks of education. They will get enough for a good education for the whole year.

That does not mean State control. It doesn't have to mean State control. It means State funding through an equalization formula. At least that is one way. You can go with a foundation system. I personally react against it, because foundation system means more State control. The State is going to set the foundation law. Well, the State is going

to make a lot of decisions about class size and a whole range of things, and take away this local creativity that you speak of, Mr. Chairman. So I think that whether it is 80% or 40% or 90%, it is neutral on the question of State versus local control.

MR. BURSTEIN: I quite agree. There is no real philosophical difference. It sounded that way, but essentially what I was talking about was the use of a higher level of State support to create an equalization of school expenditure, irrespective of local property tax ratables. I think that is exactly what Steve Wiley has talked about. And it need not incorporate an excessive amount of State control in the process.

SENATOR STOCKMAN: Senator Wiley, some of the other questions that came up in the course of the debate you might want to comment on: Do you-- What about this question of an erosion of family cohesion concept, and whether there is a legitimate basis for the State to move -- to expand into that area, or whether that won't work? Do you have anything to share with us on that issue?

MR. WILEY: Where a child doesn't effectively have parents to worry about the future of that child-- Is that what you're speaking about?

SENATOR STOCKMAN: Yes.

MR. WILEY: I don't have any question myself. We in our public role, whether at the State level or at the local level or wherever, have to take some responsibility for that, and have to try to do the appropriate thing. There is something that you can do through the schools, but, of course, there are other arms and mechanisms of the public wheel that can be used, and are used, to help to step in to provide for those kids. I don't have any question that there is a role to play, sure.

SENATOR STOCKMAN: Did I hear some questions from the Committee? Assemblyman Impreveduto?

ASSEMBLYMAN IMPREVEDUTO: Just a quick question, okay?

SENATOR STOCKMAN: Yes.

ASSEMBLYMAN IMPREVEDUTO: It seems to follow, as day follows night or as night follows day, that he who controls the purse strings is the king. I have a difficult time trying to understand what you're saying. If you are saying that the State could, in effect, fund 100% of the system, yet it would still be local economy, I-- To me, if the State is giving out the dollars, even if we say that we don't want it, that we want to have local economy-- As long as we are giving out those bucks--

MR. WILEY: Right?

ASSEMBLYMAN IMPREVEDUTO: --there is always that tendency of control by us.

MR. WILEY: I agree. There is, but it is a tendency. For the reason that you cite, if you are writing the checks, you say, "I ought to be heard on these subjects," and really it is a matter of continuing legislative oversight and control to make sure that that State level of concern, or State level of direction, is moderated. It is a tendency, when you have equalization, but if you have a foundation program, or if you have a State system, it is not a tendency, it's a law. The State is going to tell you, "You are going to spend 'X' number of dollars per pupil. You are going to have these textbooks. You are going to teach in these classrooms. You are going to do this; you are going to do that." The whole thing is State, and it is taking away from the local option in all ways.

Yes indeed, with equalization aid there will be a State interest to be sure that a good education is provided. But I think -- I believe -- that that can be done in a way that does not necessarily mean the State is going to be making the decisions. The State can-- You, as an Assemblyman, can sit on the Committee, look at the State, and say, "Gee, we are doing pretty well there in 550 districts." This is 10 years from

now. "They are performing pretty well. We are doing fairly well in the tests. Let's keep our hands off; keep the system going. There are another 50 that are not doing so well. Well, Commissioner, what are you doing about them? Are you giving them some extra direction? Are you calling them in? We have set up some mechanisms in the law." I think the State could show its interest in that way.

ASSEMBLYMAN IMPREVEDUTO: I think the scary thing, though, is looking down 10 years hence and saying, "Well, there are 550 districts. Damn it, they aren't doing as good as they were doing back 10 years ago, and we're giving them all this money." We're seeing that now, 15 years from the day we did this legislation.

MR. WILEY: Right.

ASSEMBLYMAN IMPREVEDUTO: You know, what is to say that, 15 years down the line, we won't be looking back and saying, "Here we are, we have sunk tons and tons of dollars, and we are no better off. In fact, we may even be worse off."

MR. WILEY: My answer would be that there has to be a keen interest on the part of the Legislature, and this Committee-- It is a joy for me to see that there is a Committee of the Legislature that is actively looking at this subject. We set up the Joint Committee on the Public Schools, and the concept was that it would receive reports of the operation of the system, and take a look every year, or every two years. Also, one of our proposals was any message to the Legislature by the Governor reporting on the progress of the schools. I think that got lost somewhere. So there would be this ongoing oversight and you would get reports back from the Commissioner and the Board of Education how things were really functioning. And before it got to be 10 years, you would be able to say, "Oh, we made a mistake. Let's correct something here," but do it in a rational way that didn't try to get in there and displace all the local folks who were really trying to deliver the education on a day-to-day basis.

SENATOR STOCKMAN: Senator Brown?

SENATOR BROWN: Yes. It is nice to have a fellow Morris Countian here. Thank you for coming down, Senator Wiley.

MR. WILEY: Thank you.

SENATOR BROWN: A question following up on the Assemblyman's point: Are there other ways than what you envisioned a number of years ago which have or have not come to fruition? Have there been other unanticipated results of the legislation which you were so prominent in getting passed into law?

MR. WILEY: One of the results, Senator, was the excessive paperwork. At least that was the way it was described in the early years afterward. It may still be described that way, I don't know.

ASSEMBLYMAN IMPREVEDUTO: It is.

MR. WILEY: It is? Okay. My feeling was that the bureaucracy got the better of it, in terms of protecting themselves with all kinds of elaborate reports about everything in the world, and not exercising the best of judgment in the degree of reporting that would be needed. They were new at it, and I understood that they were worried about it and they had to cover all the bases.

But I think that could be done better. Certainly, I don't think we conceived that it would be that -- would be elaborated in that way. It used to be framed in terms of, "Do you want inputs, or do you want outputs, or do you want the process? Is the State going to direct all the inputs, the number of square feet and the number of shingles on the roof and everything else, and the particular books? Or is the State going to control it through outputs, through testing, graduation standards, and all that kind of thing? Or is it going to control it by the process?"

We elected not to land on any one thing, but we did feel process was an important thing. And process meant to us,

public participation, democratic control of the local school districts, a statement of goals by the local districts -- by the public there -- objectives based on those goals, and that kind of thing. That led to more paperwork that we had ever envisioned -- too much paperwork in my judgment -- in an effort to preserve this local autonomy through the process system. I think that could be improved.

SENATOR STOCKMAN: Al, do you see any significance for this Committee in the very interesting distinction that Senator Wiley made between the language in the Constitution and the phrase that we so often use, which seems to be the current phrase; "thorough and efficient education" versus the language itself in the Constitution, "thorough and efficient system of free public schools"? Is there any relevance in that for us, or do you think we are beyond that?

MR. BURSTEIN: Well, I think that as time has gone by, the careful analysis that Steve applied to that language back in the '70s, when we first started our study, would lead you to the belief that there was some distinction that could be made between the system of public schooling and a system of education. But I am not at all certain, as I say as time has gone by, that it is not a distinction without a difference. I think that at this stage of the game, those words "thorough and efficient" are probably applicable to the kind and quality of educational programming that is given to the students, that goes perhaps somewhat beyond the strict language itself. When you talk in terms of system, you talk in terms of structure, more than anything.

SENATOR STOCKMAN: Rather than children. When you talk of children, it would seem you talk about you want them to have the finest education; you want them to have an education -- when you look at a child. That is very different than what you want from a system to deliver that education. When you are dealing with a designed system, certainly when a government

deals with it, it has to think of efficiency, among other things, and thoroughness, arguably. But I am struck by whether in that at least cryptic loss of the difference, it has played its way into this drama that we are dealing with now. I am not sure.

Before we get to Ernie Reock, are there any other pieces of advice or suggestions for this Committee that either one of you would like to give as to--

ASSEMBLYWOMAN COOPER: May I ask a question?

SENATOR STOCKMAN: Yes. I'm sorry, Assemblywoman Cooper. I thought we were finished.

ASSEMBLYWOMAN COOPER: I guess I am turning back the hands of time in a way, because all this is included in the law of 1975, but just recently-- I did not have time to speak to our county superintendent of schools, but I have had some parents of cerebral-palsied children come to me. They resent the fact that their children, who are bright children, are being classified as "special ed" children. They want their children in the normal school system. They have been told, "We have no room for you. You have to wait."

Unfortunately, my superintendent had to move away and there was a little time lapse there, but if these sets of parents are objecting now to the words "special ed" for their cerebral-palsied children, how are they going to face that in the '90s, budget-wise, parent-wise, school-wise? How will the parents of normal children react to this, as far as the standards of education? Is that going to impact the economics of our school system? Life is very strange in Atlantic County. I get them all. But this is my newest one, and I wanted to ask how you would handle it, knowing what happened in 1975, with all that spelled out. Now, a decade and a half later, parents don't like this.

MR. WILEY: I'm sure I don't have the answer, Assemblywoman, but a couple of observations: What we did was

try to provide a sensitive formulation for funding purposes. We used an average funding cost. We set up decimal factors in the legislation to make sure that that money was delivered, because we were satisfied that the program that had been in effect prior to that time was not fully satisfactory.

We did not solve the problem, obviously, of this separate designation for these children or, in some cases, a separate routing of these children through the building and through the school system. That, frankly, has always been of concern to me. I think Al may have done some work on this even more recently than I have, because I have not been close to it in recent years. My only yen is to see that all children become aware of each other and learn from each other in a school setting. I think that is wholesome. That is the way it was when I went to school, and I think there was a benefit in it. And, to the degree that you can get away from the labeling and the separation, I think you have achieved something in the interest of our society. I cannot be more specific than that at this moment. I'm sorry.

SENATOR STOCKMAN: Let me ask this question: What was the atmosphere, the public's willingness to back you and support you and really give you direction, as you put into place what you did at that time, as compared to what you see and sense and feel is the atmosphere publicly on this issue today? Of course, today the dramatic difference is that we have not yet heard from the court. You had a court decision, I guess?

MR. WILEY: Right.

SENATOR STOCKMAN: How did you go about marshaling support to do what you did, outside of your own personal decision that it was the right thing to do? Do you have any guidance or suggestions for us on that in the time and place we find ourselves?

MR. WILEY: Well, we did have a court mandate. Actually, I think the bill was-- I can't remember-- The bill was passed after the court decision, but the--

MR. BURSTEIN: After the major court decision, right.

MR. WILEY: Right, and there was a deadline. The bill, itself, did not direct a particular form of taxation or revenue raising, but it was obvious that it implied that a substantial chunk of money, and there wasn't much question -- there was some question, but there wasn't a lot -- would have to be in income tax. Chief Justice Weintraub, I remember, was asked, "What does this Robinson v. Cahill mean?" His answer was, "It means an income tax for New Jersey," and that is the way it wound up.

The center of the contest, I think, was on the tax fight. We felt that pressure, but I'm not sure I am responding to your question. Are you getting to the question of what the people were looking for in the way of education delivery?

SENATOR STOCKMAN: Yes, and what they are looking for today, and how we could go about developing the momentum to do--

SENATOR BROWN: Do I recall right -- if I may interject, Mr. Chairman -- that one of the sweeteners that was involved was an outreach to the private school systems, in other words, the parochial schools? I guess my follow-up question to the Chairman would be: Do you see that in the intervening years the demands for the private school system here in the State of New Jersey have become louder, or are about the same? Which gets to the Chairman's question of climate. How do you see the climate for change now versus what it was in the '70s?

MR. WILEY: I am not aware of numbers in terms of private school enrollment changes since that time. I knew them at that time. I simply plead ignorance, at the moment.

I would say this to you: I believe there is a very large public interest, perhaps inarticulate -- largely

inarticulate -- in the education system in this State. It is like a school election. You are familiar with it, where 5% of the people come out, and we all bemoan the fact that there is so little interest. But all of us have lived long enough to know that if you touch the right button, public interest will come out in a whirlwind, because there is, latently, a huge interest in the welfare of kids on a local basis. I think that still exists today; I believe it does. And I believe that if we were to begin to take steps to take away the fundamental local control, local curriculum and that kind of thing, that there would be a storm of protest rising of a fundamental nature. That is my feeling.

SENATOR STOCKMAN: How about getting a storm of support for a greater commitment of resources, the other side of the coin? How can we do that?

MR. WILEY: That's a tough one. Obviously you are courageous people; or you wouldn't be doing what you're doing, and it will take a lot of that. It will take a lot of that. The message can be gotten through to people, I feel. You need all the methods of media and communication that are available to play that song for folks so that they can understand it.

There isn't a person in the State of New Jersey who doesn't want a fair break for kids. I never met one, and I have been around a lot. They all want it. But they have to understand what's happening. They have to understand the system. Once you lay it out and explain it to them, I have found that they come around and say, "Yeah, we've got to do it." But that is not an easy chore.

SENATOR EWING: Is that really practical, though, with the lack of interest of the part of the parents? How do we get them involved, so that when they come home at night, if the parent is there, they say, "Billy, what did you learn today?" and not throw him a ginger ale and some potato chips, saying, "There's supper"? Senator Wiley, that's, you know--

MR. WILEY: I couldn't agree more, Senator.

SENATOR EWING: It's just so tragic. Those are the kids who need the most help. Even pouring money in isn't going to change the parents' attitude, or the parent's attitude, or the person who poses as the parent -- their attitude toward wanting to make sure that their child gets ahead. Or have we gone through so many generations of people sitting around doing nothing-- The children see the grandfather doing nothing, the grandmother doing nothing, so that is the way life should be.

MR. WILEY: I think I said at the outset that I decided to build my rock -- build my house on the rock of public -- community interest and parental interest in kids.

SENATOR EWING: But, can we force the parents--

MR. WILEY: If that is not there, you're building your house on sand. That is a risk we take. But I couldn't find anything better to build it on.

I think fundamentally it is there, Jack. To the degree that it is not, that is a broad problem of our society that we must live with and we must cope with, perhaps in other ways. I don't think you are going to solve all of those things through the schools. There are lots of other programs you have to have going in, in order to help solve those, and things have to go right for us in this civilization. On the whole, we think they are going fairly well.

I would add this thought: We have talked about, did we anticipate drugs? Did we anticipate divorce? Did we anticipate rates of dropout, or whatever it was, in 1975? The answer is, "No." We didn't anticipate those things. I would add that, wise as you are, when somebody sits at this table in 2005, they will say, "Well, did you anticipate A, B, C, and D?" and you will have to say, "No, we didn't think about that at that time, because that wasn't on the table at that time."

But you are designing a school system to live with all of those problems that you can't anticipate. So I come back to

the idea that the important thing is to design a system that is going to function; a system of free public schools that will really work.

SENATOR STOCKMAN: Senator Lipman?

SENATOR LIPMAN: Sometimes we find out that urban districts do not institute programs which would be helpful in bringing the students up to par, because they don't have the money, again, and they are afraid of the taxpayers. It is the same principle as, "Don't retain the student if he hasn't learned to read, or promote him, because the taxpayers will be upset if they know they are paying for the same child in the same grade for two years."

I know that full funding is the ideal, but what about current year funding, as opposed to prior year funding? Our school superintendent says it would be very helpful if he had current year funding. Of course, I realize that that could be underfunded also.

MR. WILEY: Yes. Current year funding-- There was a deliberate decision made at the time the Act was put together to provide not for current year funding, but for subsequent year funding of current expense. The reasons for that decision were: One, it was difficult to make the calculation because of the timing matter; and two, it would avoid excessive increases. That was part of the consideration at that time in the demand on State funds, and State funds were sorely limited.

We have learned-- I think I have learned, by reading Ernie Reock's reports and others since that time, which I have had occasion to do now and then, that current year funding -- the absence of current year funding has been a severe retardant to the ability of school districts to get up to the level that they would like to get to. Once you get over that first year, you can get up and run, but getting over that first year has proven tougher than we anticipated.

We have talked about this. I know people have talked about it in politics for 10 years now, "We ought to make that change." I think we should make it. There is a price tag associated with it, something like \$180 million or \$200 million. It is kind of a one-time expense to get over that level -- get over that hump, but I think it has proven very important. We have the facts, and I think clearly that change is one that should be made.

Let me respond just this much further, since Senator Lipman has suggested the area: We also proposed, in the report we gave, that there be a mechanism for getting after municipal overburden. That was outside the scope of our Committee at the time. It was proposed by others. The administration at that time proposed it, because we were all aware that the cities had a special draw on the property tax for their extra heavy burdens, and we felt that something should be done about it.

In the reality of the tax debate, that got cut out, and the Municipal Overburden Program was never put through. So cities were left with this equalized funding of schools, but with a continued heavy burden in other non-school areas. That was the municipal overburden; at least that was the terminology at the time. I know that folks have talked about that a little bit since that time, but I don't think a lot has been done about it. The SLERP Commission did something in the way of some proposals. They looked pretty good as I glanced at them. I think you will have to give serious consideration to the idea of some equalization aid on these non-school heavy property tax burden items, to help equalize that level -- equalize that situation among the cities.

And I would say this: Until you do that -- until you do that -- you are never going to have a really perfectly working school equalization formula. You really need both; you really need both, and if you are going to take a big breath and do this thing right, I would suggest that you fund the

equalization mechanism amply, and put in some municipal equalization aid for municipal overburden as well. Then let New Jersey run.

SENATOR STOCKMAN: I want to get to Ernie Reock, and I want to finish this hearing by one o'clock at the latest, so I am starting to feel the pressure. I think it has been an excellent exchange. I will call Ernie up shortly, but, Assemblywoman Cooper, if you have a pressing question that you want to get across, go ahead.

ASSEMBLYWOMAN COOPER: Mine is not exactly a question. It is something that I completely forgot about until Senator Ewing touched upon it. I served a year-and-a-half on the Commission to Study Hunger in New Jersey. We traveled all over the State, and it was appalling, the statistics we found and the conditions we found. This impacts school budgets, because we found thousands of children who came to school in the morning hungry. The school had to feed them, which impacted the budget. We found children suffering from malnutrition, as well as obesity.

You mentioned, Senator, about ginger ale and potato chips for dinner. Diseases and other nursing problems-- All these impacted our school budgets. I'm sure there are areas that have changed since the Commission ended, but we are still a long way from taking care of these children. Those early districts where we found hunger at its worst, not only the economics, but children having children and not knowing nutritional values, really impacted and had quite an effect on the situation in the schools, the quality of learning, and the whole cycle of hunger. So we really shouldn't overlook that. I still think we are going into the '90s with the same situation.

SENATOR STOCKMAN: Before I call Ernie Reock up, is there any further piece of advice or any suggestion that either of you have for this Committee, not only on any of the

substantive issues I think you are aware of and answered very well on, but on the direction that this Committee should take hereafter, because, frankly, we are still developing an agenda in terms of how to best deal with our responsibilities? If there is anything else you want to add before I call Ernie Reock up, we would be delighted -- I know the Committee would be delighted to hear from you.

MR. BURSTEIN: I would just like to add something very briefly, in answer to your question posed to Senator Wiley as it relates to how you go about generating public interest and getting the public involved and support for whatever it is the Legislature is going to come up with.

One of the things that the Joint Education Committee did was to conduct hearings around the State; this, I believe, if memory serves me, prior to the actual introduction of the legislation that became Chapter 212. The purpose was that once we had something in formation, we had some ideas that had been put down on paper, to take it around the State to people and let them react to it. We had some, as I recall, rather useful suggestions from time to time. I think that is one of the things that can be done. It is time-consuming, but it is something, nonetheless, that is probably indispensable to generating public interest and support.

SENATOR STOCKMAN: Anything else?

MR. WILEY: My only word of advice would be to do what I did, which was, if in doubt, follow the advice of Al Burstein, Ernie Reock, Paul Muller, Deena Sadat, John White, Jack Ewing.

SENATOR STOCKMAN: Yes, well-- On behalf of the Committee, I thank both of you very much. I hope you will continue to keep an interest -- I know you will -- in this, and in the Committee's work. If you have any suggestions for us, I would hope that either through staff, or any member of the Committee, you would feel very free to pass them along.

MR. BURSTEIN: Thank you.

MR. WILEY: Thank you.

SENATOR STOCKMAN: Ernie Reock. Dr. Reock has been involved in the numbers business, so to speak, in a positive way for a long time. He is well recognized, I think, as probably the foremost authority on public education funding formulas, their ebb and flow, and trends and statistical information that is absolutely essential at some point. It is sometimes difficult to grasp, or hard to retain, but absolutely essential in an educational formula or program or when committing resources to public education.

We are delighted to have you here, Ernie. You have had such a long and distinguished reign in this area, and you have attended so many legislative committee hearings and executive branch hearings, etc., that I think I feel very comfortable in sort of saying to you, "All right, what do you have to say?" Then we will get more specific.

D R. E R N E S T R E O C K: Thank you, Senator. I am very pleased to be here. I was going to say "good morning," but I guess we're past that. I think I ought to say that I served as secretary for the Joint Education Committee in 1974, and then secretary for the Joint Committee on the Public Schools from 1975 through -- I think it was about 1978. I guess ironically, in view of your introduction, if I remember correctly, I was told when I first became secretary of those Committees to stay away from the numbers, that the Department of Education would take care of that, and my job was to do something else.

That was one of the most pleasant episodes in my career, really, working with Steve Wiley and Al Burstein. It was hectic at times, and distressful at times, but also it was a very rewarding experience. I suspect that Al and Steve and I all went back and read some -- reread some of the same documents in preparation for this morning, so what I have to say may be redundant in a number of ways. I apologize for that.

I think, in looking back over what the Joint Education Committee did, the Joint Education Committee that drafted the legislation in the first place-- That Committee lasted only during the calendar year 1974, and then was succeeded by the Joint Committee on the Public Schools in 1975. Rereading the report of that Joint Education Committee, it seemed to me that there were three basic guidelines that the Committee followed in trying to draft legislation to respond to the Robinson v. Cahill decision. One of those was that the definition of thorough and efficient -- the definition of a thorough and efficient system of free public schools -- has to be-- The words from the report were: "A steadily growing and evolving concept." In other words, it was something that the Committee felt unable to define precisely as of that point in time.

We went back and looked at some of that, and tried to get some idea of what those words meant in 1875 when the constitutional amendment was adopted, and we came to the conclusion that things were constantly changing, in terms of what those words really meant. So, one of the ideas, I think, that permeates the report of the Committee and the legislation that was drafted, was that the real definition of T&E is something that may change all the time, and that that should lead to setting up a system which will adjust to changes in time. The emphasis in the legislation is on process; setting up a system for trying to keep in touch with society and what society needs for its educational system.

One of the first guidelines was that the emphasis was on setting up a process, rather than doing a very specific definition of thorough and efficient. The second guideline that I think the Committee quite obviously followed -- and you have already heard a good bit about it this morning -- is, there should be substantial local participation in all phases of the educational system.

And third, there was obviously a desire, a realization-- The third guideline had to be that there would be an equal educational opportunity for all pupils, regardless of their socioeconomic status or their geography, where they were located. Now, those last two -- the emphasis on local participation and the emphasis on equal educational opportunity-- Really, there is an element of conflict between them. There is an element of tension, let's say, between them. You can never satisfy both of them completely. So one of the problems the Committee faced was trying to come to some sort of balance between those two guidelines.

As I looked at the report of the Committee and the law that was written, it seemed to me that this process that the Committee tried to set up really had seven major elements -- in the process. These were reflected in the law and in the accompanying legislation.

The first of these, I would say, was the establishment of broad educational goals at the State level, which would be reviewed and updated periodically. In fact, there is language in the law saying that they would be adopted by the State Board of Education after review by the Joint Committee on the Public Schools, and that then there would be a review and update at least every five years. This update of the State goals for education to be adopted by the State Board of Education were supposed to be based, in part at least, on annual reports from the Commissioner of Labor and Industry -- now you have to put Commerce in there; the Chancellor of Higher Education; the Commissioner of Health; the Commissioner of Institutions and Agencies, which now you have to break between Corrections and Human Services.

In other words, the attempt was to draw on Cabinet members in other parts of State government to feed into the process some recommendations, some advice as to what the educational system in this State should provide, and to have

these reflected in this update of State goals, which should take place at least every five years. That was the first, and I think essential element of the law.

SENATOR STOCKMAN: I think we can agree that that didn't happen very much, did it?

MR. REOCK: Well, I think I am going to try to pick up each of these seven and say what I think has happened since then. In some cases I know a little bit about it, and in other cases I have been a very distant observer of it, so I may not have full information. I think, to answer your question, it has happened a little bit.

Secondly, there were to be more particular goals at the local level. In other words, each school board was supposed to develop a set of local educational goals, which were to be reviewed again and updated at least every five years, based on the results of a comprehensive needs assessment of all pupils in the State by the Commissioner of Education. The Commissioner of Education was to supervise this needs assessment, and then feed the results back to the school boards in every district.

Third, there was to be substantial local discretion as to how to achieve both the State and the local goals, and whether to go beyond the State goals. And there was language in the Robinson v. Cahill opinion from the Supreme Court which seemed to give a blessing to the idea that while there should be equal educational opportunity -- in other words, sort of a floor of adequacy -- the court also indicated that it was permissible for local school boards to go beyond this and, using their own resources, to provide something in the way of a higher level of resource available for the local educational system, so long as this did not dilute the equal educational opportunity for the rest of the students; somewhat mysterious language, a guideline which enabled people to provide for a system which was not exactly equal in terms of the level of

resources provided, but also to define for themselves how far you could go beyond this level without diluting the impact of that level on the bulk of the students. But certainly the system that was set up did provide for local discretion.

The fourth element in the system was to be the financial side; sufficient State financial aid to equalize local financial resources, and putting that together with the local discretion that the Committee wanted to provide, which led them almost inevitably in the direction of the type of school formula we have now, called the Guaranteed Tax Base Formula. It provides a certain level of funding from the State which is intended to equalize the resources available to the local school boards, but it does not tell them how much they should spend. The actual budgetary decisions are left up to the local boards of education. That is a Guaranteed Tax Base Formula. It has advantages; it has disadvantages.

The fifth element in the system is a State evaluation system to ensure that the State goals are met in all school districts. This has led to our monitoring system.

The sixth element was State authority to intervene if local schools failed to meet State goals. There was a process of different stages of intervention set up in the law in order to provide for this.

The seventh element that I think would be in there would be legislative monitoring of the system. This was written in in very general terms in the T&E law. It was written in a little more explicit language into the law setting up this Committee -- this Joint Committee on the Public Schools. The whole thing put together was to be an ongoing process to continually update the T&E system and provide the financial resources to make it work.

Taking a look at these seven elements and how the original legislation provided for them and how they have been implemented-- As I said, I kept in fairly close touch with some aspects of it, and rather distant touch with other aspects.

Turn to the State goals. There was considerable attention given to this in 1977 -- the initial adoption of the State goals. The Joint Committee on Public Schools got into the act then; reviewed them; approved those State goals; and they were then adopted by the State Board of Education. Have they be updated? The latest information I have is that they were reaffirmed as recently as 1987. I am not aware of a great deal of attention being given to it, but let me say that I haven't tried to keep aware of that. It may be that the State Board has given a lot more attention to it than I know of, but it has not been something which has caused much public attention, I don't think.

In terms of the other departmental commissioners making annual reports on the needs of an educational system, again I am not aware of that at all. Maybe it has happened; maybe those reports are there; maybe they have been used, but I haven't heard of it. That is on State goals.

On local goals, I think it is a somewhat similar situation, as far as my information is concerned. There was a lot of attention in 1977, 1978, at the local level, in terms of setting goals specific to that school district, and the State did monitor that process at that time. I think the existence of local goals is part of the monitoring process now for the State Department of Education. I don't know how much attention it gets. My suspicion, based on very little information, is that this has become sort of a rote process with a reaffirmation of goals that were adopted years ago. I may be doing an injustice to people there on that point.

The third point, local discretion: Does it remain, or has it been curtailed through a tendency to impose State rules and regulations? I would suggest you ask local school people about that. I think the trend has been toward more State control in aspect after aspect.

Equal local resources-- Finally I get to something maybe I know a little bit about, because I have tried to keep in touch with what has been happening in terms of local financial resources -- equalized local financial resources.

I think before going into some description of that, one other thing that came out of rereading some of the old reports was that an objective of the Joint Committees back there in the '70s was not only the T&E system, but it comes through quite clearly it was also tax relief. Tax relief was an objective in the 1970s. So I think we have to look at not only what has happened in terms of actually spending money, but also what has happened in terms of the taxation that is required locally in order to provide the school budgets.

I have here some handouts -- Bob, could you please just spread these around? (speaking to unidentified gentleman) -- which I will refer to briefly. This is an attempt to take a rather simplified look at what has happened to certain groups of school districts in terms of their budget per pupil and their equalized school tax rate, when you compare those two items to the State average in both cases.

In the first place, I took a look at the lowest property tax base school districts, the ones with very low equalized valuations, and found that in 1975-'76, the last year before the T&E law went into effect, those districts were budgeting at about -- at an average of 86% of the State average -- the State average budget per pupil. What has happened to it by 1988-'89 -- those are the last figures I have -- is, their budget has dropped 86% to 84%.

This budget per pupil, I think, can be described, really -- has been described in the past as "pupil equity." In other words, are pupils getting equal resources from the system? It appears for these low tax base districts that the system has not helped. In other words--

SENATOR BROWN: What towns--

SENATOR STOCKMAN: Well, the towns, but, Ernie, can you break down the concept; take a typical town and explain it to us, because it is not easily understood, I don't think?

DR. REOCK: Okay. Let's say the State average is \$10,000 per pupil.

SENATOR STOCKMAN: Do you mean there is-- What do you mean by that?

DR. REOCK: It's not that high, but let me take it that way just because the arithmetic is a little simpler.

SENATOR STOCKMAN: What do you mean, "The State average is \$10,000"?

DR. REOCK: The State average budget per pupil. You take all the money that is spent in the State and divide it by the total enrollment in the State, and let's say it came out to \$10,000 per pupil. These low wealth districts, low property wealth districts, would be spending \$8600--

SENATOR STOCKMAN: Okay, all right.

DR. REOCK: --in 1975-'76. Now, if the average were \$10,000 per pupil, they would be spending \$8400 per pupil.

SENATOR STOCKMAN: All right.

DR. REOCK: In other words, they are spending at a certain percentage below the State average level.

SENATOR STOCKMAN: Senator Brown wanted to ask you for some typical districts in that lowest property area?

DR. REOCK: It would be the major central cities. Basically, it would be the older urban areas, and it would be the rural areas, particularly in South Jersey.

SENATOR EWING: Shell Pile.

DR. REOCK: Shell Pile, Commercial Township, Lawrence Township, most of Cumberland County, as a matter of fact. That is where you find the low-spending levels particularly.

SENATOR EWING: Are you including the Federal funds in all the dollars?

DR. REOCK: No, this is not Federal funds. This is State and local.

SENATOR EWING: What?

DR. REOCK: This is State and local.

SENATOR EWING: State and local only?

DR. REOCK: That's right.

SENATOR STOCKMAN: Well, there was the suggestion that the Federal figure, Senator Ewing, was perhaps 7% of the total budget.

SENATOR EWING: Well--

DR. REOCK: That's in the highest district -- the district that receives the highest amount of Federal money.

SENATOR STOCKMAN: Which would be these type districts, right?

DR. REOCK: The urban ones, yes, but not the rural ones.

SENATOR STOCKMAN: But that figure, the disparity between what the local district is spending and the wealthier districts, of Federal money-- Would that be a major--

DR. REOCK: That would not be a factor, because that money was there even more in '75-'76 than in 1984.

SENATOR STOCKMAN: If anything, there is a greater disparity from that development--

DR. REOCK: Probably; probably.

SENATOR STOCKMAN: Okay.

DR. REOCK: If you group the districts in the second way, by major urban centers -- and those are the six major central cities -- there you find that their budget per pupil went from 87% of the State average up slightly to 88% in this most recent year. Now, it is not a smooth progression in-between. If you group them by socioeconomic status, you find that the budget per pupil went from 87% to 84%, and if you group them by per capita income, it goes from 91% down to 87%.

Now, there is a lot of overlap in these four groupings. A lot of the districts which are low property wealth districts are the major urban centers and are socioeconomic districts, so there are different numbers of districts involved here. But these are the lowest groups in the classification scheme that we have used in the reports that I have done for the Committee in the past.

SENATOR STOCKMAN: These figures are, to me, a little bit surprising, in that the change in the relative rate of spending in these poorer districts is not dramatic from these statistics, if I am right.

DR. REOCK: That's right, but remember, these are averages. Averages tend to eliminate the dramatic.

SENATOR STOCKMAN: All right, but these are averages of the lowest property districts juxtapositioned against the statewide average.

DR. REOCK: That's right.

SENATOR STOCKMAN: Where we would see a more dramatic story, I guess, would be if we compared these with the highest districts, rather than the State average.

DR. REOCK: Oh, yes, the highest districts. Obviously, if you are comparing with the State average, there would have to be a lot of the number at the other end. You will find groups of districts that are probably up 120% of the State average. I wasn't trying to show that. I was trying to show what the change has been for these, in general, disadvantaged districts. I think you can generalize by saying that they have stayed just about where they were, with a little bit of drop-off, depending on how you group them and take the average.

On the other hand, if you take a look at the equalized school tax rate-- We know the absolute tax rate has come down in terms of a percentage of property values over the years, but if you compare the equalized school tax rate in these places

with the State average, you find that in order to hold their position, these disadvantaged districts have had to raise their taxes, compared to the State average. The low property wealth districts at the top there (referring to handout)-- Their average tax rate has gone from 116% of the State average up to 127%, and the major urban centers have achieved what little they have achieved in terms of budget by raising their taxes, and so on for each of the other groups. So, the property taxes in these places have gone up compared to the statewide average property tax rate.

SENATOR STOCKMAN: What would that bottom column, "Lowest Per Capita Income Districts--" What kind of communities would that be? Major urban centers comes easily to mind, but--

DR. REOCK: Right.

ASSEMBLYMAN PASCRELL: Bridgeton.

DR. REOCK: Again, South Jersey. South Jersey is your low wealth, low income area.

SENATOR STOCKMAN: These would be rural, for the most part?

DR. REOCK: Well, urban and rural; very urban and very rural.

ASSEMBLYWOMAN COOPER: Cape May, Bridgeton, Vineland.

DR. REOCK: Not Cape May. Well, Cape May is an interesting mix. Most of Cape May is reflected in seashore communities, and seashore resorts are high resource communities; high resources, low taxes in the seashore communities. Maybe some of the inland townships in Cape May, like Dennis and Upper -- not Upper, because they have some other sources, but Lower Township -- may be reflected here. I don't have the listing of the actual districts.

SENATOR STOCKMAN: I interrupted you, I'm sorry. Go ahead.

DR. REOCK: With that as the data, let me try to comment on why this has been the result. First of all, in terms of lack of pupil equity, that is the failure to move the budget level per pupil toward the State average-- I think we can identify four major reasons in the present system why that has not happened: One has already been discussed a good bit. That's municipal overburden -- the municipal overburden effect in a guaranteed tax base system. The guaranteed tax base system puts the decisions at the local level. When the local decision-makers have to spend money for police and for fire and for welfare and for health, and things of that sort, they are much less likely to put money into schools. So, that is one of the major defects of a guaranteed tax base system, as we have now. You are competing for the property tax dollar, particularly in those places where there are other competing demands.

The second reason, I think, and this comes-- Before I explain the reason, I think the people who put this system together -- all of us -- back in the '70s, realized that that was a problem with the guaranteed tax base system. The thought was that an aggressive monitoring program, with budget review by the Commissioner of Education, would be the backstop for this; that where, let's say, the local education decision-makers did not budget enough money for the schools because they had pressure on them for other demands on the property tax dollar -- where they didn't budget enough -- their budget would have to go through a budget review process run by the State Department of Education, and the monitoring would show that they needed to spend money, and that the Commissioner would lower the boom on them and make them spend money. The expectation was that the language written into the law would make that possible.

Now what has happened is, there has been a very delayed impact of this budget review process. In fact, going

back to the testimony before the Administrative Law Judge in Abbott v. Burke, we find testimony by the representatives of the Department of Education that the budget review process was not used to measure the adequacy of local school budgets until 1986, about a 10-year wait before this part of the system began to become operational. I think it has become operational, because I have seen some districts that traditionally were very low spenders, which now have raised their spending level considerably. Paterson is one. I think that probably is a result of a more aggressive monitoring and budget review process that has been put into effect just in the last couple of years. That is why the major urban centers, I think, are now beginning to show a little bit of movement up toward the State average. But it has been a long, delayed process. So that, I think, is the second reason why we don't have more movement here in terms of achieving pupil equity.

The third reason--

SENATOR STOCKMAN: Ernie, can we stop with that? I will speak for myself, but I invite comment by the Committee. You are giving us a great deal to think about and talk about, and I don't want to interrupt you, except I feel comfortable that whenever I do, you can come right back to where you were and then do very well by your presentation.

I am wondering whether some of these points ought to be discussed by the Committee, because they raise some fundamental questions, or whether we ought to wait until you are finished. I would be inclined to break in. I am having some questions. I also have an added problem. I think what I ought to do is take a momentary recess, with all due respect to the media and others in attendance. We have gotten to a point where some fundamental decisions have to be made by the Committee. I would like to do that with the Committee for a minute, in terms of a breaking point, and then follow through.

Maybe I could just take a three- or four-minute huddle to get some consensus from my colleagues as to how to proceed.

(RECESS)

AFTER RECESS:

SENATOR STOCKMAN: Let's see if we can get started. After polling my Committee and considering it, I think the only reasonable way to proceed is to invite Ernie to complete his basic presentation. He has an outline he is going to provide to the Committee. We, of course, will have a transcript also, but that may be delayed in arriving. We are going to have to hold questions, unfortunately, for a return visit by Dr. Reock, which he promises happily to do. But I think to try to do more than that today, with scheduling problems that some Committee members have and other practical problems, would not work out.

I am sorry it has to go that way, and we are going to have to rethink, and perhaps in future hearings design it a little bit differently. But I am going to invite him, and ask him to make his basic presentation, with the understanding that he will return. We will have an opportunity to have the outline that he worked from, and we will certainly-- Every member of this Committee, I think, wants to engage him in some further dialogue and discussion about his testimony.

SENATOR EWING: Mr. Chairman, one thing.

SENATOR STOCKMAN: Yes?

SENATOR EWING: I hope we can set the date for the next meeting while we are here today, so it is far enough in advance, because with everyone's schedule getting so jammed up--

SENATOR STOCKMAN: A good suggestion. As soon as we complete Dr. Reock's testimony, we will do that, Senator.

DR. REOCK: There are two reasons for the lack of pupil equity: The municipal overburden effect and a guaranteed

tax base system, and secondly, the delayed impact of the budget review system on school budgets. A third reason for it, I think, is the inadequacy of the school budget caps. The school budget caps were constructed in such a way that they were intended to hold back the increase in expenditures in those districts which were spending at a very high level, and allow low spending districts to catch up.

There are two reasons why that hasn't worked: One -- and this is one of the things we didn't anticipate at all at the time the law was passed -- we knew that enrollments were dropping around the State, but we did not realize at that time the differential decline in enrollments. In other words, what we found, after the law had been passed, was that enrollments were dropping much more rapidly in the high spending districts -- the high spending suburban districts -- and enrollments were not dropping, in some cases were even increasing, in the poorer urban districts.

What we have found is that that differential decline in enrollments has just overwhelmed the skewing of the budget caps, which was intended to bring spending levels together -- the fact that enrollments were going down very rapidly in high spending suburban districts.

The other reason the budget caps have not worked -- and this is something more of the 1980s -- the budget caps are based on the increase in property values in the State -- statewide property values. I think you all know what happened to statewide property values during the 1980s. They went up tremendously, with the result that school budget caps became very, very liberal in the mid-'80s. We had basic budget caps of 18% or 20%, which became, in effect, no cap at all. So the low spending districts were held back because they had to spend money on other things, where the high spending districts had no cap -- no effective cap on them. So those two aspects of the

have to impose. A guaranteed tax base formula is supposed to have the effect that for a given level of spending per pupil, you have a given tax rate. Every district should have that same effect. Every district that decides to spend, let's say, \$5000 per pupil, should have the same school property tax rate, under a perfect guaranteed tax base formula.

If you raise your spending to \$6000, your tax rate should go up commensurately, or if you drop it, it would go down. So there would be a definite correlation between spending level per pupil and tax rate. That has not happened. We can see that here we have low spending for all these poor districts, and high tax rates for all of them. There are two major reasons: One has been the prior year funding; the fact that the State's share of a local budget is based on last year's budget, rather than on this year's budget. That makes the low spending districts impose a very heavy burden on themselves in order to make any sort of increase in their spending level.

The other reason has been the underfunding of the formula, which I mentioned before. That has a substantial effect on taxpayer equity, too. So we have a lack of pupil equity; we have a lack of taxpayer equity, in many cases due to the technical aspects of the formula, but also in terms of how things have been administered.

That long dissertation was connected with the fourth element of the system, the equal financial resources. The fifth element of the system is State monitoring. Has it been effective? It was criticized very severely in Judge Lefelt's decision in Abbott v. Burke. One aspect of that that I think I would like to mention and just raise for you, is, while test scores seem to have gone up in a lot of cases, dropout rates also have gone up, and the dropout rates in the urban areas are shocking. These are statistics that have been put together by my colleague at the Bureau of Government Research, Phil Burch, but let me just give you one or two here:

Newark -- all the high schools in Newark put together: In 1985, 4101 pupils were enrolled in ninth grade, freshmen in high school -- 4101. Four years later, in June 1989, 1908 graduates of that system. That is a dropout, or a drop-off -- let's call it an attrition rate -- of 53%. Now, there may be other reasons besides actual school dropouts, but dropouts are probably the bulk of that. We have comparable things.

Paterson: 1513 pupils going into ninth grade in 1985, 679 getting diplomas in 1989, and the same-- I have figures here for Plainfield and Trenton and a number of the other school districts. We can provide a lot more information like that from the work that Phil Burch has put together.

The sixth element here is the State authority to intervene in the school district. My observation, again from quite a distance, is that it was used very sparingly until recently. It was delayed until the special new law was enacted for Jersey City. So it is now taking place, but not really under the provisions of the original statute.

The seventh aspect -- the final element of the system -- was legislative monitoring of the whole system. The Legislature, through the Joint Committee on the Public Schools, was quite active until the late 1970s, and then it disappeared, or at least the Joint Committee disappeared. It seems to me that there has not been much real legislative monitoring of the system in the last 10 years.

In summary, let me say that in looking back over 15 years of this system, I think the results, obviously, are rather disappointing. But I would hope that the experience may lead to more effective action in the future.

I will be glad to come back and try to answer any questions for you. Thanks very much for the chance.

SENATOR STOCKMAN: Ernie, thank you for that very impressive summary and outline, I think, of the many major

important points for this Committee. I apologize again -- and I know that some Committee members are absolutely frustrated -- that we can't get into some dialogue with you over this. As I said, I think we are going to have to let that wait until another day.

I would like you to stay here for a minute, if you can, until we try to reconcile the next hearing date for this Committee, at which time your testimony would be continued. So, on behalf of the Committee, thank you very much.

Now we will see how easy it is to develop a consensus among legislators. (discussion here among Committee members) The next meeting will be on Wednesday, March 7. It will begin at 10 a.m., much more promptly, I might say. It will begin with a review and discussion with Dr. Reock of the points he made at today's meeting.

ASSEMBLYMAN PASCRELL: Will we get notices out, Mr. Chairman?

SENATOR STOCKMAN: We will get notices out to the Committee members and to the public. May I have a motion to adjourn?

SENATOR EWING: So moved.

SENATOR STOCKMAN: Seconded?

SENATOR LIPMAN: Seconded.

SENATOR STOCKMAN: All in favor, aye? (members respond aye)

SENATOR LIPMAN: Mr. Chairman, will you briefly reiterate the questions in your notice?

SENATOR STOCKMAN: Yes, yes, we will reiterate those questions. The meeting is adjourned.

(MEETING CONCLUDED)

APPENDIX

Compared to State Average:

		<u>Budget Per Pupil</u>	<u>Equalized School Tax Rate</u>
Lowest Property Tax Base Districts	1975-76	86%	116%
	1988-89	84%	127%
Major Urban Centers	1975-76	87%	117%
	1988-89	88%	128%
Lowest Socio-Economic Status Districts	1975-76	87%	101%
	1988-89	85%	112%
Lowest per Capita Income Districts	1975-76	91%	100%
	1988-89	87%	126%

