

# Committee Meeting

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of

## JOINT COMMITTEE ON THE PUBLIC SCHOOLS

"Final independent evaluation report  
on the Jersey City Public Schools,"

and

"Presentation by Partnership for New Jersey  
regarding the School Districts Efficiency Study Group"

**LOCATION:** Committee Room 8  
Legislative Office Building  
Trenton, New Jersey

**DATE:** June 20, 1994  
9:30 a.m.

### MEMBERS OF JOINT COMMITTEE PRESENT:

Senator John H. Ewing, Chairman  
Assemblyman John A. Rocco, Vice-Chairman

### SENATE:

Senator Dick LaRossa  
Senator Gordon MacInnes  
Senator Robert Martin  
Senator Ron Rice

### ASSEMBLY:

Assemblyman Joseph Charles, Jr.  
Assemblyman Rudy Garcia  
Assemblyman Jeffrey W. Moran



### ALSO PRESENT:

Melanie M. Schulz  
Executive Director  
Joint Committee on the Public Schools

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EXECUTIVE DIRECTOR

### C O M M I T T E E     N O T I C E

TO:        Members of the Joint Committee on the Public Schools  
FROM:     Senator John H. Ewing, Chairman

The public may address comments and questions to Melanie Schulz, Executive Director, at 609-633-6787.

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The Joint Committee on the Public Schools will meet on Monday, June 20, 1994 at 9:30 A.M. in the Legislative Office Building (LOB), Committee Room 9.

Representatives from Arthur Andersen & Company will present the final independent evaluation report on the Jersey City Public Schools.

Representatives from the Partnership for New Jersey will address the Committee regarding the School Districts Efficiency Study Group.

Issued 6/7/94



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**SENATOR JOHN H. EWING (Chairman):** Assemblyman Rocco and I would like to start the meeting of the Joint Committee to hear the report from Arthur Andersen on the Jersey City Public Schools.

**J O S E P H   A .   M A R T I N:** Thank you.

Mr. Chairman, Mr. Vice-Chairman, and members, I am Joe Martin from Arthur Andersen, the Project Director of the evaluation of the effectiveness of State takeover of the Jersey City public schools.

I am joined today by Emanuel Axelrod. Mr. Axelrod is a member of our firm-wide School of the Future Team. He has had a distinguished career in education, and was involved, particularly, in the evaluation of education programs and services in the District.

We want to report today on the status of takeover, or perhaps a better way to phrase it would be "State intervention" in the Jersey City public schools, as that intervention is coming to the end of its fifth year. Consistent with guidance from the Executive Director, Ms. Schulz, our comments will be brief, and over the next few weeks we look forward to meeting individually with members of the Joint Committee to answer any questions and provide supplementary information. We will use the report that is in front of each of you, I believe. If not, that is an oversight on my part. Except for Senator Rice, we have worked together at previous places, and I always like to surprise them at the last minute.

I will be using this report for the 10- or 15-minute overview, beginning with the introductory chapter on page 1-1. One of the ironies of takeover -- and the members of the State Board in the back, I am sure, will concur with this -- is that it actually took longer to take over the district than the takeover process itself to date, because takeover was the culmination of a very controversial and lengthy public policy initiative of the State of New Jersey.

Takeover began in October of 1989 following a judicial and administrative procedure. As you know, the time period specified in the legislation-- It was not absolute, but it talked about a five-year period.

Our focus on takeover aimed particularly at the progress of the District in meeting the requirements of the Corrective Action Plan. There are many measures for measuring the progress of takeover, but our challenge was very specific. A year after takeover began, a Corrective Action Plan was developed that set forth opportunities for improvement in five areas: leadership and management; educational programs and services; community relations; finance; and facilities. Specifically, the objectives of our review -- our two reviews and our continuing work -- are to identify the progress that has been made by the State District in meeting the requirements of the Corrective Action Plan, and to set forth a work program that you, the members of the Joint Committee, can use to measure progress.

On page 1-3, you will see that over the past two years we have spent a lot of time in Jersey City. We have collected and analyzed an abundance of background material, and our report today is presented in a way to help you as policy makers, rather than researchers, gauge the progress of takeover. The report is organized into: a brief introductory section; a 16-page Executive Summary which, in narrative format, talks about what has occurred since takeover began; and then we have taken and used graphic exhibits, each of the areas in the Corrective Action Plan, and specified the progress that has occurred. We have included a profile of the Jersey City public schools that will refresh the memory of the members of the Joint Committee, including the demographics and the other factors that characterize the District. And we have an appendix that includes two items: The first is the brief Executive Summary from our first report; and the second is a



section out of another report that we accomplished concerning public school monitoring, which is being used by all 593 districts in our State, since that report is referred to in the Executive Summary.

Moving on to page 2-1, we said to you 16 months ago that State takeover -- State intervention -- in the Jersey City public schools was working, and that conclusion is most certainly still valid. At this point, almost five years into the mission, however, it is somewhat academic, and now the concern is the planning and implementation of a process for a return to local control.

Progress has occurred in all five of the areas that I mentioned. Again, they were: leadership and management; educational programs and services; community relations; finance; and facilities. Educational programs, the core of any school district-- Progress in that area has outpaced the progress in some of the others, and I will be talking about that in a few minutes.

On page 2-2, we point out that when you look at the-- Everyone was eager to get into Jersey City. It was a lengthy and difficult process. The task was -- people saw it as, "Get in there and turn around a troubled system." Well, if the benefits of the past couple of years are to have long-term value, two things are needed: First, a well-thought-out transition plan that focuses particularly on the governing structure for the District when it returns to local control, including the roles and responsibilities of Board members; and second, safeguards to prevent, and if needed respond to, some of the problems that led to State intervention in the first place.

The Corrective Action Plan is one measure of readiness for a return to local control. A second measure -- and there are many others -- would be the Level I monitoring and certification criteria that were adopted by the State Board of

Education over a year ago. To refresh your memory, there are eight elements of the monitoring process: quality assurance; school level planning; curriculum and instruction; pupil performance; pupil behavior; teaching staff; school resources; and State and Federal programs.

You know, you can make a strong argument that a district is not ready for a return to local control until those certification areas, those elements, are met; although, as we will be pointing out in a few minutes, that is a lot easier to say than do, because there are two areas -- pupil performance, particularly the HSPT requirement of 75 percent on all elements of the HSPT, and facilities -- which will likely lag behind improvements in some of the other areas.

So we suggest that the issue of return to local control narrows down to two questions: Should the monitoring and certification criteria that apply statewide be used as a measure for gauging readiness for a return to local control? And kind of the flip side of that, how much weight should compliance with the Corrective Action Plan have in return to the local control equation?

SENATOR MacINNES: A question, Mr. Chairman.

SENATOR EWING: Look, Joe, would you rather have questions as we go through this now?

MR. MARTIN: Certainly, Mr. Chairman. Senator, however you want to work it, we can.

SENATOR MacINNES: You said the basic skills-- Is that HSPT? Is that what you're trying to learn?

MR. MARTIN: Mr. Axelrod will get into those in a few minutes, Senator, but the HSPT is the High School Proficiency Test.

SENATOR MacINNES: Right. The statewide goal of 75 percent-- Where is Jersey City right now in terms its percentages?

UNIDENTIFIED MEMBER OF JOINT COMMITTEE: Fifty-one.

MR. MARTIN: About that.

EMANUEL AXELROD: Right.

MR. MARTIN: In fact, I think that 75 percent actually takes place on July 1 of this year, unless one of the State work people disagree with that.

SENATOR MacINNES: Okay. I just wanted to put it in perspective.

MR. MARTIN: Yes.

SENATOR MacINNES: Excuse the interruption, Mr. Chairman.

MR. MARTIN: Given the transition requirement and the uncertainty for rules for a return to local control, we affirm our recommendation of a year ago, that takeover continue for an additional two to three years. Over the next 15 minutes, we will give reasons for that.

The first area of the Corrective Action Plan we want to comment on is on page 2-5, leadership and management. As you recall, when we met with you a year ago we pointed out that there had been strong leadership and management improvement at the Central Office, but the strength of takeover would be measured by how effective the leadership and management were at the building level. We believe strongly that the leadership strengths that were identified at the Central Office a year ago have migrated -- have begun to migrate to the school level. This leadership and management strength, strong building principals, accompanied by parent and community support, is really one of the most important ingredients for ensuring that the benefits of takeover continue.

Senator?

SENATOR MacINNES: Mr. Chairman-- How did this happen? I mean, have principals been changed, or are these the same principals who have been sent away for reeducation someplace, or what?

MR. MARTIN: There is a mix, Senator -- through you, Mr. Chairman. Senator MacInnes, there is a mix. Many building principals have been changed. There is a formal structure in place for evaluation. There is better coordination of education programs, as Mr. Axelrod will get into. We think the improvements at the building level are an outgrowth of the management improvements that we reported on a year and a half ago at the Central Office.

SENATOR MacINNES: How many school building principals were changed?

MR. MARTIN: Well, of the 32 buildings-- I do not recall offhand. My guess is two-thirds, but I will have to check on that.

SENATOR MacINNES: Is that right?

MR. MARTIN: Why don't we move on to educational programs and services. Mr. Axelrod will report on that, beginning on page 2-6.

MR. AXELROD: Okay. Thank you, Joe.

I think the State takeover has certainly moved the School District in a direction that is positive now, and will even have greater results in the future. I think they have put into place operating procedures which, I feel, show great improvement over what were in place prior to takeover.

We have seen student achievement improving. We have seen increases in student achievement. You do not see that overnight. It does take--

ASSEMBLYMAN ROCCO: How do you quantify that?

MR. AXELROD: Okay. I think if you look at page 2-9, Assemblyman, you will see on the EWTs, from '91 to '93, that there has been an increase from 54.4 percent to 71.7 percent in math -- I mean, a major increase in writing -- excuse me, in math.

SENATOR MacINNES: In math it went from 4.7 percent to 56 percent in two years?

MR. AXELROD: That is what it shows.

SENATOR MacINNES: How did that happen? I mean, this is like a miracle. I mean, this must be the greatest concentrated progress ever shown by an urban school district in the country, isn't it?

MR. AXELROD: Well, I also think there have been some changes in the types of tests that have been administered.

SENATOR MacINNES: This isn't the same test?

MR. AXELROD: Yes, but they have changed the content.

SENATOR MacINNES: So we change the test and get higher scores?

MR. MARTIN: Well, I do not think that is fair, Senator. I think we have had this--

SENATOR MacINNES: Wait. I mean, this is a remarkable achievement, going from 5 percent to 57 percent, in a city District.

SENATOR RICE: Mr. Chairman, through you--

SENATOR EWING: Yes, Ron?

SENATOR RICE: The Senator mentioned a city District. Let me just say that the majority of the children in our school systems -- Jersey City, Newark, Passaic, Camden -- are thirsty for knowledge -- education. This system has been managed poorly, and is not getting it across. So it is not unrealistic to believe that in two years, given the right management team, the right intervention, the right monitoring, that our scores can go up.

At East Side High School in Newark, recently, there was a movement to relieve the principal of his duties. A month later, the scores came in, and they were so high that it was unbelievable. It was because of the way he was working.

So I just wanted to at least say, if you don't believe in a short period of time that urban youngsters, given the mess removed, and starting the monitoring -- because it sends a bad message -- can achieve-- It doesn't take much to achieve when

people want knowledge. The problem in cities like those in urban America is that there is no interest in schools. They are dropping out; they are not paying attention. Give them something to work with, and they will learn almost overnight.

ASSEMBLYMAN ROCCO: I would like to pursue the Senator's comments a little bit. In the standard, you know, exams, so to speak, you are looking for validity and reliability, as we know. It seems to me that we are changing the tests around, and I have criticized the Department often for that, because true reliability-- You would not have the fluctuations you have, if you are indicating, you know, that is part of the reason for the success.

Now, if on an early warning test we have right now a 71 percent math -- in reading, rather -- 55 percent to 71 percent in reading--

SENATOR MacINNES: Right.

ASSEMBLYMAN ROCCO: Why wouldn't this correlate, if all the reliability and validity factors are in place with the fact that only 51 percent are passing the HSPT? Shouldn't there be a correlation between the early warning and the high school proficiency?

MR. MARTIN: Ideally, the early warning will give an indication of the high school proficiency. As you know, there have been changes in testing sequence over the past couple of years. I think to put this in perspective, though, Mr. Vice-Chairman--

ASSEMBLYMAN ROCCO: Let me pursue this: The real factor is, reliability is reliability. If you say this is a standardized test, then it should hold true regardless of what the circumstances are. So my argument with the Department continues to be that we have done a poor job in selecting the tests to do the job.

The early warning test is given in what grade?

MR. MARTIN: Eighth.

MR. AXELROD: Eighth grade.

ASSEMBLYMAN ROCCO: Eight grade, all right. Now, the high school proficiency we give in what grade?

MR. MARTIN: It used to be grade 9; now it is 11.

ASSEMBLYMAN ROCCO: All right. But what you are talking about on the 51 percent is what? That was ninth?

MR. MARTIN: That would have been ninth grade.

ASSEMBLYMAN ROCCO: That was ninth. So you are only talking about a one-year variance between the early warning test and the HSPT. So the question is-- There is a reliability factor here that is not explained.

MR. MARTIN: That is a very fair observation, Mr. Vice-Chairman. If I could turn back the clock, I would have said that perhaps if we had given our presentation before answering questions, I would have put that in perspective, because the point we made to you a year ago -- and we affirm now-- We have set forth the data. We believe there are improvements. We have had disagreements with statisticians over the validity of some of these data.

We are trying to present the trends to you and put them in context. I think your criticisms of the tests perhaps are valid, but this is the best information we have to work with at the moment.

ASSEMBLYMAN ROCCO: But you can't identify a trend without a reliable instrument.

My point to you, and to the Department, continues to be that they are using poor instruments, in terms of coming up with information that we are supposed to make some evaluation on. So all of the data, including the 4.7 to 56, is totally, obviously, you know, too huge a jump to be credited to simply better instruction in that short a period of time. It is probably somewhere in between, but the question is still the instrument. Why can't we get the long-term, valid tests -- which has been my argument from the beginning? California's

and Iowa's tests, which have been used year after year, have great validity and reliability. Why do we continue to use New Jersey tests, which are poorly validated and have little or no reliability?

MR. MARTIN: Well, Mr. Vice-Chairman, you asked me that question a year ago, and I was unable to answer it, and I must admit, I am unable to answer it at this time.

SENATOR EWING: We are going to have to have the Department answer it.

SENATOR MacINNES: Because it is a Department question, right, Mr. Chairman?

SENATOR EWING: Yes.

SENATOR MacINNES: Well, let me just be sure that I understand the facts.

ASSEMBLYMAN ROCCO: Wait a minute. Let me just pursue that, Senator, if you will excuse me for interrupting.

SENATOR MacINNES: Sure, you're the Vice-Chairman.

ASSEMBLYMAN ROCCO: The instrument you used-- I mean, you could have double-checked your basic data by using another instrument, could you not? Nothing prohibited you from using another piece of information, or are you indicating that the District just did not provide the students with that type of exam?

MR. MARTIN: The District was especially forthcoming in providing any information they had, as has the Department been very accommodating to our requests. It is really not within our scope to go in and administer tests.

ASSEMBLYMAN ROCCO: Would you recommend that in your report? Wouldn't that be one of the recommendations, to go to an instrument with greater reliability and validity?

MR. MARTIN: I am not prepared to say that we would or we would not recommend that, Assemblyman.

ASSEMBLYMAN ROCCO: Why wouldn't you? I mean, you're Arthur Andersen, right? You're doing the report. Why wouldn't you make a recommendation of that nature?



MR. MARTIN: Our recommendations are consistent with the scope of our review. I think it is a reasonable question whether that may be an appropriate recommendation, but it is not one that I have given thought to, so I cannot respond to it right now. However, I would be happy to get back to you on that.

ASSEMBLYMAN ROCCO: We brought the issue up last year on that. We are here again, and we still do not have reliable data to deal with.

SENATOR EWING: Yes, but we did not take up the issue as to whether we should change the tests in order to get them different data, or ask them to make their recommendations.

ASSEMBLYMAN ROCCO: But Arthur Andersen can make a recommendation.

SENATOR EWING: I don't think it was within the scope of the request we made of them.

ASSEMBLYMAN ROCCO: Why not? I mean, why wouldn't it be within their scope?

SENATOR EWING: Well, because when we made up the original agreement, the RFP, John, it was not in there.

ASSEMBLYMAN ROCCO: This State, historically, has used poor instruments, and we have to do something about it. I mean, we are finally getting rid of some of the instruments, but we have to go a lot further, Jack.

SENATOR EWING: Fine, but then that is what we should have put in our requirements when we signed the contract and gave out the RFP.

ASSEMBLYMAN ROCCO: Well, nothing prohibits Arthur Andersen from saying we need a better instrument. I mean, what prohibits them from doing that? You know, we are not asking them to climb Mount Everest.

MR. MARTIN: Well, Mr. Vice-Chairman, I think most, including the Department, would agree that--

ASSEMBLYMAN ROCCO: We are Co-Chairman, but that's all right.

MR. MARTIN: Pardon me?

SENATOR EWING: We're Co-Chairman.

MR. MARTIN: Then I addressed the report incorrectly. I apologize.

SENATOR EWING: Senator MacInnes?

SENATOR MacINNES: I just want to be sure, Mr. Chairman, that I understand, because I am not a psychometrician, or whoever it is who figures these things out. One of the reasons for the startling advance in these test scores -- the early warning tests -- is that the tests have changed. Is that correct?

MR. AXELROD: I can't tell you that that is the only reason.

SENATOR MacINNES: I didn't say "the only reason." I said the--

MR. AXELROD: But there is a good possibility of that.

SENATOR MacINNES: Well, who changed the tests?

MR. AXELROD: I am assuming the State.

MR. MARTIN: The Department. It is a State-issued test.

SENATOR MacINNES: Excuse me. Mr. Chairman, I think when you change the game, don't you have a responsibility, when presenting your report, to indicate that this is not comparable information you have presented here in the top paragraph on page 2-9, rather than present information that could be taken out of context very quickly and very easily and lead people to a conclusion which is not merited? Shouldn't that have been highlighted in a way that said--

MR. MARTIN: Through you, Mr. Chairman, to Senator MacInnes: As I said at the outset, I wanted to put this report into context. That is a fair observation, and we have had differences of opinion with statisticians over the validity of

various parts of tests. Again, we are looking for trends. As management consultants, we are trying to paint a snapshot. I think if you recall, I said we were putting together a report that we hoped -- that we believed would be useful to the members of the Joint Committee, but it was not a research report. And, of course, we stand on what is in this report. If there are areas for improvement, then we will be happy to handle those in an addendum.

ASSEMBLYMAN ROCCO: But basic test the measurements?

SENATOR MacINNES: This is public information, though, right? The report is public information?

MR. AXELROD: Yes.

MR. MARTIN: After the Committee releases it.

SENATOR MacINNES: The problem is that this book travels without you, so if a reporter, or an academic, or someone gets ahold of this book, and without reference to the fact that the test was changed, they would have the same reaction to these numbers than I have, which is -- wow!

SENATOR EWING: Senator LaRossa, and then Senator Rice.

SENATOR LaROSSA: Just following up some of the validity questions, if I may-- If, in fact, the test changed, realizing, again, that any report you are issuing has to be in context relative to the tester, do you have -- or did you have any information that takes the original test, the change in the test, that identifies the test's reliability itself?

In other words, what were your standard deviations? What were your means? What were your averages? You know, being an accounting firm, it would seem -- I think as Senator MacInnes said -- that out of context it travels without you, but there is no frame of reference here which tells us what the validity of the test was in the first place. So, before you even started to say that the scores rose, based on either the original test, and then the changes to that test, did you look at, or do you have any knowledge of what the validity of the

test was in the first place, the written test, as well as the change? Was that any part of this report's consideration?

MR. MARTIN: Senator, we have the reports that we received from the District that described the test. Our work-- This is an issue of proportion. We are looking at the five areas of the Corrective Action Plan. Test scores are one of several areas under educational programs and services. Clearly, from your comments this morning, I wish I had brought along more information on the test scores as such, although, as some of you will recall from last year, we are not convinced that test scores are the best measure of readiness for return to local control.

The real question is, is the progress the District has made during takeover, as measured by the five areas in the Corrective Action Plan--

SENATOR LaROSSA: But you mentioned a specific term, and that was test results or test scores. All right? This is a cart and a horse kind of question, because, you know, if you were talking about progress, talking about increases in scores, that is presupposing that the instrument that is being used in the first place is valid. So if, in fact, there are any kind of validity studies -- and, quite frankly, I don't know, having been on the Education Committee for the last two years, I did not envision being back on the Joint Committee-- This is a question that I have had going back.

It would seem to me that if the State has a problem with its own tests-- You know, the country issues that you bring to this, or the evaluation issues that you bring to it, presuppose that the information -- your baseline -- is valid in the first place. If your baseline, or your initial test is not valid, any results after that can't possibly be valid either.

So my question is: Has anyone looked at the absolute, you know, what the State has done with validity, because we

have been having numbers that are being measured that are in a vacuum.

MR. MARTIN: Senator, the quality of our numbers on testing is an outgrowth of the quality of the data in the reports that we received from the State. We did not go beyond that.

SENATOR RICE: Mr. Chairman--

SENATOR LaROSSA: I'm sorry, one more time.

MR. MARTIN: I'm sorry, Senator. I said the quality of our reference to testing is consistent with the quality of the data we received and the supplementary reports from the State. We did not go beyond that.

SENATOR LaROSSA: Okay. So it is consistent with data you received, which, in fact-- Can you just tell me very simply yes or no: Did you or did you not receive information from the State that indicated the degree of validity or reliability of the tests, either the initial tests or the changed tests?

MR. MARTIN: We received two reports that described the tests. I don't know if I can answer that question specifically without going back and looking at those data -- or correction, those reports.

SENATOR LaROSSA: I think that is a critical answer, because that, then, speaks to, you know, again, the information-- I am not questioning your-- Understand that I am not questioning your report.

MR. MARTIN: I understand that, Senator.

SENATOR LaROSSA: I am questioning, because if that information is predicated on a false premise, then the results cannot be accurate either.

MR. MARTIN: But, again, we believe strongly that test scores are one of many indicators of readiness for return to local control. We have given equivalent weight to all five areas of the Corrective Action Plan. Again, I regret that I

did not bring along more information in anticipation of test score questions, because, quite candidly, in the order that we set forth, it was an issue that was lower on the list than some of the other concerns.

SENATOR LaROSSA: But, unfortunately, everyone looks at test scores. They are supposed to be--

MR. MARTIN: Yes, that is a very reasonable observation. The Co-Chairman did point that out a year ago.

SENATOR EWING: Senator Rice?

SENATOR RICE: The problem I am having is that, you know, we talk about testing, whether it should be a New Jersey test, a California test, and that is all well and good. But we are never going to address the education problem until we put our planning in perspective. One thing the government, at all levels, does poorly, is plan. We are talking about validity, what is the proper test, and how do you measure those things.

First of all, we get all the statistics and numbers. Any time you deal with statistics and numbers, you are dealing with a lot of different variables. You are not going to-- Reliability, yes, but anything true, no, because even the reliability of the test may change -- is subject to change.

The point is--

ASSEMBLYMAN ROCCO: It can't change. It can't change, that is why it is a reliability factor.

SENATOR RICE: Well, it is a reliability factor until someone disproves the statistics. I know you are an educator, but I can read and understand some of it.

But the point I am making is simply this: I don't hear enough in these Committee meetings, Education Committee meetings, or when I read the statements from different chairs and other people about causation. If you are not going to identify the problem, why there are failures in these districts, then you are not going to come up with any real test

to measure the successes of any Corrective Action Plan or the kinds of things we are doing to try to adjust it.

So when I look at these numbers, I feel there has been some improvement, but how much I don't know. One of those variables I am talking about that does not come out in here is the one I deal with regularly, the one that Assemblyman Joe Charles deals with; that is, talking at community groups. You have attitude problems in these districts. You have those "activists" who may give a good front, but who don't ever want their system to work, for whatever political reasons, or personal reasons. Maybe they make money on programs, I don't know.

Then you have that majority of silence. Some are activists who want the system to work. When I have talked to some community groups from Jersey City in the past, they said, "Well, first of all, the State takeover is not long enough." That is number one. Number two, they are saying that there are some things happening over there because teachers are doing this on blackboards now, people are not reading papers, the school systems are starting to look like school systems. How much the youngsters are absorbing they can't determine at this point, but they see some things, and they know it will take some time. So that is a variable that can be plugged in.

The point I am trying to make with the statistical areas and the reliability is, there have to be some basic assumptions made, if we don't go out and find the kind of variable you can plug in. I just wanted to say that.

We need to ask the hard questions of Arthur Andersen, but we need to do a little bit more work from the street perspective. The other thing I want to say -- and then I will shut up -- is that Senator Ewing has been coming to Newark, and it has become very clear at those meetings what the community parents said, not the activists, who don't want anybody to do anything. What they are saying is, if you look at the Jersey

City system, you can see some things that maybe should have happened before, which are not happening, that are having an impact on some of the progress being made.

So I just wanted to kind of keep the statistics and stuff, so people don't get confused about the perspective. I am not a statistician, but I do understand, to some reasonable degree, the foundation of it, and I do understand the need to have reliable measurements -- a reliable instrument that will give us the measurements. The instrument is not going to make a difference, if we do not do these things first: Identify causation of the problem as best we can, and then see where we go from there.

That has always been my concern. I think the community groups are giving input on some of those causes, and some of those causes are not tests. Some of those causes are: people's mentality, people's attitudes, people's lack of interest; corruption of some of the numbers, if you will, or the perception of it, and there are variables. We have to address them whether we like it or not.

MR. MARTIN: Mr. Chairman, given that I think some of you have a vote in a few minutes, may I suggest that we just briefly hit the other areas?

SENATOR EWING: Let me just hear from Assemblyman Garcia and Assemblyman Moran, and then we will get back to you, Mr. Martin.

MR. MARTIN: Yes, sir.

ASSEMBLYMAN GARCIA: Thank you, Mr. Chairman.

Through you, Mr. Chairman, I think something that would be helpful to us in determining the progress made in Jersey City would be a frame of reference; in other words, a comparison of how Jersey City students have performed with the other neighborhood school districts. If you compare the New Jersey State early warning test scores, you see a dramatic rise here, and that may be because of the test. I would like to



compare those results with what is happening in neighboring municipalities that have basically the same type of ethnic composition, the same types of social problems. I think that would be a good way to reference how far the State takeover itself -- what progress can be attributed to State takeover, and not just an overall increase; maybe something we are doing through the Education Committees, or whatever it is. I think that would also be something good to put into this report, to help us to better understand these test scores.

ASSEMBLYMAN ROCCO: Do we have anyone here from the Department? (no response)

SENATOR EWING: Who is here from the Department?

A S S T. C O M M. B A R B A R A A N D E R S O N:  
(speaking from audience; no microphone) Good morning.

SENATOR EWING: What is your position there?

ASSISTANT COMMISSIONER ANDERSON: I am Barbara Anderson, Assistant Commissioner for Student Services, representing the Department.

SENATOR EWING: Student Services?

ASSEMBLYMAN ROCCO: Well, Barbara, you know, one of the things we said -- to pick up on what Rudy Garcia has indicated here -- was that if we had the validity and reliability factors ironed out from the beginning, instead of trying to do our own New Jersey test -- which we told previous Commissioners -- we would not be in this fix today, because we don't know what we have with this kind of information.

ASSISTANT COMMISSIONER ANDERSON: I have made note of your comment, and I would be happy to take back to the Department--

ASSEMBLYMAN ROCCO: Well, you can take it back, but this is about the 10th year I have told them that.

SENATOR EWING: Neither the Commissioner nor Mr. DiPatri could come down today?

ASSISTANT COMMISSIONER ANDERSON: No, they were not able to come, but I will make sure that they are aware of your comments, sir.

SENATOR MacINNES: Mr. Chairman, I would like to see their schedules checked. What is more important than presentation of the information on how effective the Department of Education's takeover of the Jersey City schools is?

SENATOR EWING: I know. That is why I think it is tragic that neither one of them are here.

SENATOR MacINNES: I think it would be great to see where they are, because it is a hell of a--

UNIDENTIFIED MEMBER OF THE JOINT COMMITTEE: It's a hell of a note.

SENATOR EWING: Maybe there is a golf match.

SENATOR MacINNES: But it really does reduce the productivity of this session if we can't get, I mean, if you will, official answers from the Department on some of these questions.

SENATOR EWING: Very definitely.

ASSEMBLYMAN MORAN: Thank you, Senator Ewing.

I find it interesting to listen to many of the comments made by the Senators, being an educator myself. Senator MacInnes, I am surprised that you picked up so quickly, in such a short period of time--

ASSEMBLYMAN ROCCO: He's a quick study.

SENATOR MacINNES: I learned to read, and I thank my teacher for it.

SENATOR EWING: Every day; every day.

ASSEMBLYMAN MORAN: There is a correlation, if you look at the early warning tests of '93 and reading at 71 percent, and the HSPT for the 11th graders and reading at 60 percent. In the math, the early warning test is 56.9 percent and the HSPT is 57.1 percent. In writing, the early warning

test for '93 was 74.8 percent, and the HSPT was 76.9 percent. So there is a correlation there between--

ASSEMBLYMAN ROCCO: But not a growth correlation.

ASSEMBLYMAN MORAN: --those two particular tests. But as Dr. Rocco pointed out, you are not comparing apples to apples; you are comparing apples to oranges. If you look at the early warning test of '91, you cannot compare that, or judge the growth with the 4.7 percent, Senator Rice -- and this is to answer your particular question -- to the 56.9 percent in math, because, in fact, we are not comparing the same analogy of a test.

That is what we in education continually find very, very distressing when we sit down and try to analyze growth. What we have done is, we have taken the previous year's early warning test students and have compared them to the next, so we mirror them to see what the growth is. Then, as the Assemblyman said, we compare it to neighboring communities to see what the variables and differences are within the community.

Another point that I think has to be made, and cannot be forgotten, is, when the early warning test is given, all eighth graders, no matter what level of eighth grade they are in, are tested. That is not true with the eleventh grade test.

MR. MARTIN: Correct.

ASSEMBLYMAN MORAN: So when we say that the eleventh grade test was administered and these scores came out, that is not a true reflection of what happened. Under the Department of Education's rules if a youngster is in the eleventh grade, but he has not achieved the course credit allotment, he or she is not tested. So you have a number of youngsters in the eleventh grade, on paper, who are not tested for the HSPT. So we are not testing eleventh graders. We are only testing those youngsters who have achieved the eleventh grade designation. You are not comparing that in the differential of the norms.

I know some of you out there are probably cringing and trying to figure out what I just said, but the fact of the matter is, all eleventh graders are not tested; only those youngsters who have accrued enough credits to be considered eleventh graders. That totally knocks the norm out. The reliability of these figures are skewed, because they are not actually being compared.

ASSEMBLYMAN CHARLES: Excuse me.

ASSEMBLYMAN MORAN: Just let me finish.

ASSEMBLYMAN CHARLES: I want to make a point just to amplify that. We didn't understand what you said totally, but does that mean that the 57 percent of whatever it is is really a lower number because some people are not included?

ASSEMBLYMAN MORAN: Yes, it does.

ASSEMBLYMAN CHARLES: I just wanted to nail that down.

ASSEMBLYMAN MORAN: The other point I would like to make is, you know, five or six years ago when we initially debated this particular law, I would have to say that one of the areas that I was extremely concerned about was the various levels and the achievement for takeover to achieve success in the various levels to return.

I would like to go back to Roman numeral II, page 4, the third paragraph, where at the same time two elements - pupil performance, as measured by standardized tests, must be accomplished to return to Level I. You must return to Level I before you come out of State takeover.

Under this analysis, at no such time ever will any of our urban schools be afforded the opportunity to return.

MR. MARTIN: A point of clarification, Mr. Chairman: I am not sure you have to return-- That is a policy question, I believe, about returning to Level I to get out of takeover. In fact, that is one of the issues that we think has to be wrestled with by the State Board and by the Joint Committee.

It is unclear in the legislation that Level I is the only measure of return. I believe that is the case.

ASSEMBLYMAN MORAN: Assemblyman Charles, you were there, as well as I, and it was one of the issues that we debated at length. It was specifically noted during the debate going back then -- and I specifically remember it, because I argued the point -- that you must succeed to Level I to come out of State takeover.

SENATOR MacINNES: Is that in the law?

ASSEMBLYMAN MORAN: No, it is not. It was the interpretation of the-- It might be in the statement of the law. Joe, do you remember?

ASSEMBLYMAN CHARLES: I don't remember, but I think the point is well taken.

My question, just along that line-- If it is not in the law, then the next question, obviously, is: What was the goal at the time the takeover was initiated in terms of the percentages we are examining now in passing tests and not passing tests? Was the goal a 60 percent performance, or was it something less than that? Were there clear goals over a five-year period, and have those goals been met? If those goals have not been met, what is the projection as to when those goals can be met?

MR. MARTIN: Mr. Chairman-- Assemblyman, at the outset I said there were different measures for calculating how well takeover has done. One of the ones we have used-- The one we were hired to use is the Corrective Action Plan. But the broader point is, apart from test scores and performance, if you go to something even more concrete, and how the buildings are-- For example, we--

ASSEMBLYMAN CHARLES: Excuse me. I do not mean to interrupt you, but my point is-- I want to stay on that point, because if we are talking about facilities and the rest of that, then we will never get anywhere, because that is a \$5

billion, or \$10 billion-- I think the main thing, from an educational point of view, from a pupil point of view, and it should be from a policy-making point of view, is how the kids are learning. I mean, how are we teaching them? The buildings-- Given the buildings, given the management, whatever it is, given the finances, whatever they are, what are they actually producing? If we address that first, then the other ones come second to me.

MR. MARTIN: Well, there are two areas -- pupil performance and facilities -- where it is unlikely that the Level I certification criteria will be met in the reasonable future.

ASSEMBLYMAN CHARLES: What was the goal? My question was not answered. What was the goal in 1989 when we took over? What was the base line? What was the goal? Have we reached that goal?

SENATOR EWING: I don't think there was a goal set.

ASSEMBLYMAN ROCCO: On coming out of it? I don't think there were specific requirements.

SENATOR EWING: That is one of the big things we have to work on, the transition part, the coming out.

ASSEMBLYMAN ROCCO: That is one of the jobs of this Joint Committee, really.

SENATOR EWING: We are working now on redoing the takeover legislation. It is points like this that we are going to have to definitely put in.

ASSEMBLYMAN CHARLES: Well, with all due respect, this is one of the-- Some of us did not favor takeover; I was one of them. I voted against it, on all of it, right?

SENATOR EWING: Right.

ASSEMBLYMAN CHARLES: One of the reasons I gave was that there were no goals. I mean, how were we going to measure what we did in five years, or what we didn't do in five years? It seems that to be addressing that on the back end, as opposed

to the front end, it is likely to confuse the point; or to admit, going in, that some very basic things that should have been done, were not done, and we have to deal with it now-- I just think that is something that doesn't look good for us, as the Legislature, when we passed this takeover legislation.

SENATOR RICE: At least we can measure what is not getting done. We know it is getting worse, Joe, in your city and mine.

SENATOR MacINNES: On the point, Mr. Chairman, if I may--

SENATOR EWING: Yes, and then we want to get back to Mr. Martin.

SENATOR MacINNES: I think Assemblyman Charles has raised a crucial question against the testimony that Mr. Martin has offered. Mr. Martin has suggested -- if I understood him correctly -- that the recommendation of Arthur Andersen is that the five criteria they spell out early in the Executive Summary, having to do with leadership, facilities, and finance, as well as the performance of the students, be treated equally; whereas, I think Assemblyman Martin -- Assemblyman Charles, excuse me, is raising a question that, I guess-- I don't know whether it is a question the Joint Committee has within its power to answer, but Assemblyman Charles is saying, "Hey, the performance of the kids counts a lot more to me than whether the floors were swept properly last night," although I think they should always be swept properly.

Is that a question that is a free question for the Joint Committee in terms of establishing, or recommending criteria for--

SENATOR EWING: Right, certainly. I think one of the things that Assemblyman Rocco and I were just talking about is that we will be calling another meeting and asking for the Commissioner to certainly be here, with the people from the testing bureau there, so we can get into this particular part

and see what can be done. As I said, a notice was sent to the Commissioner on June 7, and no reply was given to us that either he or his assistant, Mr. DiPatri, could be here, which, as we said earlier, is very, very unfortunate.

ASSEMBLYMAN ROCCO: One of the things we have to do on the Joint Committee, obviously, since this legislation -- it is its first go-round and there is no precedence here whatsoever, is to find out exactly how we are going to get Jersey City back into the system. That is going to be determined by this Committee, basically, as we work on legislation in that regard.

SENATOR RICE: Mr. Chairman, before you go back to the speaker-- In case I never have a chance to say this again, I want it recorded: Keep it clear. If the people committed to teaching move some of the barriers and hardships, the students are going to learn. But there is a relationship. I want to agree with the Assemblyman. Until we can get the physical structure where it should be, the students should still be learning. But learning takes place based on attitudes also. Students will live through a building that maybe is 100 years old, but it is a little bit different when the floors aren't swept and the school is not maintained in terms of shaping attitude -- in terms of the attitude of those young people who are in the classroom.

It is a little bit different when every time you go to the school building, every morning, you know, glass is broken all over the playground, and nobody takes the time to sweep it up. So maybe the Senator just used a bad example trying to do an analysis, but I think the structure is one thing. The attitude has a direct relationship to the learning process. When you have unions and other folks who decide they are not going to sweep, they are going to read newspapers and do things that may not show in a reliability test and how you perform it, it has an impact. That is a variable.



I agree with the Assemblyman. The point you made is the point I was making. There are causes for that. There are causes why we are comparing apples and oranges, and not going back to figure out where the real problem is. What caused those problems?

One variable I am going to continue to emphasize is that human factor that nobody wants to talk about, because that human factor becomes political in nature; it becomes union in nature; it becomes a whole lot of things -- the impact on our school system. It becomes that African-American activist, that female activist, that Latino activist, that white activist, who say, "We are for the kids," when those of us who live in those communities know damned well they are not for the kids. Yet, we cannot seem to tip them or move them out of the way. I just want to keep that human factor in.

ASSEMBLYMAN ROCCO: Jack, one of the questions I have, you know, is: In the course of responding to that, how much additional money is going into Jersey City since the takeover? Do you have any idea?

MR. MARTIN: Additional?

ASSEMBLYMAN ROCCO: Additional moneys have gone into Jersey City since the takeover?

MR. MARTIN: Yes, I do have that to the dollar. I will get that at the end of the meeting and give it to you.

ASSEMBLYMAN ROCCO: Could you give me a rough figure?

SENATOR MacINNES: It is roughly 2500 bucks, isn't it?

MR. MARTIN: No, because I am not sure which number I would be giving you.

ASSEMBLYMAN MORAN: You have your at-risk, \$1800 additional per pupil.

SENATOR EWING: I think we ought to let--

ASSEMBLYMAN ROCCO: Are we talking about a substantial amount of money?

MR. MARTIN: Yes, although because of some changes in the ratable shedule it is more difficult for the local match now, which we also point out in the finance area. But, sure, there has been more money going in.

ASSEMBLYMAN ROCCO: So to respond to Joe to some degree, I guess, you know, there has been more money that has gone into the system. Whether it has really been used to clean up the facilities--

SENATOR EWING: Oh, yes, there is no question. If you go up there and take a look at the facilities today, what they were--

I still feel we ought to let Mr. Martin give his report and then go back to questions. Otherwise--

ASSEMBLYMAN CHARLES: I agree. Just one question. I will do it very quickly, Mr. Chairman.

SENATOR EWING: Okay, Joe; okay.

ASSEMBLYMAN CHARLES: I do not mean to depreciate the importance of facilities. I recognize that that has every -- that that has great significance in terms of creating an environment. My issue, my point is to really address what was the measuring point in a practical, real sense. To me, that is how the kids perform. We recognize in that that there are a lot of things that impact on that, including the attitudes, including facilities, and things like that.

MR. AXELROD: May I say something? I think if I were assessing the District, as some folks are talking about now, I would look at a lot of other things, too:

What kinds of programs are now available for students that were not there before?

What is happening with the staff?

Is there in-service going on?

Are you making them better?

Are you evaluating them? And what is the outcome of the evaluation?

What is the accountability?

Are people being brought up on charges if they are not doing the work properly, if teachers are sitting behind a desk and reading the newspaper, and so forth.

SENATOR RICE: We're the godfathers.

MR. AXELROD: Well, I think that is all happening. It is in place now. You can see pre-K programs have increased. Early Childhood kindergarten programs have increased.

ASSEMBLYMAN ROCCO: That is what we have been driving at, yes.

MR. AXELROD: Pardon me?

ASSEMBLYMAN ROCCO: We are glad to hear that. That is what we have been driving at.

MR. AXELROD: That is what is going to make an impact in the long run. If you want to make an impact on children, if you can get them into pre-K, kindergarten, first grade, and really do some things with them, that, in the long run, will do more than anything else you can do. They are doing that now, Assemblyman.

ASSEMBLYMAN ROCCO: We passed it through our House. We are just waiting for Senator Ewing to post it in his House.

SENATOR EWING: He is only talking about \$60 million.

MR. MARTIN: I think the point, though, is that when you have an opportunity to read it, in addition to test scores in that education program section of this report, it does point out the progress that is being made in the programs area.

MR. AXELROD: Let me just finish with that.

Another area they are doing, which is very, very important, is aligning the curriculum and the instruction to the standards that are set by the State, and they are doing that. In other words, if the State sets a certain standard that children have to achieve this standard, what is the school district doing to work on achieving that? There is a whole

series of curricula that has been changed. Now, new ones are in place that have been developed collaboratively with teachers. Textbooks are now purchased from recommendations from teachers. All of these--

ASSEMBLYMAN ROCCO: Where does Jersey City stand in terms of the factors that-- I know in the discussion about the Newark takeover, there was a factor in there for per pupil expenditures for the students in the desks, such as textbooks, instructional materials, computers, library books behind each student. Do you know what they spend per pupil? Do you have any idea?

MR. MARTIN: Yes, sir. In the final portion of your report, there is a series of exhibits.

SENATOR EWING: Let him go through the whole report.

ASSEMBLYMAN ROCCO: He may not get to that. I would like to hear the number.

MR. MARTIN: It is a comparison with the-- It has administrative salaries, teachers' salaries, percentage, mobility rate-- Let me find the right one. It gives the number of free lunches, which is of interest to Senator Ewing.

Maybe I misunderstood the question.

ASSEMBLYMAN ROCCO: The question is: For the student in the desk -- textbooks, instructional materials -- the kids sitting there-- I think Newark had a number of around \$100.

SENATOR MacINNES: No.

ASSEMBLYMAN ROCCO: No? Lower than \$100?

SENATOR MacINNES: It's \$40. It was the lowest. It was terrible.

ASSEMBLYMAN ROCCO: It was the lowest on the list.

SENATOR EWING: It was tragic.

ASSEMBLYMAN ROCCO: But where does Jersey City stand with that?

MR. MARTIN: We have the costs per pupil, the total, but we do not have that data.

ASSEMBLYMAN ROCCO: Yes, but see, the cost per pupil is very deceiving. It does not talk about what ultimately gets down to the student; you know, what kind of textbooks do we have; what kind of materials; what kind of composition paper, drawing papers? How many reams behind each student?

SENATOR EWING: Excuse me. In making visits to Jersey City, which I have done-- If our group would go up there when we announce these meetings and talk to the teachers, and talk to the principals, they would see the whole change in attitude of the individuals up there. The principals now have a say as to who is hired to teach Spanish. It isn't Jack Ewing, who can't even speak English, or something. They say they have the supplies now, and everything. So there has definitely been an improvement. There is no question about it, but you have to talk to the people on the spot. That is where you get it from.

MR. AXELROD: Senator, I concur with that; I concur with that.

ASSEMBLYMAN ROCCO: I want that number. I would like to have that number.

MR. AXELROD: You want the number?

ASSEMBLYMAN ROCCO: Yes.

MR. AXELROD: Okay. You want the cost per student in relation to instructional materials, supplies--

ASSEMBLYMAN ROCCO: You can pull it right out of the budget. I mean, it is right--

SENATOR EWING: There was a list out recently showing all the major cities and what they spent for keeping the library, etc., etc.

SENATOR MacINNES: It is in the Newark takeover studies. You can get it from there.

ASSEMBLYMAN ROCCO: Exactly.

MR. AXELROD: With benefits allocated.

ASSEMBLYMAN ROCCO: Yes, it is right in there. You're right.

SENATOR MacINNES: No, this is just for the supplies, the materials, the textbooks, not the salaries. That is what he is talking about.

MR. AXELROD: Okay.

ASSEMBLYMAN ROCCO: What is getting to the children altogether, is the question.

MR. AXELROD: Yes. You know, in my--

ASSEMBLYMAN ROCCO: As opposed to central administration and costs for other factors not related to the student who is sitting at the desk.

SENATOR MacINNES: On the whole thing, Jack, if you look at 4-C, you will see that Jersey City is slightly better than Newark in terms of the percentage of the money that goes to something called "Construction" -- but just slightly.

MR. AXELROD: In speaking to the teachers and principals, they have indicated that materials and supplies are being distributed on a more equitable basis than they were before, and that they are receiving it. You know, to what percentage are they getting everything--

ASSEMBLYMAN ROCCO: I would like to quantify it.

MR. MARTIN: We will do that; we will get that for you.

There are three more areas in the Corrective Action Plan, Mr. Chairman, if you want me to run through those quickly, and then respond to questions.

The third one was community relations and public information. Progress in this area lags behind progress in the other areas, and there are a couple of reasons for that. First, at the Central Office, there has not been enough attention given to community relations, because community relations is not synonymous with public information, and success is not measured by the number of press releases, brochures, or other things you put out.

Second, the real success of community relations in Jersey City will be measured by the development of parent and

community support at the building level. So the community relations area is an important opportunity for improvement as the District enters the final phases of takeover.

The next area is finance. The financial management shortcomings that were identified in the Corrective Action -- correction, the comprehensive compliance investigation have largely been remedied. I say that understanding that there was a recent incident of an overpayment for a child study team contract. Notwithstanding that overpayment, we believe the financial controls are ready -- warrant a return to local control, since any internal control system can be circumvented. But internal control systems are put into place to find problems. They did find the problem, and we suggest that you not measure the worthiness of the District's financial management based solely on the recent incident this spring.

Lastly, in facilities -- as we have talked about briefly -- we pointed out that there is an important opportunity area for improvement in facilities. The Capital Improvement Program has been sitting at the Jersey City Council for a year now, and clearly without better coordination between the District and the city, long-term facility improvements will be a long time coming, although the remedial improvements -- clean buildings, roof repairs, window repairs -- have been accomplished, and also, most significantly, custodians now report to building principals, and the building principals have direct control in the maintenance of their buildings.

ASSEMBLYMAN ROCCO: Can we follow up on that a little bit?

MR. MARTIN: Yes, Mr. Co-Chairman.

ASSEMBLYMAN ROCCO: So Jersey City public schools have to send their building programs to the municipal government. Is that correct?

MR. MARTIN: As part of this, yes, for the facilities plan.

**New Jersey State Library**

ASSEMBLYMAN ROCCO: That is their structure.

MR. MARTIN: Right.

ASSEMBLYMAN ROCCO: So therefore, they are not autonomous, and as such are dependent upon Mayor and Council to determine whether they can move ahead. Right?

MR. MARTIN: Correct, it is a cooperative--

ASSEMBLYMAN ROCCO: Maybe one of the things we can do on this Joint Committee is to provide more autonomy in that regard.

MR. MARTIN: That would be one choice, Mr. Co-Chairman. A second would be to say that a financing plan, a very specific financing plan, is just as important as a very elegant design in the other part of the facilities plan. You need both pieces.

ASSEMBLYMAN ROCCO: Well, having served as Mayor, I know as a mayor you tend to get wrapped up in municipal building, municipal concerns. Maybe the schools are not the priority. As a consequence, I think that is probably working against the facilities being produced.

MR. MARTIN: Yes, Mr. Co-Chairman. Again, I hope there was perspective that the long-term problem continues in facilities, but the short-term improvements have been made, almost without exception.

ASSEMBLYMAN ROCCO: Yes, but I think we have to look at long-term for new facilities.

SENATOR RICE: Is that an elected Board in Jersey City? I think you have a point.

ASSEMBLYMAN CHARLES: No, it was appointed before takeover. It is an appointed Board.

ASSEMBLYMAN ROCCO: Joe, how do you feel about that? I mean, you're--

ASSEMBLYMAN CHARLES: Well, I think-- I wanted to ask, on the long-term plan, the capital planning-- We put into place, through some legislation a couple of years ago -- I can



get the name of the committee -- legislation which set up the oversight on how capital planning and capital financing were to take place. If my memory is correct, the persons who lead that, who initiated it and lead it, would be the State Superintendent and the Commissioner of the Department of Education. The votes in terms of planning, passing, and improving the plan and the financing were weighted more in favor of the State than the municipality. That is my recollection of the process that is involved in that.

So, that is the law. If that is the law, I know we have something working contrary to that locally, where people worked very hard at keeping property taxes down, no matter what. But if that is in place, I don't know why structurally we don't have in place already the legal framework for going ahead with long-term plans.

MR. MARTIN: Well -- through you, Mr. Chairman to Assemblyman Charles -- the group you are referring to, sir, is the Capital Project Board.

ASSEMBLYMAN CHARLES: Right, right.

MR. MARTIN: Following review by that Board, it then goes to the City Council as a way station before it can go to the local Finance Board for final approval. Our understanding is that there has been a substantial delay in that mid-step.

ASSEMBLYMAN CHARLES: I think that law says that if they do not act within a certain time, you lose your right to move on to the State Commissioner of Education and the State Superintendent. I think that is how the law reads. So they can stall it for awhile, but continued delay and continued inaction can be superseded by this affirmative action at the State level.

SENATOR RICE: Is that any system, or is that just--

ASSEMBLYMAN CHARLES: No, that is just in State takeover.

SENATOR RICE: I understand that, but does it make a difference--

ASSEMBLYMAN CHARLES: In takeover, we have an Advisory Board--

SENATOR RICE: Yes.

ASSEMBLYMAN CHARLES: --in terms of community relations and things like that. In other questions -- not at this point -- I would like to address that, too.

SENATOR EWING: As far as the City Council vote, that is in our documents now. We are going to be changing it around, hopefully, if we can get it passed eventually. That is one of the places we want to take out if they have a stop on it.

ASSEMBLYMAN GARCIA: I think sometimes the flip side is true as well. I know two of the Council people in Jersey City proposed a project to build a new school on the reservoir in Jersey City. This was to address two concerns: First, space for an academic high school, which is in desperate need of more space; then Dickinson High School, which is overcrowded and really has a problem. One of the things they have proposed is building a new school, allowing academic to move into Dickinson High School. Actually, the Board did not go along with that recommendation at all. I think we are seeing it on both ends.

Also, there is a problem with the No. 3 Elementary School over there in Jersey City, which has been a problem for 10 years. Nothing has really happened yet, and that school is really below standard, and really needs to be addressed rapidly. That has been at a standstill for many years now. I just want to see if there are any plans-- I would like to find out what is happening with the long-term construction projects in Jersey City.

MR. MARTIN: Through you, Mr. Chairman, to the Assemblyman: The reservoir project is as you described it. We saw some early plans several months ago, but to my knowledge,

it isn't moving. There is also a dispute about the location of an alternative school for youngsters who are disruptive. Until a site can be found for that very worthwhile and ambitious program-- That isn't about to happen either. But we will get you an update on the plan.

MR. AXELROD: And it is critical.

ASSEMBLYMAN CHARLES: On that point, I think -- the last point you made about the siting of that vocational school--

MR. AXELROD: Alternative school.

ASSEMBLYMAN CHARLES: --of that alternative school at Westside Avenue, that draws into discussion the issue of community relations.

MR. MARTIN: Absolutely.

ASSEMBLYMAN CHARLES: That is important, I think, in evaluating the Jersey City takeover, because, in my opinion, the community relations have been very, very poor between the State-operated district and the community. That particular school-- You had an issue about that being done without first consulting, or conferring and informing the neighboring community, and even informing the Advisory School Board. The School Board heard about it in the newspaper after the fact, as it was moving along.

I think one of the measures of whether public relations -- community relations have been good, is the fact that many people who, at one point, favored takeover in the City of Jersey City, have now reversed their position. So you have more people -- many of those people who favored it in the beginning -- changing positions and opposing it now, and anxious for immediate withdrawal on the part of the State.

Now, that may have merit to it; it may not have merit to it. It may be substantive; it may just be relations -- public relations -- but I think that-- I give a bad grade to the public relations and the community relations that happened with the State takeover.

MR. AXELROD: I would hope that the reason why they are changing their position is because they are more involved in the schools now, and feel they can have a direct impact.

ASSEMBLYMAN CHARLES: I don't think that is the case, though. It would be good if that were the case, but my sense, living in Jersey City and moving around on its streets, is that is not the reason why.

SENATOR RICE: I have to agree, through the Chair, with your sentiment. The case is because the people I call the "good guys" and the "positive folks," are not doing enough in community relations. And the negative folks, who do not want things to happen, are beefing up their negative community relations. It happens in Newark; it is happening over there.

We inform you on the job of the good things to give the activists an opportunity to change people's minds. We hear it all the time: "Jersey City is not working. Look at Paterson. Why should they come in here?" All that talk is coming from "City Council activists," who thought they wouldn't get elected this time -- and almost didn't without my help -- and some School Board folks and some other special interests. Of course, it was good politics, because the State, or whoever is responsible, sat down on community relations. My feeling is that in Jersey City you have the same thing. I know from the activists over there, who never want to take over, who have no known agenda. But it gave them a chance to fight back.

SENATOR EWING: Okay.

MR. MARTIN: Mr. Chairman, really, that concludes our report, in the interest of time. I think our comments are--

SENATOR EWING: Oh, do you want questions?

MR. MARTIN: Well, actually, I have three quick comments before questions.

First, we affirm that takeover is working and is producing positive results. We acknowledge that we have to get back to you, particularly on the data side, on the test scores.

Second, a well-thought-out transition process is particularly important to focus on what the Board of Education will do when takeover ends.

Lastly, the State--

SENATOR EWING: You're talking about the State Board?

MR. MARTIN: No, sir. When local control returns-- The governing structure for local control will be a very thorny issue as that moves forward, whether it be elected, appointed, or whatever. That has been a concern of Assemblyman Charles' since we first started to chat two years ago.

Lastly, intervention should continue for two years or so, until these problems can be worked out.

Thank you, Mr. Chairman.

SENATOR EWING: Senator MacInnes?

SENATOR MacINNES: Mr. Chairman, we dwell on this question a lot, and I don't want to see it-- I am worried about the circulation of this report, which, I think, does not adequately present the information on the test results. I am afraid of someone having this who has not been present at the meeting today to hear all the complexities involved.

I don't know what our role is. This is the report of Arthur Andersen, but I would like to see the language on that section of the report clarified, so that people--

SENATOR EWING: As I said earlier, Gordon, we are going to have another meeting, at which time we are going to have the Commissioner and the Assistant Commissioner, and also the people from the testing section of the Department here to discuss this whole part about the tests and everything, to try to find--

SENATOR MacINNES: But in the meantime, this gets out to the Rand Institute in Santa Monica, and someone is publishing a paper about the unbelievable results that have been achieved in the Jersey City schools under the takeover. You know, they got this thing from a reputable--

SENATOR RICE: And those folks only terminated a five, because if you understand statistics on this kind of a report, that there is some room for movement down here--

SENATOR MacINNES: I am exaggerating somewhat, Mr. Chairman, but I think the point is--

SENATOR RICE: What school did you go to?

SENATOR MacINNES: P.S. 22. So anyway, I am concerned about that. It is not the Rand Institute in Santa Monica that I am concerned about. It is the press in New Jersey and people drawing inferences from this that are not deserved.

MR. MARTIN: Mr. Chairman, we will promptly provide an addendum that responds to Senator MacInnes' legitimate concern.

ASSEMBLYMAN ROCCO: I think that is important.

I have a question: On the absentee rate, what kind of -- where do you signify your growth there? What do you see in absentee rates?

MR. AXELROD: Are you talking about student absentee rates?

ASSEMBLYMAN ROCCO: Both, I would be interested in.

MR. AXELROD: There has been an increase in the--

SENATOR MacINNES: Attendance.

MR. AXELROD: Attendance, yes. They are over 90 percent. In fact, they were over 90 percent -- I think it is three years in a row, where prior to that, it was not that way. That is another indicator that I would--

ASSEMBLYMAN ROCCO: Where is the data? I mean, where is that shown?

MR. MARTIN: Exhibit 4-H, and a related one, Assemblyman, which we believe as, or more important, the mobility rate, which is on Exhibit 4-G.

ASSEMBLYMAN ROCCO: Where?

SENATOR EWING: That was 4-what?

MR. MARTIN: Exhibit 4-H is the average daily attendance, and 4-G, again, related to that, is the mobility

rate. What is particularly interesting about Jersey City is the very high mobility of youngsters moving within and in and out of the District.

SENATOR MacINNES: This is in a single year? (no response).

MR. MARTIN: I suggest, Mr. Co-Chairman, that for management purposes, that mobility rate deserves as much, or more weight--

ASSEMBLYMAN ROCCO: Very true.

MR. MARTIN: --than the attendance rate.

ASSEMBLYMAN ROCCO: I have been a principal, and I know when they start coming in and out, and you are trying to track them, that it becomes quite a job.

SENATOR MacINNES: This is within one academic year?

MR. MARTIN: Yes, sir. This was the most recent State report. We have the data for other years, and I will--

MR. AXELROD: It is over 90 percent for three straight years.

SENATOR MacINNES: Three straight--

ASSEMBLYMAN ROCCO: But wait a minute, I think I have the floor, Senator.

I guess the question I have is: Where were they prior to the takeover? Were they down in the 70s, do you know? What does this constitute in the way of growth?

MR. MARTIN: I believe it was the mid-80s, but I will double check that. I think it was in last year's report.

ASSEMBLYMAN ROCCO: And the next one would be the dropout rate. Do we have any data on that?

SENATOR RICE: That is the rate I am looking for.

ASSEMBLYMAN ROCCO: The mobility, I know-- In Jersey City it would be a real difficult situation to track the dropout, but there must be some way to do it. I think there is a way to do it.

MR. MARTIN: The dropout rate is an equally thorny issue, since there is disagreement over definition. I haven't been with it for awhile, but I believe even the State definition is changing this year. We do have dropout rate data provided by the District, but we have not included it in this report.

ASSEMBLYMAN ROCCO: Why not? These are absolutely critical issues when you are evaluating a district.

MR. MARTIN: The difficulty is, dropout is-- It kind of gets back to our discussion of statistics earlier. Dropout is a term that warrants better definition.

ASSEMBLYMAN ROCCO: However, there is a definition in existence. I mean, we say that District X has a dropout rate of XYZ, and another district has a dropout rate different than that. I mean--

SENATOR EWING: Yes, but doesn't that vary tremendously in the inner cities such as Paterson and--

MR. AXELROD: Well, the mobility rate has a great impact on "dropout," because--

ASSEMBLYMAN ROCCO: Yes, I am conceding that. I am conceding that, but we still have to have some data. I mean, we come up with figures. New York City has a dropout rate, I mean, goodness, you know, certainly--

SENATOR EWING: Assemblyman Garcia?

ASSEMBLYMAN GARCIA: I would like to see just a figure as to how many kids are in the school system entering freshman year. If they move away, if they go into a different school, then they are not dropouts.

ASSEMBLYMAN ROCCO: They are not dropouts.

ASSEMBLYMAN GARCIA: If they move away and they do not go back to school, or they stay within the city and don't go back to school--

SENATOR EWING: But, Rudy, does the District know that Rudy left P.S. 4 and is now in P.S. 8?



ASSEMBLYMAN GARCIA: Well, how do they track down--

ASSEMBLYMAN MORAN: But it does not give them the authority to say he is a dropout.

MR. MARTIN: We will provide you with whatever the published number is on that.

SENATOR EWING: Yes, but I am wondering if they know whether the child -- the student goes to another school?

ASSEMBLYMAN MORAN: When we have a youngster who transfers out, we have to do a transfer referral slip, and the receiving school sends us notification of the fact that that youngster has started there. But the problem is, in city schools, I doubt very much--

SENATOR EWING: Yes.

ASSEMBLYMAN ROCCO: In city schools you can't get any information.

ASSEMBLYMAN MORAN: You know, when a youngster leaves Camden and he goes to Newark, does the parent -- does the school district-- The school district is involved in so many other things, they are not concerned about notifying the school where he came from.

SENATOR EWING: That's right. I don't--

SENATOR MacINNES: Mr. Chairman, one last question. I promise, if you would--

SENATOR EWING: No, you may have two.

ASSEMBLYMAN ROCCO: Make it his last. He asked for it, make it his last.

SENATOR MacINNES: I just want to be sure that I understand the mobility rate draft on 4-G.

MR. MARTIN: Yes, Senator?

SENATOR MacINNES: Is this to say that in a single academic year that 70 percent of the students in the Jersey City public schools ended the year in a school that they did not start in?

MR. MARTIN: Yes, not necessarily outside the District..

SENATOR MacINNES: I didn't say that.

MR. MARTIN: Yes, sir. According to the database we used, seven out of ten children, over the course of that year, have moved. There are some buildings in Newark--

SENATOR MacINNES: This is just an immediate follow-up, Mr. Chairman, it is not another question. (laughter)

SENATOR EWING: Those Democrats know how to skin a cat.

SENATOR MacINNES: In the other city districts that are shown, the percentage is almost -- is half of that. Doesn't this sort of set off a whistle?

MR. MARTIN: It did, sir. This and a special ed chart in here both set off flags about the -- not the quality of the data, but the interpretation in the different cities of what mobility is, or what special is.

ASSEMBLYMAN ROCCO: It has to be in the way they are defining it. I agree with the Senator. I mean, this doesn't make any logical sense to me.

MR. MARTIN: Well, I think if you go through the report cards, you will see that there are -- the State report cards for the districts and the buildings -- some differences. But mobility and special ed were the two that caught our particular attention. We did find, in looking at some other data-- For example, in Senator Rice's district, there are building level mobility rates that equal or exceed this number.

SENATOR RICE: Because everybody wants a better school. They have a bunch of yo-yos in some of those schools. For once, we ought to--

MR. MARTIN: Well, it also relates to the availability of rental housing, and a lot of other issues.

SENATOR RICE: Mr. Chairman, to the Assemblyman, this is another statistical piece of information that never came out

clearly; that is, school attendance, 90 percent, 80 percent, or whatever percent of those who come.

My concern is that in homeroom, there is a Ron Rice in class. Then the next thing I know, he is out on 13th Avenue beating somebody up or breaking into the 8th Street School. But the attendance shows that the youngster was there. That is accurate in terms of getting through the door, but it is not as accurate as we like to see attendance in terms of a learning project. We are in here to learn something.

Now, it is something we need to get a fix on in the State, in case of mandates, etc. So the attendance numbers and all of that that may be to some small degree distorted-- I do not define attendance as someone we just check off, like some of the legislators when they check in, you know, but after that you never see them anymore. That is one concern I have.

The other concern I have is the truancy rate, which goes in line with checking in and leaving the school building, or just not coming at all. I want to say that when the Assemblyman mentioned the mobility rate, I am telling you for a fact -- because I tried the legislation years ago, and everybody ignored it -- that districts like Newark do not properly track these youngsters. Not only do they not properly track them, but we try to put that information up front so we can address the budget concerns, because the same dollars that go into a school system, say Newark for example -- I don't know what it is, say, \$4500 per pupil-- If that youngster waits until September or October and then winds up in the Youth House for a few months, the dollars stay with the school, in addition to the dollars being spent over here. It is costing us more, and it can be used for the "educational need."

Now I have a problem with that. So their report will not pick up all these things, but I think the Committees on Education, or this Joint Committee, need to put the things we know in perspective. If not, whatever their product is at the

end, regardless of how fruitful it is at the end, is going to still lack some degree of real direction to give us the best of what we need to correct these systems.

MR. MARTIN: Mr. Chairman, through you-- Senator Rice, you are correct, sir, about the average daily attendance. We tracked it at the school. If a kid is there and his name comes in, and he is listed as being there, whether-- If he or she leaves later in the school day, that, to my knowledge, is not shown in the daily attendance count.

SENATOR RICE: No, it is not. That is why crime is so high.

MR. AXELROD: One last comment I would like to make is: In order for all of this to take hold, for everything to work right, I believe they have to fully implement a site-based management program, in which you have the complete involvement of parents, teachers, principals, and community people, where they are involved in -- I'm talking about at the building level in each of the buildings, where they are involved in budget preparation, staff selection, curriculum, in all of those areas.

If you had a real involvement of the community that has the takeover, their children are going there, there are businesspeople who are going to benefit from the children graduating from high school, and so forth-- They are in the process of implementing this, but they have a long way to go on implementing a full site-based management program. If that takes hold, I think the system will be a real success.

SENATOR EWING: Do you feel there is a greater involvement of parents in the schools -- in the individual schools in Jersey City? I can't remember what you said earlier.

MR. AXELROD: Yes. There is some increase, but not a great increase. We need to have full parental involvement there. They have to stand up and say, "My kid counts. My kid can learn."

SENATOR EWING: But are they making the attempt to try to get the parents in?

MR. AXELROD: I believe they have started that, yes, Senator. They have. They have started to-- You have a whole system to develop, where before it was managed from the top--

SENATOR EWING: Oh, they were kept out by the politicians. They were not allowed to get into the schools.

MR. AXELROD: Exactly. They have now set the direction to have a site-based management program.

MR. MARTIN: And there are a couple of schools where the progress-- Excuse me.

ASSEMBLYMAN MORAN: Three points real quick, Mr. Chairman. I would like to see the comparison of the HSPT, the amount of youngsters who have been tested in the last five years--

MR. MARTIN: The capture rate for that.

ASSEMBLYMAN MORAN: --to make sure that we can identify that, in fact, we did not lose 20 percent or 30 percent of the student population being tested for this new system.

Also, if there is a record of the-- If there is any other testing, be it the Iowa's or any other test that has been administered, if we could have an analysis of that by the same grouping--

The second one is, I would very much appreciate it if we could look at these charts -- and I will give you the one as an example -- the percentage of students in special education. I find it very, very hard to believe that 6 percent of their population-- I would tend to believe that is their out-of-district placement in special education, not their in-house special education.

ASSEMBLYMAN ROCCO: That couldn't be.

MR. MARTIN: That was the reaction we had.

ASSEMBLYMAN ROCCO: It has to be 15 percent.

MR. MARTIN: I thought it would be 13 percent or 15 percent.

ASSEMBLYMAN ROCCO: It has to be 15 percent.

MR. AXELROD: It is usually 10 percent. The national statistic is 10 percent.

ASSEMBLYMAN ROCCO: Fifteen percent.

MR. MARTIN: But I don't think the out-of-district is that much.

ASSEMBLYMAN ROCCO: I guarantee you, 15 percent.

SENATOR EWING: But you can only go on the data they give you.

MR. MARTIN: No, that came from elsewhere, but we will check it.

ASSEMBLYMAN MORAN: I distinctly remember when reading the Newark report that the out-of-district percentage was very, very high. So this reference of Newark only being 5.5 percent-- I know just from reading the Newark Commission report that we all received. It describes that.

The third thing, Mr. Chairman, if we could-- If we could have, as Dr. Rockwood pointed out before, a program analysis over the last five years by category of transportation, at-risk, spending by the State, as well as contribution by the local municipality for the last five years.

MR. MARTIN: On special ed-- I was reading the report this weekend in anticipation of this meeting, and hadn't caught that before. It just doesn't feel right. It should be 12 percent, 15 percent.

ASSEMBLYMAN ROCCO: It has to be 15 percent.

ASSEMBLYMAN MORAN: Really? I'm sorry.

MR. MARTIN: I didn't catch it last week; I didn't look at it.

MR. AXELROD: You know, that is why that alternative program is so important. Many kids get classified because they are disruptive, but they really are not emotionally disturbed

kids. It is very important for them to implement that alternative program. Otherwise, those kids are going to end up in the 15 percent, 16 percent. It is going to become 17 percent.

SENATOR EWING: Assemblyman Garcia?

ASSEMBLYMAN GARCIA: I have said this before but I think it is important for the next time we meet, so we have a gauge as to how much Jersey City has progressed compared to the neighboring municipalities, so we can really compare apples to apples to see what their progress has been in the HSPT and the different test scores.

Secondly, I think it is also important--

ASSEMBLYMAN ROCCO: Rudy, excuse me for interrupting.

Wouldn't it make sense to compare them against an urban district that is not a takeover district, to see whether or not the takeover had significant consequences?

ASSEMBLYMAN GARCIA: Like Union City, Hoboken, right next door, the same ethnic breakdown.

SENATOR RICE: Well, where the variables are the same. That is the mistake you're making. It has to be reasonable. I mean, someone mentioned our report. You tell me where Newark-- When you compare, you are back to apples and oranges. You're right, two districts where those variables are the same -- population-wise, density, diversity, crime, if you will, high-rises.

ASSEMBLYMAN GARCIA: That is why I think Union City, Hoboken, and Jersey City are pretty much along the same makeup ethnically. They have the same crime rate, the same density, same population breakup. I think we just need some comparisons to see--

Another thing is, maybe there was some internal memorandum, when the takeover came about, as to what the goals were in terms of performance. If we are to accurately gauge how well the takeover has been conducted, I think it is

important to see how they have done in accordance with the plan itself. If there is a goal where students should be performing at this level today, and they are only performing here, maybe we shouldn't give them another two years, because maybe then the increase will be here. But if they made substantial inroads, then maybe they are well on the way and we should allow them some extra time. I think it is important to know what their own basic criteria was to measure growth.

SENATOR EWING: Assemblyman Charles?

ASSEMBLYMAN CHARLES: My point, the one that I started with, which is goals-- What were they? How have they been met, or have they not been met? I think we ought to see that. We know it wasn't in the legislation, but we ought to look back and see whether or not in the beginning there were these goals, so we can make those measurements.

I think, too, in terms of moving forward to considering the question of whether takeover should be extended, we ought to, at this point -- out-front this time, as opposed to the back end -- if the recommendation is to have an extension, establish goals there that we consider up-front, so that we know what to measure it by -- that is my point -- in all the different categories, whether it is the curriculum program, testing, facilities, leadership, and so on.

MR. AXELROD: Current, though.

ASSEMBLYMAN CHARLES: Yes. I mean, if you are talking about an extension period, goals for that extension period, how they should be realized, and what the possibility of them being realized is. The question of financing, too. I don't know whether you have shown it or not, but I know that one of the issues that has been featured throughout the four and a half years so far, has been the question of how does the system operate its business. How does it do its business?

The Advisory Board does not know, that is, what functions now, or takes the place of a school board. It does not get involved in that.



SENATOR EWING: They are getting more involved now, because of the legislation's impact.

ASSEMBLYMAN CHARLES: I know, because of the legislation, but I think-- What has that process been? I don't know. That is a mystery to me, as a legislator and as someone who lives in the district and has a concern about legislation. We ought to know that as a body, what that process has been, because I think it ought to be a lot more open, in terms of recommending how we perceive it. It ought to be open. Things ought not be done where you do not know about it, or you find out about it later. That has been one of the criticisms that has caused the community relations problems, too. Big business is being done, and who participates, nobody knows.

SENATOR EWING: Well, doesn't that come before a public meeting -- the budget?

ASSEMBLYMAN CHARLES: No, no, that is what I'm saying. I am talking about the business part of it.

MR. MARTIN: Purchasing, the contract--

MR. AXELROD: Purchasing--

ASSEMBLYMAN CHARLES: I am not talking about the budget; I'm talking about the kind of purchasing, vending, all the rest of it. I am not picking on the latest issue you were talking about that has sort of brought focus to this thing, but all along there has been an expressed concern about how business gets done on a day-to-day operational basis -- buying books, services, or whatever else. Nobody knows about it. Who participates in that? Nobody knows.

I think that we, as a Joint Committee, ought to put some time into that and spell out some guidelines for that, because that is public moneys and public business, and the public ought to know what is going on in relation to that. It just seems that whether it is one person, or two persons, or

whatever, no persons -- coverage on that. That ought to be something that we get into.

MR. MARTIN: Yes.

SENATOR MacINNES: Just a suggestion on the information to be included in future reports: In addition to having a comparison with other urban districts, I think it would be helpful to also show the statewide means, or the norms for the medians, or whatever statistical--

SENATOR EWING: From what the Department has.

SENATOR MacINNES: Right. Presumably they have it, although my confidence is a little shaken after this morning as to exactly what they do have. The quality of some of the information they are providing--

SENATOR EWING: Who is here from the Department? Do they have that data?

MR. MARTIN: We have some of that stuff.

ASSISTANT COMMISSIONER ANDERSON: (speaking from audience) Is the question statewide data on testing relative to the districts of comparable size? Is that the question?

SENATOR MacINNES: Yes. Well, I would just like to see, on a statewide basis, where the average kid scores, or the average -- you know, whatever it is we are looking at.

ASSISTANT COMMISSIONER ANDERSON: Yes.

SENATOR MacINNES: What percentage of kids are in special education programs?

ASSEMBLYMAN ROCCO: Senator MacInnes ought to know that the State, through its brilliant program, has its own New Jersey testing, which has no validity or reliability. They never did go to a standardized test which does have validated and reliable information.

SENATOR MacINNES: Brilliant, I take it, was either ironic or sarcastic?

ASSEMBLYMAN ROCCO: Slightly sarcastic, yes.

SENATOR EWING: Don't leave on that note.

SENATOR MacINNES: I'm going to.

SENATOR EWING: Are you leaving in a huff? (response indiscernible; all members speaking at once)

SENATOR RICE: The testing-- There have always been problems in testing since I have been here, the HSPT, and all of that. I have always felt that if a young person is starting school -- maybe there is something in place; that is my question -- and is learning the ABCs, it seems to me that there should be some testing through all levels, so that when we get up here, we don't have to worry about what is going to happen grades 8-12.

In other words, we take down here for granted. That is where I am seeing real progress, and we need to hold it. We need levels of testing, maybe not to the extreme--

ASSEMBLYMAN ROCCO: Yes, Senator, there are national norm tests that have been used for 100 years, which have reliable information at all levels, especially the elementary level. The State of New Jersey chose not to use that. They chose to develop their own tests, which have absolutely no reliability or validity.

SENATOR RICE: So technically, the State test would really only kick in at a certain level. Is that what you are basically saying?

ASSEMBLYMAN ROCCO: Yes.

SENATOR RICE: In other words, here we don't go and get youngsters used to taking tests, and at the same time measure some things--

ASSEMBLYMAN ROCCO: They do. The schools do have that in place, but the State chooses not to use that when they get into the secondary schools.

SENATOR EWING: Well, there are some members from the State Board here. Is there any indication at the State Board that you are going to be changing the testing?

ASSEMBLYMAN ROCCO: Ron?

R O N A L D K. B U T C H E R, Ph.D.: (speaking from audience) I would just suggest that this is probably not the place or the forum to be discussing standardized tests.

SENATOR EWING: No, but I am asking a question, Ron. Is there some movement to maybe look at the testing -- period? We can certainly ask that question here.

DR. BUTCHER: I think we are looking at testing. Whether we are going to go away from it, or, you know-- We all know Assemblyman Rocco has been--

ASSEMBLYMAN ROCCO: Been dogging you on this.

DR. BUTCHER: --for several years, on the situation of standardized tests. I think, as we all know, there are other opinions related to that issue.

ASSEMBLYMAN ROCCO: Except that today proves my point, Ron.

DR. BUTCHER: Well, I would love to have the opportunity in our forum, as opposed to yours, where we could have individuals from the Department and testing experts, and enter into a debate on that issue.

ASSEMBLYMAN ROCCO: Well, it would be at our forum, but they would be welcome.

SENATOR EWING: Well, Ron, when do you think--

DR. BUTCHER: Well, to me -- if I may, Senator -- today was to listen to Arthur Andersen. Quite frankly, I only heard them for about 15 minutes today. (next comment indiscernible; members of Joint Committee all speaking at once)

ASSEMBLYMAN ROCCO: Well, that is the Chairman's fault, Ron.

UNIDENTIFIED MEMBER OF JOINT COMMITTEE: No, both Chairmen.

DR. BUTCHER: If I may respond, I believe the Chairman said it was Co-Chair.

SENATOR EWING: Ron, have you any indication as to when the Board might come up with some decision regarding testing?

DR. BUTCHER: I can only speak for myself as a single member of the Board, but I am deeply concerned that we take major innovational issues and look at just standardized test scores. There are many, many other issues that we need to look at.

SENATOR EWING: Oh, we realize that; we realize that.

DR. BUTCHER: I would like to put that debate in the context of that, if we may.

SENATOR EWING: Do you have any idea generally, in a year, two years, three years?

DR. BUTCHER: No, sir, I don't.

SENATOR EWING: No idea?

DR. BUTCHER: No.

SENATOR EWING: Great. Thank you.

ASSEMBLYMAN CHARLES: Mr. Chairman, just one request I would like to ask of the Arthur Andersen people when they come back to us. There was a mention of site-based management as something that had potential for benefit. I would like some kind of research to be done by them, and for them to come back with some places where that works and the structure under which it works.

I have some serious misgivings about it. I think one of the major elements of it is parental involvement. In the foreseeable future, I do not know now realistically we can expect that that is going to come about to the level that is really needed to make that -- to be a good component of site-based management.

I think that before we move in that direction, we ought to have a strong case that says it is the right direction to go in and that it works. I mean, where is it working? Has it worked, or is that just a concept?

We tried it in Jersey City. It is being tried in Jersey City, and the reaction, from the teachers' point of view, from an administrative point of view, from a community

point of view -- and I will put some question marks under the community, and under all of them -- is that it is not being favored. I don't know how far it has really gone throughout Jersey City.

I think, too, that one of the problems I am concerned about, to the extent that you decentralize or make it building by building, you are going to create differences throughout your district. That may be happening more easily in some districts than in others. We have 30 schools in the City of Jersey City. We may have two, three, or four schools which are functioning well under that kind of a system -- getting the supplies, people involved, everything going fine -- but then you have other schools, the rest of the schools, not really functioning, with all kinds of chaos happening, with no oversight, making for--

MR. AXELROD: Well, that is a different issue.

ASSEMBLYMAN CHARLES: It is a different issue, oversight.

MR. AXELROD: It is up to the District to set a certain standard for children. Then the accountability has to be in place that each school meets those standards. You're right, they may do it in different ways, but the--

ASSEMBLYMAN CHARLES: What we put into place in Jersey City had layer on top of layer on top of layer of administration in the local school building. We had more administrators there in that cluster, or in that phase, than we had previously. We took them out of the Central Office and put them on-site. We developed a larger number of administrators than we had before. Just give me some examples of exactly how it was.

SENATOR EWING: Thank you very much.

MR. MARTIN: Thank you, Mr. Chairman, gentlemen.

SENATOR EWING: Tom, this is what is left of the Joint Committee. The Assembly evidently is having a voting session,

and there are some other committee meetings as well right now. But we have a recorder here, so--

**T H O M A S   O ' N E I L:** Thank you, Senator. Al Burstein is going to begin for me.

**SENATOR EWING:** Oh, is that Al Burstein there? Okay. It looked like Judge Wilentz.

**A L B E R T   B U R S T E I N,   E S Q.:** Let me take my glasses off. Am I recognizable now, Senator?

**SENATOR EWING:** Oh, I thought you were Bob Wilentz.

**MR. BURSTEIN:** That was a low blow, Senator Ewing.

Remaining members of the Joint Committee: My name is Albert Burstein. I am here as a Co-Chairman of the study that was undertaken by the Partnership for New Jersey of the Union Township School District, in conjunction with the Schumann Fund. We have several of those who were direct participants in it with us today to talk a little about it. I will first introduce them, and then give a kind of overview of why the report was done and what implications it might have for the State in its educational funding.

To my left, and your right, is Tom O'Neil, who is the Executive Director of the Partnership for New Jersey. On my right is Julie Keenan, who is from the Schumann Fund; Phil Benowitz and Burt Rea, who are from Deloitte & Touche, which oversaw the study; and Jim Caulfield, Superintendent of the Union Township School District.

This was a study that was undertaken primarily because we were attracted to what we had heard about the way in which the School District of Union Township was operating. It was history over many years, so it was not a single-year phenomenon that we were going to take a look at. The reason for looking at it, obviously, was the fact that school costs have been escalating at a rapid rate; that New Jersey, amongst the states of the United States, except for Alaska, was spending more per student than any other state in the nation, clearly because of

the court decision, as well as other things that I need not go into in detail now.

There has been, and currently is, a malfunction in the distribution of State aid to local school districts, but Union Township became kind of a standard for us to take a look at to see why it was that they were able to produce good educational outcomes, which is the single most important thing -- good educational outcomes of students who were largely graduating and going on to higher education, at a cost that was approximately \$1000 less per student than any other comparable district in the State, on average.

Now, that was a significant number. It is not as though it was just a couple of hundred dollars difference. So we undertook the study to see what made Union Township tick, and how some of the findings that we could learn there could be translated into statewide policy, or at least a statewide model. I think what was found in Union Township does bear replication in other districts, with a couple of cautions:

The first is, we recognized that not every school district can do exactly what Union Township did. It requires a certain amount of leadership. It requires patience, because these things do not happen overnight, and the kind of system incorporated in Union Township today is something that grew over a good number of years. The leadership I referred to is embodied in one person who is here with us today, but what we also became convinced of was that if you set up a structure that has long-lasting effect, that goes beyond any individual, that that will be beneficial to the cost involved in running a school district as well.

The other thing I would want to mention before turning it over to some of my colleagues at the table, is the fact that what happens in Union Township, and what happens in the way in which education money from the State is spent, has great pertinence to the problems that are going to be faced by the



Legislature and the executive in light of the Abbott v. Burke case. The Abbott v. Burke decision tied the spending of the local school districts in the special needs areas to the average of the I and J high-wealth districts. If there is not to be a runaway cost involved in that kind of connection, there has to be a careful look at the way in which other districts -- that is to say not only the special needs districts, but other districts -- spend their money.

One of the things we hope is a beneficial outcome from a policy standpoint is that once that view is taken of the way in which Union Township has operated, as well as, I might point out, a number of other districts in the State of New Jersey, that we will be able to get a handle, a far better handle than we have had up to this point, on actual education expenditures, and how we can manage to do a couple of things to make sure that a greater percentage of State aid goes to instructional purposes in the classroom. And secondly, how we can monitor what happens on a statewide basis, so as to assure that State money is spent for the instructional purpose primarily.

I just had the benefit of looking at a study that was made for the School Business and Efficiency Commission by Professor Henry Raimondo out of the Eagleton Institute of Politics. Some of the conclusions there may carry influence with regard to what we are telling you today, and, to some extent, I think, contrary to what we are telling you today, because their ultimate outcome seems to be that the amount of administrative costs are roughly the same today as they were decades past; that there is very little variable. Anecdotally, if not otherwise, we know that not to be the fact. We know it not to be the fact. I have some quarrel with the way in which this study was presented, but, as I say, I just received it, so I have not had a full opportunity to look at it in detail.

The point, however, is from the standpoint of what you, as legislators, can undertake to do, and what is probably

going to be an imperative over the next decade with regard to costs; that is, to get a handle on the way in which we spend the money, and to try to moderate that spending in a way that does not harm the quality and the outcome of educational purposes that the Constitution mandates for us.

With that, I am going to stop this part of the presentation and turn, I think, in the first instance, to Tom O'Neil.

MR. O'NEIL: Thank you, Al.

Senator, the Partnership, as you know, is an association of the chief executives of major corporations in the State and leaders of selected nonprofits. We have been involved in education since our start 10 years ago. One of the things I have observed, sitting around talking with the business leaders of this State who are interested in education, is that the conversation can't last more than two or three minutes without them pounding on the table and forcefully arguing for very fundamental, radical change in the education system. They talk about tenure; they talk about vouchers, regionalization, forced charter schools, privatization. All of those ideas demand some attention. They are all worth taking a hard look at, but our view is that they will take years to achieve -- those that you decide we ought to go forward with.

Our message today, is that there are a host of things that we can do right now, in the present system, that can improve the outcomes of education, and moderate, or even reduce the cost; and that there are good districts around the State that show that that can be done. One of them is profiled in that study -- Union Township. In other words, we can win without changing the rules of the game fundamentally. There are strategies to improve productivity, to boost quality, and to control or lower costs; and those strategies work in the schools today. They work in a range of different districts. They are widely recognized by superintendents and school

administrators all over the State as effective and appropriate for the schools. We are not talking here about management techniques imported from high-tech operations in Silicon Valley. We are not talking about things used in small entrepreneurial private firms. We are talking about strategies used in the schools and recognized by superintendents in the survey reported in the study as being effective.

The problem is, they are not practiced as widely as they are recognized as being effective. We feel that one of the reasons for this is that at the statewide level, there is no mechanism to reward the cost-effective districts; to find districts that are cost-effective; to hold them up as examples; to create incentives in the monitoring system, and perhaps even in the school formula system, that would reward those districts.

So we are here today to talk about a district that represents a kind of average New Jersey working-class community that shows these strategies work. We are here to advocate for a State policy that encourages, perhaps requires, increases in school districts' productivity, their cost-effectiveness, and their efficiency, all phrases that mean the same thing to us; and rewards them based on improvements, comparing them to themselves, so that we do not get into the difficult problem of comparing two dissimilar districts and requiring a district that is an apple to behave like a district that is an orange.

We want to reward increases. At the very least, we want to make sure districts are not penalized for efficient operations. We think that can be done through the monitoring system, and through a funding formula that recognizes a district's productivity.

What to look for: This study says to look for a lean administrative structure, with minimal nonteaching personnel. It says to look for staff incentives that are aligned with district goals for efficient operation. It says to look for districts that demand dollar value in their behavior, and in

their mission statements. It looks for maintaining physical plants meticulously as long-term investments. And it looks for setting student/teacher ratios perhaps higher than current State averages, but at levels that are appropriate to student needs. It says to look for districts that maximize the use of parent volunteers to assure good relations with the community, and to get parents involved in the education of their children.

We would like to keep you informed. As this year goes forward, we are retaining, once again, the firm of Deloitte & Touche, which has a long record of experience in school administrative studies, which performed the study that is before you. We have asked them this year to look, with us, at how we can develop some productivity measures that are practical, and may be implemented at the State level, so that districts are required to achieve certain hurdles of productivity increases. We would like to return to your Committee later this year with detailed suggestions about how to move ahead, what kinds of measures to be considered, and how the current monitoring system and funding formula can be adapted to what has been demonstrated in Union Township as a practical and effective way to proceed.

If I may summarize by being a little more theoretical than I have been, the discussion you just had about Jersey City demonstrated, once again, that there are three ways to look at the educational enterprise. There is a large number of people who like to look at the inputs into the school system: How much money do the schools get per kid? How many textbooks do they get? How many square feet of space do they have?

There is another bunch of people who like to look at outputs: How well are the schools doing? How well do the children do in standardized tests, or in more general reviews of their performance?

Then, there is a third bunch of people who look at process. They think that the educational enterprise is really

too sensitive to be reduced to the kind of numerical measurements and inputs and outputs, and we really have to look at the process of how the system works.

That debate has really divided this State since the first school funding formula, and perhaps before then. The great virtue of the measure we are placing before you today, a measure of efficiency, or cost-effectiveness, or productivity, is that it is defined as the output of the system divided by the input of the system, and that increases in productivity are achieved through improvements in the educational process. It is a way to bring these disparate voices in the educational debate together, and to look at outputs, inputs, and process in a balanced way that emphasizes quality.

With that, I would like to turn to, I think, Julie--

MR. BURSTEIN: Julie Keenan would be next.

If we can do what Tom just outlined, it will be the miracle of the education century.

SENATOR EWING: Coming from you, it must be true.

MR. BURSTEIN: I verify everything you said, Jack.

JULIE KEENAN: As Al said, my name is Julie Keenan. I am Executive Director of the Schumann Fund for New Jersey. The Schumann Fund is a private foundation based in Montclair, with grant making in the area of early childhood, environmental protection, and public policy. All of our grants are directed at projects within the State of New Jersey, and we have had a long-standing interest in public education, as all of you here have had.

Tom and Al have elaborated on the rationale behind the Union City -- the Union Township study. We really hope that this can serve as an example for others in the State.

I just want to emphasize that this is not a study that was directed solely at the urban districts or the special needs districts, two groups that seem to capture virtually all of our education attention these days. This speaks equally well, and

perhaps more importantly, to many of the suburban districts in our State, some of which are wearing their high-spending practices almost as a badge of honor. Few people are really questioning what comes out of those dollars, or questioning the efficiency of those districts. There is very little attention being paid to those spending habits.

So I want to emphasize that all districts in the State can really benefit by examining and questioning their own spending patterns, and that we need a mechanism at the State level to encourage districts to do that. We are spending \$10 billion a year on education in this State, and it is very important, obviously in this time of fiscal crisis, as well as tremendous academic need on the part of our children, to make sure that those dollars are used as efficiently as possible.

With that--

SENATOR RICE: Union is -- excuse me, through you, Mr. Chairman--

SENATOR EWING: Yes, sure.

SENATOR RICE: Union is an elected School Board. Is that correct?

MS. KEENAN: Yes.

SENATOR RICE: See, I have to keep these things in perspective. Everybody talks about education, but we don't have one system, and then the systems we have differ. For example, Newark has an elected School Board. Under the appointed system, we have just as much of a problem, whether it is in proprieties or kids not learning. Folks tell me that you can't have an elected board with the Board of School Estimate, which is not true. A lot of people don't know it, but that is what Maplewood and South Orange have.

So I am trying to keep these districts in perspective, because a lot of the things -- and I agree -- and that was what I was trying to express to some of the academic folks here with more status than me in education-- If you are going to plan

something, you have to look at this part, the other part of the problem that is causing it, and you have to look at input, you have to look at process, and you have to look at output. You cannot separate, and that is what I keep hearing folks down here tell me. But by the same token, you have to look at the differences in those districts, and what makes all those things work.

I am going to listen. There are questions that need to be raised at a later date: What type of union you have -- I know what that is, you know; what type of work you have at another level; what type of system you have. I mean, when you take a big urban district, like Newark, you are talking about an executive superintendent system. If you look at most of the districts, they are pretty much made up the same way.

So I am listening. I just want to keep things in perspective. That is why I raised the question about your type of setup.

Now, one other question: You have an elected Board, but you don't have a Board of School Estimate, right? Your budget goes to the taxpayers?

MR. BURSTEIN: I think Dr. Caulfield will be able to answer that, Senator Rice, more appropriately. He will be our next speaker.

SENATOR RICE: But there is a study now. How are you going to do a study without knowing who-- All right, go ahead.

MR. BURSTEIN: May I point one thing out, and I should have said this at the outset-- The Co-Chairman of this endeavor, Senators, was former Senator Ray Bateman, who could not be here with us this morning. I think the fact that he and I had cochaired this endeavor is some signal, in and of itself, that the issues we are talking about are not Democrat or Republican issues. They are nonpartisan. They are issues that affect the children of the State, and hopefully, the Legislature will approach these problems in that same light.

Now I would like to--

SENATOR EWING: Well, we hope that education is always, you know, nonpartisan -- come on.

MR. BURSTEIN: That is correct.

SENATOR EWING: Ever since the days you and I were together it always has been.

MR. BURSTEIN: Well, I did not mean to preach, Senator, but when I get in front of a microphone it is almost an automatic reaction, as you well know.

SENATOR EWING: Like the old days.

MR. BURSTEIN: That is correct.

Senator Jim-- Senator? I am either raising or lowering his status, as the case may be. Superintendent Jim Caulfield, who has been an outstanding educator, well-recognized both nationally and within the State of New Jersey, and who is the current Superintendent of Union Township. Jim?

**J A M E S M. C A U L F I E L D, Ed.D.:** (distributes papers to members of Joint Committee; speaks off mike at first) There are only two things I need to have: They are the cost index, and then my promotional piece, which has our achievements, our input, and our test scores.

SENATOR EWING: The Iowa test, the early warning, or what? (laughter)

DR. CAULFIELD: California's achievement test.

SENATOR EWING: Approved by the Commissioner?

DR. CAULFIELD: Approved by Caulfield.

SENATOR EWING: Good. That's the way, Jim.

MR. BURSTEIN: And specifically recognized by Assemblyman Rocco.

DR. CAULFIELD: That's right.

Well, you know, the arrow in the heart is the number of staff per 1000 students. That is something no one can run away from. I am running with 18 to 20 fewer staff members per



1000 children. So for a district of my size -- 6800 students -- I am running with 100 fewer staff members, an efficiency that does not cost the children. I still have 22 in a class, average. I am paying \$48,000 a year average salary, and as I have reduced the nonteaching staff members, my scores have gone up. So it is almost like the private sector, where they have downsized and they have increased productivity.

I think that message has to get out across the State of New Jersey. Somebody has to see to it that we no longer have the dubious honor of being the highest-cost State in the nation, other than Alaska. I think we can achieve these efficiencies. We have done it in Union. It has not cost our community. I am the only one still running preschool and full-day kindergarten for every child, as you, Senator Ewing, have often complimented us on. So we are doing more with less than the typical districts.

I point out Bernardsville, \$11,000 per child. I am spending \$6500. The difference, \$4500 times 6800 is \$30 million. So if Bernardsville were the size of Union, we would be spending \$30 million less than Bernardsville, if you take the \$4500 and multiply it out. They called me the other day and asked me-- They lost their budget, and said, "What should we do?" I said, "Sell the stables." (laughter) I didn't really say that.

SENATOR EWING: If Matty Feldman was here he would say, "Get rid of the polo team." God rest his soul.

DR. CAULFIELD: If they were on the Coast, I would say their yachts, but they are not on the Coast.

SENATOR EWING: Not many yachts up there.

DR. CAULFIELD: I think there is a mission here that Deloitte & Touche and the Partnership can carry out. I would be delighted to lead in the fray. I don't think I have gained many friends among the superintendents, because people are lifting up this report and saying, "Why can't you do the same

thing?" I don't think people should be offended or defensive. I think they should look at the content of the report and find out where they can make these kinds of adjustments without sacrificing. I don't think it has to be the "haves" and the "have nots," and being defensive, and so forth.

I do think there is an action to take place after this budget thing is finished, and we go into the next year and begin to determine what the right formula is. I think there is a job to be done during these next several months.

SENATOR EWING: Jim, how do you make out with the NJEA, with the Union?

DR. CAULFIELD: Well, I don't offend them when I say reduce nonteaching--

SENATOR EWING: No, no, but you have people doing other jobs in there, too, other than just teaching. Aren't the teachers doing some administrative jobs, or not?

DR. CAULFIELD: I have my administrators doing two or three jobs that were done by two or three people. It is basically a shrinking--

SENATOR EWING: Were they teachers before, the two or three people they are replacing?

DR. CAULFIELD: No, no, no. The teachers have not been affected by it. But I do not have a lot of helping teachers; I don't have a lot of supervisors; I don't have a lot of people above the classroom level, and I have not lost any momentum by having one person doing several jobs.

SENATOR EWING: Right.

DR. CAULFIELD: We just have a smaller superstructure, and it is more effective, because there are fewer people to communicate with each other. Essentially, I have done it through attrition, but I post jobs and say, "These are the three activities. Do you want to do it or not?" and they run to apply for the job. We are paying good money. It isn't that we are scolding anybody.

SENATOR EWING: The average salaries are?

DR. CAULFIELD: Forty-eight thousand. In the coming September, the average salary--

SENATOR EWING: What do they start at?

DR. CAULFIELD: They start at \$30,000. They go to \$70,000. I have at least 70 people at \$70,000 in the classroom. So, you know, this is not at the cost-- Well, the unions are a little bit upset. I have people teaching six periods out of seven, instead of five. Typically in a high school people teach five, have an unassigned period and a duty period. I offered an incentive to teach six periods, which saved me 20 staff members, because I would have had to plug in new people.

SENATOR EWING: What does it do to them about correcting papers and everything, because that is what they always say, you know, that they have so much work to do?

DR. CAULFIELD: I don't know. Well, teachers also say their day does not end in the six hours or the 180 days; that they are continuously working, and I accept that.

SENATOR EWING: And your students, what percentage go to college from there, or to vocational school?

DR. CAULFIELD: That last report card was 88 percent go beyond high school, but this is a working-class community, as you know.

SENATOR EWING: Oh, it is a blue-collar community.

DR. CAULFIELD: A blue-collar community, with an average income per capita of \$15,000.

SENATOR EWING: Fifteen thousand?

DR. CAULFIELD: Fifteen thousand. Only 12.7 percent of the adult population completed college, but I have 88 percent continuing their education. I have a 1 percent dropout rate. This is a--

SENATOR EWING: So they are well-prepared when they go through your system?

DR. CAULFIELD: Yes, and it is a diversified program. I am the one with the bank, the high school, the Shop Rite supermarket, the television studio, the infant care center. We are doing a lot to hold our children.

SENATOR EWING: An infant care center?

DR. CAULFIELD: Yes. It is run by the YMCA. I am using it to train our children for the health fields.

SENATOR EWING: Do you send them over there?

DR. CAULFIELD: It is right in the high school. There is an infant care center. There are 25 children who pay a regular monthly fee to the YMCA, and they staff it. My children act as interns.

SENATOR EWING: Can the teachers bring their children there?

DR. CAULFIELD: Not typically, no, but if they want to pay the \$400 a month, they can.

SENATOR EWING: Oh, I see.

DR. CAULFIELD: We rent the space to the "Y." They run the program, but our students, our curriculum, is implemented in that center.

SENATOR EWING: But you don't need the space for your classrooms? Is your student population going up, or staying even?

DR. CAULFIELD: It is going up. I have gained about 700 students in the last 30 months, half of them from overseas. I have doubled my minority population in eight years. So we are faced with all of the same problems, essentially, that the suburbs right out of the city are facing.

SENATOR RICE: Mr. Chairman?

SENATOR EWING: Yes, go ahead.

SENATOR RICE: I would assume that the argument is one as to how you get lease assistance from the State, and how other districts like yours, basically suburban districts, can really cut some costs.

The reason I lay that down is because, if you take the principles and the foundation of your plan, it makes good sense from my understanding, and my own experience in management, etc. what we should be offering all the systems. But if you put those factors in there, most of our suburban communities with the green grass are working-class communities, I grant you, but there is a certain value system there. You said something about a minority in those communities. When you talk about overseas people, you are also talking about a different value system. You are talking about Orientals, for example, who are coming to Newark, with 20 people living in a house to make ends meet, and then buying a nice house up on the hill. You don't see them living in Newark that much. So at least there is a foundation to work with.

So there is encouragement to young people that you always work in society, whether you go to college or not. So you have some things, and you put some programs around them that tend to get the attention. Also, Union has a little bit more outness to some reasonable degree than the urban cities.

My assumption is that what you are really saying is, it doesn't make any sense for you to come up on the short end of the stick in Union. If Bernardsville is paying 11 and other districts of like kind are paying, they tend to get a little bit more (indiscernible). Is that what I really hear you saying?

DR. CAULFIELD: Well, I have--

SENATOR RICE: Because you can't compare your population and your geographic area. I know, because I was going to represent Union. I was scared to come, so we redistricted and I represent Maplewood and South Orange. But, you know, you cannot compare that population across-the-board with Livingston and Newark, but more so with, say, Irvington, which is an adjacent community, because there are some differences in terms of some attitude things that we do not

know how to correct. We have to work on them; we have to correct them.

DR. CAULFIELD: Well, there are a couple of things: In 90 percent of my households, both parents are working.

SENATOR RICE: Okay.

DR. CAULFIELD: Thirty-five percent of the households -- 38 percent-- are single-parent homes.

SENATOR RICE: Okay.

DR. CAULFIELD: I have a very large Head Start Program, both African-American and white children, so poverty is not by color.

You know, I have told this story before, but it makes the point for urban economy also. I was asked to visit a school in an urban area because their scores were low and they said, "Caulfield, take a team; go in there and find out what's wrong." I went to the school, and I asked, "Who teaches remediation?" Two women said, "We do." I said, "Who is your boss?" They said, "We are not sure." And I said, "Well, you have to know who the boss is in order to take direction."

I said to the assistant superintendent in this urban district, "I would like to see everyone to whom these two ladies report. I would like to see them at 1:00 in the library," a room twice the size of this room. When I got back at 1:00, as far as the eye could see, there were people. I said, "I didn't want to see the entire administrative structure, I just" -- this is a large urban district -- "want to see the people to whom these two ladies report." They said, "That's us."

Then I asked around, "What is your job?" Assistant superintendent, director, remediation, helping teacher, supervisor, you know, each with staffs of clerical help behind them. I said, "Well, you report to each other." "No, no, we never report to each other, but these people report to us -- these two ladies report to us in some fashion." I said, "Well,

now I have learned two things: One, the layers of bureaucracy, and the money never getting down to the kids, being filtered out by--" All these people were good people, nice people, thinking they were doing a job. They were not just freeloaders. They were given a job, and they thought that they were putting in eight hours. But then, confusion at the bottom, nobody knowing what to do.

You know, I think there is a message here from this report for suburban districts, and for urban districts. Efficiency isn't native to Bernardsville, and inefficiency to Newark. I just think there are some things that can be done, imposed actually, because people do not do this without some incentive and disincentive. There have to be some incentives and disincentives to get people on track, because we are spending an awful lot of money, and I don't know that it is all getting to the children. It isn't getting to the children.

SENATOR RICE: Through the Chair, the reason I raised this is because, unfortunately, most of these districts which, in my estimation, are overspending -- and fine, it is their money-- You know, it is too critical up in Newark, and I don't think anyone is as critical as I am.

You're right. I would not be surprised if the district you are talking about is mine. That is what it sounds like. That is my point. I think the Chair raised the issue: How do you make it through the unions? When you come to a district like Newark, you may have 30 people that these "folks you were talking about" report to, but nobody understands how they get there. They get there because this union, which coalesced with this union -- cafeteria workers who coalesced with this union, you know, part-time aides and school crossing guards -- coalesced to make sure that we get elected. Once we get elected, then we, because of this relationship with the union, me, the superintendent, or whoever -- board of education members -- hire you at another level.

So, you know, that is why I was saying that you don't have to live with some of those things. Maybe that is the problem with the Newark district. I am looking at this report as a statewide piece. The foundation, I like, and I agree. I think we should be helping Union to keep going, and helping other districts of like kind to maybe scale back and take a look at their systems, but then use the foundation and input the process to help them with the type of scenarios, and the ratio type of things, to districts like mine and others.

Then, we are going to maybe have to set Newark aside, because it is unique, and deal with it from another perspective. It is those layers that are killing us. You're right. And let me tell you something: I listened this morning and I heard folks say, "Well, you know, books getting to the kids." Do you know what? The kids in my district would tell you that they are still not getting the books.

DR. CAULFIELD: And with the class size, that is all you can do.

SENATOR RICE: Yet, if you talk to superintendents and other people, they are purchasing them. I am saying, if they are purchasing them, where are they going?

I just wanted to make sure that I had this thing in perspective here.

DR. CAULFIELD: Well, with the money--

SENATOR EWING: Well, Senator Rice, I see a note in here, because Assemblyman Rocco was so interested in what was being spent on books, library supplies, and everything.

On this '91-'92, it shows that you are less than the State average in your textbooks, library and audio/visual teaching supplies, and other. Yet, the job you do is so much better.

MR. O'NEIL: If I may supplement the answer that Superintendent Caulfield gave to Senator Rice's comment, Senator, it is inevitable when you get a list like the one



before you of expenditures per district, to compare across district lines, and some of that is useful. But I don't think we are suggesting in our study, or here today, that the way to proceed at the State level to try to inject efficiency into the system is by comparing Newark or any other district to a district not like itself.

What I ask you to consider are ways to hold each district accountable against its own history; to put into the regulatory framework a demand that each district improve its productivity compared to itself. In the case of Union, as Superintendent Caulfield has said, nobody wants to do this. They were forced to do it by losing school budgets. That same kind of pressure has to be brought to bear, especially now that the State provides a larger and larger percentage of individual school districts' budgets.

So think not to compare Newark to Union, or to Bernardsville, or anyplace else. Compare Newark in 1995 to Newark in 1994, and demand that it be more productive. That is what we are recommending to you.

SENATOR RICE: We don't disagree. That is what I do. Anybody who knows me-- Look, I don't talk about my education -- you know, I listen to Dr. Rocco -- but I have been around a little bit, too, and I could teach if I wanted to, if I took a couple of courses.

The point is, I just wanted to make sure that I was hearing what he was saying, because there is a lot in the foundation in the report that makes sense. Also, I just don't think that people throughout the State can come in and say, "Well, me." Where is this "me" syndrome? In my district, we are hurting; we are doing better. In my district, it is our money, so let us spend what we want to spend.

In some kind of way, we have to bring this whole piece together and force people to be more rational and objective. If we do that, it is not going to make a difference if my

district is big or not. At least we will know we are putting the spending back on track, that we are doing a good job, and that the State is going to reward us for that, versus the smaller districts doing a good job and being rewarded.

The difference between 9 and 11 is 7. You know, districts have come before us to argue, and you know, fine. But, "We are a wealthy community, and we want to spend an additional \$3000 on education." That is why I asked, "What is the district, elected versus appointed?" because that does make a difference in how you spend, too.

I have heard this story before, and I have even heard a super speak. I am very proud of what they are doing in Union. I just hope that a district like Irvington, which I represent-- I know we can duplicate some of these things in a small enough district. I get disappointed to see Irvington not doing better in terms of productivity, and trying to do some of the things the Superintendent is saying, and in Newark, etc. But I have to keep folks in the whole State happy. In this part of the State, this much of the State, regardless of how large or small, it will be effective. Then in a huge city like Newark, where it is so ineffective, I can point to one or two schools that are just as effective as Superintendent Caulfield's other there, which tells me that something is not right.

Every time I look at, and listen, I believe this is the foundation. I am willing to bet you that if I went into Camden, I would find out that there is input, process, and output, problems from scaling back, and some resources going a little bit differently. That is what I am getting to.

MR. BURSTEIN: With that, if it would please the Chairman, we would like to have the duet of Burt Rea and Phil Benowitz, who are from Deloitte & Touche, which conducted the study, just to tell us a little something about the mechanics of that study.

SENATOR EWING: One question before they start.

MR. BURSTEIN: Surely.

SENATOR EWING: On these figures you got from the Department, do they include Federal funds, grants, and foundations?

MR. BURSTEIN: Federal funds are out of that picture.

SENATOR EWING: What about foundation money?

MR. BURSTEIN: Foundation money? That would be part of the total expenditure.

SENATOR EWING: It would be, and it would be in here?

MR. BURSTEIN: Sure, but Federal money is not.

SENATOR EWING: Because that can add up to quite a bit.

MR. BURSTEIN: Well, sure, depending upon the district. I don't know what the percentage is now of Newark's, as an example, but it used to range between 5 percent and 7 percent of outside Federal money, of their total money. I don't know what it is today.

Phil?

PHILIP S. BENOWITZ; Thanks, Al.

Basically, the approach we took had three components: The first one was what we call an "Operations Assessment of the Union Township School District." We reviewed a lot of information, various reports, and we interviewed a number of the administrative staff, as well as the instructional staff. We met with members of the PTA, and a couple of union officials as well, to try to get all the perspectives represented in our study. In addition, we did a survey of all 195 K-12 district superintendents. Then, lastly, we did some personal interviews with 12 superintendents of K-12 districts, which represented all the DFGs -- the district factor groups -- to get some additional perspectives as well.

I would summarize everything that has been said today by basically going back to one of Dr. Caulfield's comments. The heart of the issue lies in the number of nonteaching

personnel. I mean, that is where the rubber meets the road. I think you will see that mentioned numerous times in our report.

Is there anything else? (no response)

Thank you.

MR. BURSTEIN: Thank you, Mr. Chairman, Senator Rice. If there are any questions, we would be glad to answer any additional ones beyond those you have already posed to us. Other than that, that is our formal presentation.

SENATOR EWING: It was very interesting. Certainly, we are going to be following through on it, Al, and working with you -- with whichever people you tell us to work with, to try to come up with something.

Is there a feeling that there should be a matrix with the number of administrators there are in this school?

MR. BURSTEIN: Do you mean to fix it by State law?

SENATOR EWING: Yes, that we would fund up to a certain number per pupils.

MR. BURSTEIN: That is something that might be taken under consideration. I believe, to the best of my knowledge anyway -- which is limited -- that the State of Washington tried that some years ago. They had a very prescriptive statute which outlined how many students per class, how many administrators per students, and so on.

I do not know how well that has worked. I don't believe it caught fire around the country so that everybody thought it was a marvelous system and adopted it. But there are models, I assume, around the country that the Legislature might take a look at. I am not so sure that that kind of rigidity will work, primarily because, as happened in the report I alluded to earlier out of Eagleton, how do you define an administrative person? That is the key to whether or not you have an overload or not.

There are complexities in that definitional part of things that I think might be hard to handle legislatively. But

I do believe that there can be a kind of an oversight mechanism through the Department of Education, through the Commissioner, some form of oversight in that fashion that more closely monitors the structures within each school district. It may be more intrusive, but, nonetheless, that may be the price we have to pay.

DR. CAULFIELD: Did you know there were districts with-- I have 78 staff members per 1000. The average is somewhere near 100. There are districts with 140 staff per 1000, some regional high schools. You know, I mean, there may have to be a ceiling, where you guys would say ninety, or whatever. What you are going to find out is, these districts will begin to police themselves. They will begin to say, "Where can we economize?" You also should say, "By the way, class size should not increase," or something to prevent them from taking it out on the classroom teacher. It is that layer above the teacher level, and naturally below the superintendent's level, that has to be dealt with. I think there are going to have to be some kinds of pronouncements as to how that is going to be achieved.

SENATOR RICE: Through you, Mr. Chairman, I agree. The more I think about my own experience in management and the things I do in government -- at least what I see, and I probably have quite a picture of bureaucratic nonsense and the costs -- if there is some kind of a way we are going to have to force a limitation on the number of administrators-- That does not necessarily mean that we are going to spend less. One way to work it into the system, we may very well have to say, "Well, all you union folks who are teachers who keep beating us up about money-- We are going to bite the bullet and pay" -- as you are doing -- "but we are paying for this. You know, I mean, we are paying for classroom activities. That is what it means. We are not paying for you to promote someone to become a supervisor, because that is not going to happen in your

system once you figure out what those ratios should be, based on the needs of the district."

That is one way of getting it done, because the human cry is always how much we make for what we are doing. Well, we are demanding more, but we will pay more. But what we don't have is this, and if you can't hack it, the contractual arrangement is that we are not going to let you lose union membership, but we are going to let you lose that person, and we will allow you to hire someone else. They can get the job done.

So you take away their fights in terms of who paid dues, how big the union is, and all that kind of stuff -- and the benefits. You take it away and say, "We want people who are going to be productive. As a union, you should want people who are going to be productive, based on what we expect from our school systems." That may be the way we have to go.

SENATOR EWING: Al and Tom, who do you want us to work with?

MR. BURSTEIN: Let Tom undertake that, not that I am shirking the responsibility, Mr. Chairman.

MR. O'NEIL: Senator, I would be delighted to work with you. As I said at the outset, we retained Deloitte & Touche, thanks to another generous grant from the Schumann Foundation, to move ahead on applying the general lessons we learned in this study to the specific question: How can we take account of this need to increase productivity or cost-effectiveness in a monitoring system and a funding formula?

We would like the opportunity to come back and see you, maybe in the fall when we have those results, to share them with you, as you move to make the changes that the Legislature has under consideration in those areas for this year.

SENATOR EWING: Well, then, we will wait to hear from you.

MR. O'NEIL: Yes, or if at any time you have something you would like us to contribute, I would be happy to do it.

MR. BURSTEIN: And I am listed in the phone book.

SENATOR EWING: Wendy Lang is the new staff person for the Senate Majority Education Committee, and Melanie Schulz is the staff person for the Joint Committee.

MR. BURSTEIN: Yes, indeed.

MR. O'NEIL: We will be in close touch.

Thank you.

SENATOR RICE: Mr. Chairman, I just want you to know I have a special interest in Union, because it is adjacent to my district. If the voucher system comes, I have to make sure that the system holds up over there so the kids can learn. By the same token, you understand that I am the guy that came down to fill the shoes of Senator John Caulfield, so that Caulfield name kind of rings a bell. I have a personal interest over there.

UNIDENTIFIED WITNESS: He was quite a guy.

DR. CAULFIELD: Anything that gets me some aid.

SENATOR EWING: On your way out, Jim, just stop over at the Treasurer's Office and he will give you the money.

Thank you very much, Tom and Al.

MR. O'NEIL: Thank you, Mr. Chairman.

MR. BURSTEIN: Thank you.

SENATOR EWING: I am sorry the other people -- the other part took so long.

MR. O'NEIL: It was all Gordon's fault.

MR. BURSTEIN: Well, as a product of the Jersey City school system, I was intensely interested in the outcome of those hearings, except that when I was there it was a one-room schoolhouse. (laughter)

SENATOR EWING: This meeting is adjourned.

**(MEETING CONCLUDED)**







