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# ***Public Hearing***

before

## SENATE LEGISLATIVE OVERSIGHT COMMITTEE

*“Testimony from interested parties  
on the issue of school choice as set forth in the  
‘Comprehensive Educational Improvement and Financing Act of 1996’”*

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

**DATE:** February 23, 1998  
1:00 p.m.

### **MEMBERS OF COMMITTEE PRESENT:**

Senator John J. Matheussen, Chairman  
Senator William E. Schluter, Vice-Chairman  
Senator John O. Bennett  
Senator Nicholas J. Sacco  
Senator Raymond J. Zane



### **ALSO PRESENT:**

George J. LeBlanc  
Emery J. Ungrady Jr.  
Mark T. Connelly  
*Office of Legislative Services  
Committee Aides*

Ed Gore  
*Senate Majority  
Committee Aide*

*Senate Democratic  
Committee Aide*

***Hearing Recorded and Transcribed by  
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**SENATOR JOHN J. MATHEUSSEN (Chairman):** Thank you, everyone, for attending. If I could, before we start, I would like to just read a brief statement so that everyone knows what the objectives are of this Committee and where we intend to proceed with this matter.

I want to thank the Commissioner for his appearance today, as a number of other people will begin to testify, and certainly the Committee members to be here as well. I want to stress, because I don't want this to be mislabeled by anyone, particularly the press, that this -- the primary purpose of today's hearing is not to debate the pros and cons of school choice, but rather to determine whether the State Education Department has the statutory authority in establishing school choice.

The Legislative Oversight Committee was created to address issues such as this, and it's our role to act as a watchdog to see that there are no regulatory bodies that overstep their bounds. The need for this hearing became apparent with the drafting of the regulations by the Education Department to create 21 experimental school choice programs. The authority to do this was based upon a single line contained in the voluminous Comprehensive Educational Improvement and Financing Act of 1996. Opponents of school choice say that it is clear the Legislature did not intend to initiate a full-scale school choice program using only one sentence of the language buried within the measure of this 74 pages of legislation.

It is our job today to determine whether the Legislature needs to act and to be taking and authorizing a school choice program in our state. While at this point the Education Department has proposed only a pilot program, already there have been several red flags raised by affected parties.

Among the questions being asked is: How exactly would school funding be affected by transferring students? This is an extremely significant issue, particularly when it comes to issues such as school funding.

I would like to thank, again, the Education Commissioner and the many educators who took time out of their busy schedules to be here with us today to discuss this important issue.

Before we begin, I would like to also indicate that the Legislative Oversight Committee, this year for the first time, has become a standing committee in the Senate. Therefore, we will have regularly scheduled hearings. The next one will be on March 5. The Committee will then review -- establish regulations or lack of regulations, perhaps, concerning school safety for transportation of pupils, i.e., school buses. There was an interesting article that has been prepared by Carl Winter, of the *Courier-Post* of Camden County, which led me to take a closer look. And I have some concerns about school safety, since there seems to be an inordinate number of buses that were redlined and cited because of this issue.

On another fact, we will meet again in March, and at that time, we'll do something a little bit different. We will be talking about turtle extruders, for those of you who want to talk about fisheries, and what happens to our turtle population in New Jersey. That is a concern, and we will be taking a look at that issue, as well.

So, would anyone else on the Committee like to make an opening statement before we hear from the Commissioner? I'd certainly entertain that. Otherwise, we will let the Commissioner begin. Anyone else? Senators? (no response)

Commissioner.

**COMMISSIONER LEO F. KLAGHOLZ:** Thank you, Senator Matheussen, and other members of the Legislative Oversight Committee. I recognize your role in this and know that it is legitimate for you to raise the kinds of concerns you're raising and appreciate the opportunity to come here and explain to you our thinking on this and the logic behind it.

Accompanying me today is Mr. Robert Woodruff, to my left, who is President of the State Board of Education and who will comment after I have, with your permission, Mr. Chairman. And, also, David Hespe, who is Assistant Commissioner of Executive Services in the Department, to my right.

As we know, CEIFA does, indeed, contain a provision which authorizes school districts to admit nonresident students and to receive State aid for those students as part of a "voluntary program of interdistrict public school choice approved by the Commissioner." This provision was one of many through which the CEIFA statute established the blueprint not only for funding education in the state, but also for substantially reforming and improving the quality of education. And there are a number of nonfiscal provisions in the statute for that.

At a recent hearing before the Senate Education Committee, the questions were raised about authority and also the statutory meaning of the term voluntary. It's not as hard perhaps as extrudents, but all these things are subject to interpretation. For that reason, we--

**SENATOR MATHEUSSEN:** If you were a turtle, it is.

**COMMISSIONER KLAGHOLZ:** Yes, that's right, I imagine. For that reason, we obtained a written opinion from the Attorney General, which

advises that it is consistent with the language of CEIFA to define voluntary as requiring approval of the receiving district but not the sending one. And it also confirmed that the language provides authority of the Commissioner to approve an interdistrict public school choice program.

Such an interpretation is also consistent with the basic definition of public school choice, often referred to as parental choice. This innovation is intended to give parents greater control over the education of their children by empowering them to choose from among schools that are willing to accept them. And if we were to give sending school districts the ability to veto those parental decisions, that would negate the basic purpose and idea of empowering the parents to make the choice.

Requiring sending district approval would also, we thought, aggravate the double standard that currently exists for school employees and other parents. Since 1992, the statute has authorized State-aided choice for public school educators, and as parents, those educators are permitted to send their children either to the schools where they live or the schools where they work. The statute which established this option necessarily and correctly required approval only by the receiving district, and the program has so functioned since its inception.

The school organizations that advocated the creation of this choice option for their members did not urge approval by sending districts, nor would it have provided substantial benefit to those member parents had such a requirement been imposed. I would like to just divert and say that that, too, was one sentence in the funding law. And it, in fact, is the sentence that precedes the one that authorizes the same thing for other parents. It states,

“Resident” -- this is the one in 1992 -- “Resident enrollment shall include, regardless of residence, the enrolled children of teaching staff members who are permitted by contract or district policy to enroll their children in the educational program of the school district without payment of tuition.”

Given the authorization to approve voluntary school choice programs, we have been focusing our attention on three key questions. One, the most important to me as Commissioner, is, does school choice have the potential to improve education and benefit children, and therefore, should I take advantage of the authorization? The second question is, if so, what policies ought to guide the implementation of the choice program? And finally, through what process should those policies be adopted? And I would like to discuss the first two and then defer to Mr. Woodruff on the third one.

First, we believe that school choice does have the potential to improve both the effectiveness and efficiency of public education. School choice has been shown to have a significant positive effect on the attitudes of parents and students, who exercise choice, and the behavioral and social science research is replete with evidence of the relationship between attitude and performance, a relationship that educators have always known, intuitively, to exist. The creation of choice options for parents and students can also stimulate a healthy competition among schools to attract and retain students through efforts to better meet their needs. School choice has the potential to improve efficiency when districts that are underenrolled are able to accommodate students from other districts that may be experiencing overcrowding.

Perhaps the best testimony to the potential benefits of choice lies in the fact that, as I mentioned, the school employees who work in the system and understand its functioning have themselves pressed successfully in 1992 to win a form of choice.

Secondly, regarding implementation, it's been our belief that the chances of success are greater if a school choice initiative is manageable. Manageability can best be assured by starting with a relatively limited effort, we think, governed by reasonable controls, and then expanding the program only as evaluations of progress dictate. Too often in education, I believe, promising innovations are declared to have failed only because their sponsors were in too great a rush to create too large a program.

We believe that our charter school initiative is showing that an incremental approach, with sound controls, is the best recipe for success. We've proposed establishing several controls for public school choice. Specifically, we've recommended the number of choice schools be limited during an initial pilot period. Secondly, we've proposed that the enrollment impact on any sending district at any given grade level be limited, as well. And thirdly, we've proposed that the admission criteria that choice districts use be regulated to achieve fairness in all cases. In addition, the participation of any school district would be approved only after rigorous review of a written plan by the Department of Education. And finally, the overall program would be subject to an independent evaluation at the end of three years to decide whether to go forward and, if so, at its current size or in an expanded way.

However, we consider those proposals only to be a starting point for public discussion, and we remain open to other ideas and suggestions -- a



point which then brings us to the third question concerning by what process the final details ought to be established. And although the statute authorizes the Commissioner to approve an interdistrict school choice program, we decided instead to seek the State Board of Education's adoption approval of the program in the form of regulations. As you know, the State Board was established by the Legislature to provide independent oversight of public education and the Department of Education. The Board devotes its full attention to educational issues, and its long-established process for translating legislative authorizations into specific regulations is thorough, fair, and open, as you'll hear. And Bob Woodruff will describe that.

So I will stop at that point and thank you for your attention and for your invitation. We would be happy to answer any questions, receive your comments on this.

SENATOR MATHEUSSEN: Thank you, Commissioner.

Any members of the Committee -- any questions, comments?

Senator Zane.

SENATOR ZANE: Commissioner, to some extent isn't the concept of choice -- and if it's not, please correct me -- isn't that an admission that what education is supposed to be like in all of the school districts, the objective is not being met.

COMMISSIONER KLAGHOLZ: I don't think necessarily so, because there are instances where there are just philosophical differences of parents and school districts. There are issues of convenience. I think the educator program that exists is probably based on the concept of having children in close proximity to the workplace, and so forth.

Now having said that, though, I don't think the system is perfect, and I don't think we do our best for children if we're complacent. Most of our efforts, by far, are aimed at improving the quality of public education across the board. I think this is just one strategy in the arsenal.

SENATOR ZANE: You're not suggesting that choice is for convenience, to be close to mom or dad's workplace, correct?

COMMISSIONER KLAGHOLZ: It can be.

SENATOR ZANE: Is that really what you have in mind?

COMMISSIONER KLAGHOLZ: Not only that, but part of it is empowerment of parents and competition for quality--

SENATOR ZANE: Well, if you had to define, principally, what you have in mind by wanting it, what would it be?

COMMISSIONER KLAGHOLZ: Principally would be a way of making the system better able to meet the perceived needs of parents and student -- perceived by them and, in so doing, to create a healthy competition to strive to retain students and to attract them, thereby, to improve quality. But I think there are other things -- efficiency is valid.

SENATOR ZANE: Commissioner, do we-- Do you see this somehow maybe running amok of some long-standing United States Supreme Court decisions regarding segregation, separation, etc., etc.?

COMMISSIONER KLAGHOLZ: I don't think so.

SENATOR ZANE: And race concerns, you don't?

COMMISSIONER KLAGHOLZ: Yes. Not given the controls we've proposed to the State Board, which are identical to some of the charter school provisions that forbid discrimination, negative impact on racial balance

-- if you didn't have those kinds of things, of course, any option program could create that. But with those I think the opposite exists, and that's the potential to ameliorate some of that.

SENATOR ZANE: Would you then say that choice to some extent would be done on a quota basis?

COMMISSIONER KLAGHOLZ: Yes. I think that we would want to, just as we do with charter schools, restrictions on the impact on any sending district, for example. And we've proposed that. But I'll say another thing on this, if I may, and that is that what we've proposed is not that we're convinced we have a panacea, so let's implement it wildly throughout the state. And we've been criticized for proposing to start small actually. But rather this appears to have potential, and therefore, if we can design something that's carefully controlled and has rigorous evaluation, why not give it a try under regulated circumstances. That would be more descriptive of my attitude toward it.

SENATOR ZANE: Okay. Thanks.

COMMISSIONER KLAGHOLZ: You're welcome.

SENATOR MATHEUSSEN: Senator Bennett.

SENATOR BENNETT: Yes, thank you, Mr. Chairman.

Commissioner, I apologize for being late. I'm doing two meetings at the same time. We're trying to do automobile insurance and choice at the same time. But I did skim your remarks.

One of the reasons that-- I'd like to focus a little more specifically not so much on the issue of what the choice program is, but rather on whether or not the Legislature intended, with the simple sentence that's contained in

the rather extensive bill, to establish a choice program. I understand in your remarks that you said that you had gotten an opinion from the Attorney General, which said that it was consistent. However, I'd like to deal specifically with the intention.

In the letter dated February 6, 1997, you wrote to the President of the Senate on interdistrict public school choice and referred in that letter repeatedly to numerous discussions that took place at the time that the funding bill was going through the Legislature, dealing specifically on this choice issue. I've had occasion to talk to the then Chairman and other members of the Education Committee, as well as the Appropriations Committee, and I've been unable to find those legislators that you've had these extensive choice discussions with. So I'd like to focus, as the Oversight Committee, on specifically what led you to the conclusion that the Legislature intended to adopt or establish a policy, which would then allow you to go forward with that policy.

COMMISSIONER KLAGHOLZ: Well, primarily, the vote for that statute.

SENATOR BENNETT: Well, you had numerous discussions, and I'd like to--

COMMISSIONER KLAGHOLZ: Yes, I can recall-- I can go through my recollection of how this evolved. When we were writing the funding law, we came to a section of that law that dealt with resident enrollment. And in that was a sentence that I've read, but I'll read again, that applied to the children of educators that said in just one sentence, "Resident enrollment shall include, regardless of residence, the enrolled children of

teaching staff members who are permitted, by contract or district policy, to enroll their children in the educational program of the school district without payment of tuition.” And that authorized, in 1992, for educators exactly what we’re pursuing with this additional sentence. We saw that as an unfairness, because tuition was waived for the children of educators but not other parents. And so we added a sentence right after that that said basically the exact same thing, that if the receiving district approves it on a voluntary basis, we could authorize this for children of other parents as well.

To make sure that that wasn’t missed, we pulled it out of the statute and put it in the description. It was in the initial version of it, and it was in the description as well, and it stayed there throughout so that it would be highlighted and called to attention to anyone who wanted to see it. And then what I recall was a Committee, where this was discussed, of Senators and Assemblypersons who worked with us through every page of that law to discuss it. And when asked about it, we talked about it in those terms.

SENATOR BENNETT: Commissioner, with respect to that language that was done in 1992, I believe that was a result of negotiations between the Department and legislators -- actually legislators -- and the NJEA in having that language permit teachers/kids, if the districts permitted them, to go there.

COMMISSIONER KLAGHOLZ: Yes.

SENATOR BENNETT: And it was the result of negotiations that actually took place and discussions in the drafting of the bill.

COMMISSIONER KLAGHOLZ: Yes.

SENATOR BENNETT: I fail to-- I've yet to be able to see where those negotiations took place which would result in what clearly is a very expanded program from that. As you are well aware, there certainly surrounded an awful lot of publicity following this language coming forward as to -- which led to letters to you asking as to what that meant. And I'd like to focus on-- What I'm trying to find is what was the legislative, not the administrative, but the legislative intent as what was viewed on a funding bill? And that's where I'd like to pursue a little more specifically, if we could.

COMMISSIONER KLAGHOLZ: I'm not quite sure, because you're asking me to speak to what was legislative intent, and I think only you can do that. Whatever it was initially, you have the freedom to change it--

SENATOR BENNETT: Well, I--

COMMISSIONER KLAGHOLZ: --or to further clarify.

SENATOR BENNETT: You've talked about numerous discussions that took place, and yet I can find nothing in the records that any of these discussions were public discussions. There's nothing with respect--

COMMISSIONER KLAGHOLZ: Yes, I think that's true.

SENATOR BENNETT: --to any of the hearings that took place. So where were these discussions, in back rooms?

COMMISSIONER KLAGHOLZ: There was a committee established by the President of the Senate, the Speaker of the Assembly, and the administration to work through all of this funding bill. Most of it was through that committee.

SENATOR BENNETT: And they weren't public?

COMMISSIONER KLAGHOLZ: No.

SENATOR BENNETT: So the discussions on that were not public?

COMMISSIONER KLAGHOLZ: Correct.

SENATOR BENNETT: So we had-- The funding bill was put together, and this specific aspect of choice was discussed in those meetings?

COMMISSIONER KLAGHOLZ: Yes, and to the extent that--

SENATOR BENNETT: And with whom were they, because no one else recalls that? I'd like to know. Who were those discussions with?

COMMISSIONER KLAGHOLZ: The same group that I've twice now--

SENATOR BENNETT: And who were they?

COMMISSIONER KLAGHOLZ: I'll have to get you the list. I'd be happy to do that.

SENATOR BENNETT: You don't recall?

COMMISSIONER KLAGHOLZ: No. Not offhand.

SENATOR BENNETT: You don't recall who was there, but you know what was talked about?

COMMISSIONER KLAGHOLZ: Yes. I would think, too, that to the extent that you had any hearings on CEIFA, this was in it.

SENATOR BENNETT: No, but there were specifics on this-- That's what I'm trying to get to. CEIFA clearly was discussed-- Twenty-seven-page (*sic*), I think, bill with funding mechanisms -- rather extensive.

COMMISSIONER KLAGHOLZ: Eighty page, actually.

SENATOR BENNETT: Eighty pages. We're talking about one line, one sentence. So I'm looking toward the specifics as to the discussions on that, which is now being taken to establish a rather broad-based program.

SENATOR MATHEUSSEN: Senator Bennett, could I just interrupt a second?

SENATOR BENNETT: Certainly.

SENATOR MATHEUSSEN: Let me just, for clarification purposes-- I think, Commissioner, you referred to this before, but let me read the one line out of the Act that was passed in 1996 so that we're all of the same understanding. It says, "Beginning in 1997- '98, and thereafter, resident enrollment shall also include those nonresident children who are permitted to enroll in the educational program, without payment of tuition, as part of a voluntary program of interdistrict public school choice approved by the Commissioner." And that's under 18A:7F-3. Okay.

I also, Senator Bennett, and for everyone else's clarification, I've asked if Senator Martin, who was the prime sponsor of that bill in the Senate, if he would appear today. He is here, and I'm expected he will have something to say, as well, with regard to that issue.

COMMISSIONER KLAGHOLZ: And I agree with that. I think that the Legislature ought to say what its intent is and was.

SENATOR MATHEUSSEN: Right.

SENATOR ZANE: John, what is the significance of one legislator's intent? What is the--

SENATOR MATHEUSSEN: Well, I think it plays to the role, Senator, that certainly the sponsor of the bill, who would have been included



in these discussions, who was primarily involved in the drafting of the legislation, what his thought processes were as well, too. It's our job collectively, as this Committee and perhaps even further as the full Senate, to oversee what our intentions were, whether or not we think that the executive branch has gone beyond what we intended as a legislative body. So, I think, it's helpful that Senator Martin and the Commissioner all have something to say what went on in 1996, but certainly for those of us who were here in 1996 have to reflect on our own memory. What were we intending -- what each and every one of us intended when we made that vote?

SENATOR ZANE: And if I might just comment--

SENATOR BENNETT: I didn't give up the floor yet.

SENATOR ZANE: I thought he took it away from you.

SENATOR BENNETT: He did, but I didn't know I couldn't get it back. (laughter)

SENATOR MATHEUSSEN: I was asking for a point of clarification. So it, you know--

SENATOR BENNETT: He's the Chairman.

SENATOR ZANE: John, let me make one comment?

SENATOR MATHEUSSEN: Yes.

SENATOR ZANE: Can I make one comment? I mean, with all due respect to Senator Martin, I really doubt that he sat down and drafted this. We all know how administration bills work. He received this. And I would imagine that the Commissioner was involved in it. I'm not sure what we're going to accomplish by establishing the intent. It isn't going to mean anything

anyplace anyhow. If we are going to change it, why don't we just introduce legislation and change it? If we are going to keep it, why don't we just keep it?

SENATOR MATHEUSSEN: Senator--

SENATOR ZANE: I mean, the folly of the whole thing is the language is there, and it's pretty damn plain.

SENATOR MATHEUSSEN: Senator, as the sponsor of the legislation which gave back the Legislature the power of oversight, I think it's appropriate that this Committee take a look at it, and I respectfully disagree with you. I think it's appropriate that we hear testimony, and I think we'll let Senator Martin describe whether or not he had any further drafting as far as this bill is concerned.

SENATOR ZANE: Yes, but it's taking-- I mean, you know, I'm in the minority here. I don't know what the plan is.

SENATOR MATHEUSSEN: No, but I'm crediting you with the sponsor of this--

SENATOR ZANE: I understand. You're right.

SENATOR MATHEUSSEN: This is the reason why we're being here today.

SENATOR ZANE: There's no question, you're right.

SENATOR MATHEUSSEN: It was something that was well within your prerogative and something that you should really take credit for.

SENATOR ZANE: I understand. No question about it. I take all the credit I can for it. It's a great idea. It's the smartest thing that ever happened.

SENATOR MATHEUSSEN: I just gave you some, too.

SENATOR ZANE: I appreciate that, but I'm not sure at what we're looking to do. I mean, if we disagree, why don't we just change it?

SENATOR MATHEUSSEN: Well, that's what we're going to find out today, whether or not we do disagree, Senator.

Senator Bennett, you were-- I did interrupt you.

SENATOR BENNETT: I think, with all due respect, Senator Zane, the issue is whether or not when we passed-- I mean, simplistically speaking, when we passed this bill of funding -- this 80-page bill -- did we intend or devise that there would be a new expansive program that was going to be implemented, or did we believe that we were, in fact, legitimizing a process that, in fact, was taking place? The only discussions that I had at that time was that we were going to be basically permitting a continuation of the policy and the program that had been in place to allow certain students in certain districts being able to attend, and only now the money was going to follow the kids as opposed to-- And that was my understanding and my intention as to what we were passing. And I think that that's important to be able to see that if, in fact, we're departing from that issue and if there were other discussions--

This letter from the Commissioner specifically says that he had discussions regarding the scope of the program in establishing a new program of State-aided choice. I still don't know-- Those discussions, to my knowledge, weren't done in a committee meeting or in a room like this, where the public had an opportunity to be able to have input, where legislators were able to clearly define what their intentions were. I don't think the issue is whether or not choice, as being proposed by now the Department and being

implemented by the State Board, is appropriate, but whether or not that they're going beyond what the intention was in the Legislature. The concern and the problem is, as you know, if you want to change that language or you change that word, it's 21, 41, and 1. And that may not be as appropriate to deal with as to whether or not you passed legislation and then have it interpreted to go beyond what was intended. That legislation may-- A resolution may be a simpler way of dealing with it.

And accountability -- and I think why the voters voted so overwhelmingly to give us this oversight is to hold a bureaucracy somewhat in check to assure that what is going to be implemented by the bureaucracy -- whatever that party is in the bureaucracy-- And I don't view you on this Oversight Committee as in the minority, since you're the one who came up with and got the legislation through and-- We don't sit here, in my opinion, on this Committee -- more so than any other committee -- in a partisan fashion, but we sit in this Committee truly as a legislative arm and to deal with it as legislators. Frankly, I think we may have gotten away from that for a while in the past, and I'm glad that the Chairman is bringing us back to once again focusing on clear issues that deal specifically with the legislative intent. And that's why I would really like to know if -- in order for us to-- What I think we need to do is explore, how do we demonstrate what was our intent?

SENATOR ZANE: Senator Bennett, and I appreciate it, the only comment I'll have, I think the person that could tell us what the intent was for this legislation is not here today, and I think you know what I mean.

SENATOR BENNETT: I'm not really sure, but-- I'm sure you'll fill me in later. (laughter)

But what we say it is counts, I think, though, too, Senator. What we as legislators say it is counts. And if we had open-- On any piece of legislation, if there are open discussions that clearly lets the record show what our intention was, if we all voted with that intention being out there, and there's inference that there were open discussions -- but now I know that they weren't open so-- I don't know how we're able to get, then, to what our true legislative intent is, if our intention was to find not publicly, which concerns me frankly.

SENATOR MATHEUSSEN: Senator Schluter.

SENATOR SCHLUTER: Yes. I would be helped considerably if we could get from you, Mr. Chairman, or from staff, a status report on exactly where this is with respect to the regulations. Have they been published. What is the schedule for their approval, and what is contained in the legislation, as well as to review the rules that we set up with that constitutional amendment sponsored by Senator Zane with respect to our powers to override, what type of resolution, how soon the other House has to pass it, and so on, and so forth. Can we get that?

SENATOR MATHEUSSEN: I can do that. First, let me fill in the first half of your proposal by--

I think Senator Sacco wants to say something, as well, too.

President Woodruff is with us today, as Commissioner Klagholz indicated before -- President of the New Jersey State Board of Education. I asked if he would at least give us an outline as to when regulations are proposed, before they become promulgated, what the procedure is. And so, perhaps, more so for me and perhaps the public in general, who would be

interested in this hearing, they understand in a brief fashion what goes on -- these regulations, what the status of them are now.

You've been asked by the Commissioner-- The State Board has been asked by the Commissioner to look at them. What's the procedure and where do we go from here?

So, Senator Sacco.

SENATOR SACCO: Let him go on.

SENATOR MATHEUSSEN: Okay.

If you would, Mr. Woodruff, who is the President of the New Jersey School Board.

**ROBERT A. WOODRUFF:** Thank you. Yes, I am--

SENATOR MATHEUSSEN: Board of Education, excuse me.

MR. WOODRUFF: The State Board of Education. I'm one of 13 volunteer members, from Salem County, Senator.

And, Senator Schluter, I would be very happy to tell you where we are in this particular process and to tell you how our process works not just with this particular piece of code, but with all code, because one of the ways that we develop our educational policy is to consider the recommendations that the Commissioner sends down, as he has sent down in this proposed code. And as a lay board, we really value very much the public input on this. And frankly, I would be very happy, since this process is a six- to eight-month process, I would be very happy to know, up front, where we stand with regards to the Legislature so that we don't spend four, five, six months developing code only to find out that that's really not what everybody wants. So this, I think, would be very helpful to the State Board to get a definition there.

But let me just quickly run over how we go through our adoption of code process. Normally, this process takes about eight months, and we're currently at the very beginning stages of this particular piece of code. First of all, we received the code language just before our monthly meeting, which is the first Wednesday of every month, on February 4. The State Board members received this about four or five days prior to the meeting. We had a chance to look it over. The code was also distributed to school districts, education groups, and any other stakeholders that will be involved in this process.

Having discussed it at our February 4 meeting, we will then again discuss it, after having a month to think it over, at our March 4 public meeting. And on March 18, as we do once a month, we take public testimony on any of the issues -- any of the code issues that are in front of the State Board. All of these testimony presentations, as well as any written testimony that may come in, will be compiled by the Department into a matrix which will analyze the particular comments. And after we've had a chance to study all those comments, then we will present a revised proposed code at our -- probably our May meeting. It would then be published in the *New Jersey Register* for everyone to see and comment on. We would hold an additional public hearing, probably in June or July, where we would finally put together all of the public comment. And then at our August or September meeting, we would finally adopt the code, making any changes that we would have up to that point.

And then, as you know, it goes to the Oversight Committee here. I think they have 60 days to review it to make sure that the code is what your

intent was. Although, as I say, I think it would be very helpful for us, if your intent is different from what we understand it to be at this point, it would be very helpful for us to know it up front so that we don't have to go any further.

So there's quite a process involved. We do this with every piece of code that comes before us. Many times we will hold additional public hearings, as we have with the special education code. We've been working on that for about a year and a half. We held, I think, eight different public hearings, because we heard from the public that they wanted to get their comments -- they wanted us to consider different issues. We will be glad to hold as many public hearings on this particular issue, either with the public or with any of the Education Committee or any committee, for that matter. So, basically, that's how our process works.

SENATOR MATHEUSSEN: Senator Schluter, and I'll be-- Perhaps we can get some additional information, but it is my understanding that if, in fact, this Committee disagrees, by way of a resolution that we would pass, with a regulation or in this particular case a proposal, I think, from the Commissioner to the Board, that we would -- if we were to pass that resolution out of this Committee, then that resolution proceeds to the individual bureaucracy, whichever particular branch of government, whichever department it is. They would have 60 days, I believe, to change course if they, in fact, would abide by our resolution. We would suggest in that resolution how to correct what we think is inappropriate, that the Legislature is suggesting that they're acting outside of the scope of the law.

If, in fact, they were to change it, then obviously the issue has been resolved. If they are not to change it or change it in such a fashion that agrees



with the resolution, then that, I believe, resolution goes to the full Senate for a vote. Likewise, the same would be in the Assembly. They would pass the same, and I think it's a majority vote in both Houses that we would negate the regulations proposed at that point in time by the particular agents. And I could be corrected if-- I believe constitutionally, that's the way it--

SENATOR BENNETT: Two times.

SENATOR MATHEUSSEN: Two times. The vote has to be cast in both Houses two times.

SENATOR BENNETT: Right. The first time we passed it, then the Department has an opportunity to amend, change, or rescind. And then, if the Legislature agrees that that is in concurrence with what the intent was, then that would be the end of it. If you want to have it set aside, you have to pass the resolution a second time.

SENATOR MATHEUSSEN: Okay.

SENATOR BENNETT: The second resolution, which would then result in--

SENATOR MATHEUSSEN: So the agency really has two bites at the apple.

SENATOR BENNETT: Correct.

SENATOR MATHEUSSEN: One from the resolution which is passed at the Committee level, and then, a second time after the full House should address it.

SENATOR BENNETT: Right.

SENATOR MATHEUSSEN: That answer everyone else's questions? All right.

SENATOR SACCO: Senator, we could also--

SENATOR MATHEUSSEN: Senator Sacco.

SENATOR SACCO: We could also put legislation up if we felt we needed to. And that's what Senator Zane was saying, if we had to go in that direction.

SENATOR MATHEUSSEN: Yes.

SENATOR SACCO: The one issue I wanted to raise, and it was concerning the State aid that would apparently move from District A -- or not move. If 100 students left District A and went to District B, the State aid report in District B would show the increase, and they would receive the State aid. One problem I see is the orphaned students. Those students who were in districts that increased dramatically and are receiving no aid. If District A had 200 orphaned students receiving no aid and 100 went to District B and aid were going to District B--

COMMISSIONER KLAGHOLZ: Right.

SENATOR SACCO: --to take it from A doesn't work, because A didn't get money in the first place. And District B to receive the money, we would have to find another funding source, because we weren't accounting for the increase of aid. That's why they capped the amount, which I feel is wrong, and I'm not blaming you. This is before your time.

COMMISSIONER KLAGHOLZ: Right. I understand.

SENATOR SACCO: So I see other problems inherently in this which is not really within our scope that we're doing. I wanted to bring that out, as you're looking at it, as it proceeds. That's an extremely important aspect.

COMMISSIONER KLAGHOLZ: Okay.

SENATOR SACCO: Thank you.

SENATOR MATHEUSSEN: Keep in mind, Senator Sacco, too, I agree with you -- I couldn't agree with you more -- that today's hearing is not intended to write school choice -- to rewrite it. It's-- Our intention is to whether or not legislatively we've given the executive branch the authority to write a regulation outlining school choice. And certainly, you raise issues that would give concern that the Legislature perhaps needs to look greater at the issue of choice. Funding, perhaps one of the most important aspects of school choice, how will it be addressed? How will it affect districts that are resident districts? How will it affect districts that are receiving districts? It's a very interesting proposal, and that's to be decided at another hearing by another Committee.

Commissioner, thank you.

COMMISSIONER KLAGHOLZ: Thank you, too.

SENATOR MATHEUSSEN: Mr. President, we appreciate your testimony today.

MR. WOODRUFF: Sure. Thanks.

SENATOR MATHEUSSEN: We have, as I alluded to before, Senator Martin with us, who is currently the Chairman of the Senate Education Committee. Back two years ago, he was also the sponsor of the Act which we're discussing today, and he has indicated to me that he would certainly like to add to the testimony that's been provided here today with regard to legislative intent.

**SENATOR ROBERT J. MARTIN:** That was before Senator Zane spoke, Mr. Chairman.

SENATOR MATHEUSSEN: I see. (laughter)

SENATOR MARTIN: Now I'm not so sure at all.

Good afternoon. Do you want to ask me some questions about this, or should I just make a general comment?

SENATOR MATHEUSSEN: Perhaps your comment will evoke some questions. I'm sure there are some questions already, Senator, but I think you know where we're heading and what our questions are to begin with, at least, and perhaps some guidance from you would be helpful.

SENATOR MARTIN: I think it was important to remember, in 1996-- Senator Bennett asked about the circumstances in which this area of the law had been drafted and discussed. Senator Zane is correct. I did not draft CEIFA. It was, as many of you recall, an initiative which the Department of Education and the Governor's Office had developed. They had made a public announcement. I recall being at that meeting. I think it was in May of 1996 when they outlined their spending plan, and they had ultimately reduced that into legislation, which was worked on and amended. And there was some drafting aspects to it, which I would take some credit for, but by and large, that bill was an administration bill.

In late August, it became clear that the time pressures that we were faced with were going to be difficult to meet. The Court had indicated that they would extend the period of time for us to get a funding plan in place, and they said September. You may recall there was even some debate at that time, does September mean the first of September or the thirtieth of September?

And ultimately, the Court extended that deadline even further out, until the end of the calendar year.

Given that time constraint and the very real possibility that the Supreme Court might not give us an extension long enough to be able to act at the leisure that the Legislature sometimes wishes to proceed with, we began serious meetings about trying to get a bill passed late in the summer of 1996. The Senate President had asked me and I had volunteered to take the lead as far as the Senate goes. John Rocco had agreed to take the lead in the Assembly. We put together a committee, as the Commissioner correctly noted, and the purpose of that was to try to reach some consensus between the legislative committees which would hear the bill, the Governor's Office, and also the Department of Education.

I don't know how many times we met, but we met many times. These weren't meetings open to the public, but they were really work sessions where we went over all -- if not all, almost all -- of the aspects of the bill in late August, September, and October of 1996 and then some meetings thereafter as the bill began to move through the legislative process. We met on the fourth floor in the State House. Mike Torpey who was then the Governor's counsel, I guess, at the time, was sort of -- acted as the host of the meetings. And we very actively went over the legislation.

With respect to this language, we did discuss it at that time. It was-- My recollection of it was-- It occurred in the following way. We would go over different sections of the bill. At some point in time, this part came up. I remember it because it was something that had-- It resonated with me, because we were talking about the fact that there was some public choice now,

or back then, in the system. I was familiar with it because one of the districts that was most active in this was Mountain Lakes, which is in my legislative district. It's a high school. It's a *K* through 12, but its high school is well known. I think many of you know it consistently gets very high ratings, as far as being one of the best high schools in the state, and they have had, from time to time, available space. And it was well known, at least in surrounding towns, that certain parents, rather than send their kids to private school and whatever reason -- they didn't like their local high school -- would pay a tuition which was set by Mountain Lakes. I don't think they charged the full -- if they figured it out on a per capita basis, but they did provide a certain amount of tuition, and you could go to Mountain Lakes.

So I was familiar with that. And the Commissioner, when we discussed this, raised -- I don't know whether he talked about that one in particular, although we did use it as an example -- talked about that and the fact that some teachers were able to send their kids to the district where they taught, that he thought that this system created some problems, and he thought it needed some controls. I tended to agree with him.

I'm not totally adverse to that process. I was aware that there were some other districts whose best and brightest students in some cases who had the money were shifting over to Mountain Lakes. And I thought that might be a problem for some of them.

We also brought out the point, which he brought up today, about the fact that it seemed like only the parents of means -- of economic means -- who could afford this -- to pay the tuition, would be able to go to avail themselves of this type of program. This language, as I recall in our

discussions, was supposed to put some controls on that kind of a process so that the rating aspect couldn't get out of hand.

I've thought about this long and hard since then. I personally don't recall the concept of this extending in some expansive way. We did talk about the fact that the Department might be able to secure a funding mechanism so that other students, other than simply ones whose parents had the income to be able to send their kids to a school district like that, could participate. But that was, as I recall, pretty much the extent of it. I have to tell you, in view of the whole context of CEIFA, this was not something that we spent a whole lot of time on. It was one sentence in an 80-page bill. As I said, I happen to recall with some specificity, because what it would have talked about was something I was aware of, and it even-- As some of you may recall, a Trenton reporter called me after the fact and wanted to know what this school choice was. When she posed it to me, I -- until I thought about it and put into remembering what she must be getting at, I didn't really understand what the section was and how it could possibly sort of suggest the things to her or to others that was the implication.

So, as Chairman of the legislation, at least, my intent in dealing with this was to give the Department some controls. I can tell you just as a matter of public policy, I'm not opposed to school choice. In fact, I think there's a lot of ways in which school choice, I think, could do some exciting things for New Jersey. And I think some of the proposals here that the Department has recommended are really, I think, worthy of study and something, perhaps, we should adopt.

Some of the other issues -- and I know one of the ones that came up is: Was it voluntary in the sense that, when we passed that specific language, did we believe that the sending district, as well as the receiving district, would have to give approval? We didn't really talk about that in any way, shape, or form at the time. I apologize. It was an oversight on my part, but I wasn't thinking of it in the way in which it would somehow appear two years later.

So maybe I'll stop there and be happy to answer any questions.

SENATOR MATHEUSSEN: I have one. You used the word oversight, I guess. Did you envision that the program with that one line in the bill would ever get to the point where it is today, without further legislative review?

SENATOR MARTIN: I don't see how it could, Mr. Chairman. I didn't see it at that time. It was never-- No one, including the Department, certainly me, as Chair. We talked about a lot of the good features and core curriculum standards and many of the changes that this legislation would bring about to New Jersey. But, in terms of realigning school districts, that was never a part of the purpose, as I understood it, of that bill.

SENATOR MATHEUSSEN: Anyone else on the Committee?

Senator Schluter. Go ahead.

SENATOR SCHLUTER: Senator Martin, with respect to the word voluntary, what is your understanding of the meaning of voluntary as it refers to regionalization? And there's been a lot of talk about regionalization. People say, "Well, it's got to be voluntary." There is a receiving nucleus, for example, and another school district that wants to join. Does that word



voluntary in that context mean that it has to be approved by all parties or by both parties?

SENATOR MARTIN: My reading of it is it would have to be approved on both sides. Now, I could say that, and I'm not sure that that's a workable-- I know why the Department has gone off where it has, and I know that it could stop something right in its place, because traditionally there's turf wars, financing issues, and all other kinds of things related to it. So I'm not expressing an opinion on whether it's good or bad, but the voluntary, as I saw it, had to be both sending as well as receiving in the language of the law itself.

SENATOR SCHLUTER: That was my point. Thank you.

SENATOR MATHEUSSEN: Anyone else?

Senator Bennett.

SENATOR BENNETT: Just one question, Bob. With respect to the public hearings -- and, as the sponsor, you obviously followed this bill through each of the two committees, I think, that went through in our House and probably some over in the Assembly, but specifically in our House. I understand and accept that you said there were discussions with you and John Rocco and representatives of the administration on the fourth floor of the building on this issue--

SENATOR MARTIN: The building one over.

SENATOR BENNETT: Okay. The building one over.

But publicly, in the committee meetings with the other members of the committees, do you recall if this one sentence became a specific part of discussion in the public purview?

SENATOR MARTIN: I can't say with an absolute certainty, but about as close as you can get. I don't ever recall anyone ever asking about it in the shortness of time and answering questions and explaining it, and I spoke not only as far as official meetings, but in front of many different interest groups, and so forth. I don't ever recall it coming up as a subject of conversation.

SENATOR BENNETT: Thanks.

SENATOR MATHEUSSEN: Anyone else?

Senator Zane.

SENATOR ZANE: Yes. Senator Martin, you mentioned Mountain Lakes, and I have to tell you that I'm not that familiar with it. But you indicated that it's recognized by many as one of -- if I'm quoting you correctly, "One of the best high schools in the state."

SENATOR MARTIN: I think *New Jersey Monthly* has--

SENATOR ZANE: Okay.

SENATOR MARTIN: --accorded number one and a couple of the other ones.

SENATOR ZANE: Okay.

SENATOR MARTIN: And so it's gotten that kind of attention.

SENATOR ZANE: Okay. And you certainly aren't suggesting for its athletic programs or its campus, correct?

SENATOR MARTIN: No. Although, it's good on that, but there are other districts that certainly--

SENATOR ZANE: And you were primarily, I guess, talking about its curriculum and the performance of its students.

SENATOR MARTIN: Correct.

SENATOR ZANE: I said before, and I don't intend to -- I'm not saying this to offend anyone in the educational community -- but if we're going in that direction, isn't that, in essence, saying that somebody who is supposed to be doing -- and I guess I really mean the Commissioner's Office -- what they are supposed to be doing to make sure that education is essentially the same, as near as you can get, thorough and efficient throughout the state -- isn't that almost an admission that it's not happening? I mean, why would somebody-- If we were doing what the objective was, as I understand it, we wouldn't have to do this. I don't think. Or it wouldn't be appealing to somebody to do it. Am I way off base or--

SENATOR MARTIN: Well, I'll tell you some of the main -- be even more radical. I am troubled, as I know many other people are, with the fact that New Jersey is as segregated as it is with public education. One of the features that I could foresee with choice-- You would have to take some aspects of voluntariness, and it would have to be well crafted, and there's a lot of other features, but I saw that as a potential for easing and creating more integration not on a, perhaps, wide scale, but at least as a means of, perhaps, breaking down some of the barriers with districts that now are either decidedly white or decidedly black, even though they're almost door to door. So that was something that I saw as school choice could possibly be beneficial, but if not well done -- and I think this is what you were suggesting earlier--

SENATOR ZANE: Correct.

SENATOR MARTIN: --it could have the absolute reverse effect where you could polarize, and it's not just race -- ethnicity, wealth, and other

features. It was the wealth aspect that was troubling me with the Mountain Lakes scenario that I saw in the first place.

SENATOR ZANE: Okay. Thank you.

SENATOR MATHEUSSEN: Anyone else? (no response)

Thank you, Senator.

SENATOR MARTIN: Thank you, Mr. Chairman.

SENATOR MATHEUSSEN: I have two people-- They would like to add-- Again, we are not discussing the merits of school choice, but whether or not, legislatively at this point in time, the Commissioner has the authority to move ahead on establishing a school choice program.

I have Herbert Johnson, who is a Superintendent of Schools from Lindenwold, Camden County.

**HERBERT JOHNSON:** I hope this works. (referring to microphone)

SENATOR MATHEUSSEN: It is. Red is on.

MR. JOHNSON: Thank you, Senator Matheussen, members of the Committee. I appreciate the opportunity to come here to say Lindenwold is very involved in education and was very involved in the CEIFA discussions. Senator Matheussen remembers, two years ago, we brought him down to several board meetings.

We were very concerned with the funding. Again, the time line that was involved-- Also, the actual provisions of the law were such that we studied the law very quickly, as Senator Martin said. We did not have time to go through every page, nor did we have the opportunity to see every page as

it came through. When the law was passed, we found this one-line provision and thought that this was actually a “gotcha” to the urban districts.

As an urban district and having been a winner in CEIFA last year and a loser in CEIFA this year, we’re very concerned with anything that inhibits, or the ways that the laws are interpreted to change, funding formulas. And what happens with something such as this, if you lose your biggest or your best and your brightest, if they go from an urban to a suburban district, or if you lose some of your poverty, you can be then affected in forms of aid. If your poverty level changes from 40 percent to 39.9 percent, you can lose, as we did this year, \$1.5 million in State aid. In a district such as Lindenwold, losing \$1.5 million of aid is devastating. You can’t recoup it. We don’t have the programs that other districts have.

The bell curve, when you take the *Abbott* districts, and the JK districts are up here, there’s somebody at the bottom -- Lindenwold. We don’t have the ability to do this. And this is why we are very leery of interpreting the law and what the Senate had and the Assembly had in mind when they did it. So, basically, we’re concerned that interpretation of the law is such that it does not allow for consistency in funding. And the changes in enrollment caused by school choice would therefore cause the problem of changes and funding which can be devastating.

Thank you.

SENATOR MATHEUSSEN: Thank you.

Any questions?

SENATOR SACCO: Yes. Do you know if your many orphaned students -- the ones we declared above the 10 percent enrollment -- increased over a 5-year period -- the ones that aren't funded at all?

MR. JOHNSON: We do not have any, to my knowledge, as you're saying, free tuition students of that nature.

SENATOR SACCO: So you didn't have a sudden increase in enrollment over the last five years or six?

MR. JOHNSON: We had it three years ago, but now we're having a decline.

SENATOR SACCO: Okay. What percentage did you go up, do you recall? Did you go up over 10?

MR. JOHNSON: Yes, we did.

SENATOR SACCO: Once you went over 10, they stopped funding the students. So unless you suddenly dropped down lower again -- you feel you dropped down lower, so you are funded again. There was a time there were students not funded. I mean, for example, Kearny is about \$2.5 million unfunded. It's not noticeable because they never had the money before, but their students had a sudden increase. Once you broke 10 percent, over a certain time period, they just stopped funding the newer children. So that would even exasperate your problems even further, if you found them in there. Just curious.

SENATOR MATHEUSSEN: Thank you, Mr. Johnson.

MR. JOHNSON: Thank you.

SENATOR MATHEUSSEN: Thank you for coming up today.

We also have Roger Tesi and Joann Rothschild, or Joan Rothschild is it?

**JAMES S. ROTHSCCHILD JR., ESQ.:** James Rothschild.

SENATOR MATHEUSSEN: Oh, I'm sorry.

MR. ROTHSCCHILD: No problem.

SENATOR MATHEUSSEN: Doesn't look like a Joann to me either.

MR. ROTHSCCHILD: Thank you.

SENATOR MATHEUSSEN: From Bloomingdale Board of Education.

MR. ROTHSCCHILD: We'll be pretty quick. Basically, I'm a partner in the Riker Danzig law firm, and I'm the President of a prestigious group known as The Sending Committees in New Jersey -- about 100 of us. It's unfortunately an unpaid job, and Roger is my Vice-Chairman.

**ROGER F. TESI, Ed.D.:** Sending school districts that have sending-receiving relationships.

MR. ROTHSCCHILD: We represent all the districts in the state that have high school send-receive relationships. And just briefly, we believe that the power of the Commissioner is so great that if the Commissioner believes this is beneficial to thorough and efficient education in New Jersey, and the Senate has not prohibited it, there's a good argument that the Commissioner has the power.

On the other hand, we believe that another way to achieve more school choice in New Jersey, and perhaps in some respects a more direct way-- We had sponsored a bill that was at one point called Senate Bill No. 828,

which passed the entire Senate, then passed the Assembly in slightly different form because they modified in the Assembly Education Committee. And then, when it came back to pass the Senate the second and final time, which we needed, it got held up by the great blizzard of 1996. That was the last day when no one was here, and we were told we had the votes.

In any event, this is a bill which may accomplish things more directly and perhaps more to the Senate's liking. We felt if you want school choice in New Jersey, the most logical way to start is probably at the high school level because of two reasons. High schools are more specialized, and more parents are liable to have their 16-year-old travel than their 6-year-old. School choice in the elementary level usually won't be done very often.

Second of all, we thought with sending districts, it may be the best place to start school choice, because the sending districts don't have their own high school. So you're not breaking up a local neighborhood school. You don't have the school in the first place. It's just a question of whether you go there or you go there. So, for those reasons, we thought our bill was perhaps a better way to start school choice.

And there was one more aspect to it, and it sounds like some of you are interested in this today. You're worried that the regulation that Commissioner Klagholz is pushing may cost more money, because people may go from districts which have little State aid to districts with more.

We did a study, at the time, that receiving school districts tend to cost the State around \$20 million a year more than nonreceiving districts. The reason being, and I'm not going to belabor the point, is that receiving school districts have somebody like Dr. Tesi in the neighboring town paying 50



percent of their costs. So they'll have the extra assistant superintendent, the extra vice-principal, the extra 9 to 12 coordinator of English or math or whatever and then tend to cost 10,000, when the normal school districts might cost 8. It's a terrible, terribly overexpensive way to educate.

So for all these reasons, we introduced a bill. It almost passed, and we're going to try and pass it this year. We just want the Senate to be aware that there are-- We don't want to get involved in your dispute with the Commissioner, but there are other ways to attack this problem. And, maybe, the one thing, though, that we want to emphasize is it is a terribly urgent problem. Receiving districts are so much more expensive that they need some competition. They need somebody to say, "We don't have to stay with you forever." We've been with you -- in the case of Bloomingdale and Butler, for 100 years, and they can't get out. And they charge them as much as they want and laugh at them.

There has to be something the Senate has to do for us which -- to not only help the taxpayers-- I mean, the taxpayers are so angry in this town that I think they've defeated 21 of the last 25 budgets -- but the children-- Because he had to eliminate, for example, gifted and talented in his little K to 8 school because he didn't have enough money after paying the high school. So we just don't want the Senate to think that this is a problem that could be addressed a year or two from now. We feel urgently that either through the Commissioner's regulation, which is up to you, may or may not have been beyond the power which you've given him, or through a bill that this should be solved this year. That's the one thing we wish to emphasize.

SENATOR MATHEUSSEN: Thank you.

MR. ROTHSCILD: Thank you.

DR. TESI: Thank you.

SENATOR MATHEUSSEN: Thank you very much.

Any questions? (no response)

Thank you.

We have no other witnesses, but I would just-- As far as the Committee members are concerned and for those members of the public, we do have conflicting opinions in this area, not just from those who've testified today, but the conflicting opinions come from two areas of respectability, obviously. One from the Attorney General, which the Commissioner has sought before he went and embarked on the program of establishing school choice under the guidelines that he's discussed today. The Attorney General says that the openness of the bill allowed for him to proceed in this fashion and says that, in fact, what the Commissioner is proposing is under the guidelines of the legislation.

The conflicting opinion comes from the Office of Legislative Services, which says, in brief, that this would be a nonvoluntary program and that does not fit with the legislation, and anything further in this area of choice would have to come from legislation that is approved by both the Senate and the Assembly. And they also cite the New Jersey Supreme Court in discussing this and some standards there from the Mount Laurel decision.

So we do have conflicting opinions. This issue is not resolved as we sit today, but we will certainly take anyone else, who would like to communicate to the Committee their opinions on it, and we will proceed accordingly.

I thank everyone today for their attendance, and this meeting is concluded.

Thank you.

**(HEARING CONCLUDED)**