

P U B L I C H E A R I N G

before

SENATE AND ASSEMBLY COMMITTEES ON EDUCATION

on

SENATE BILL NO. 633

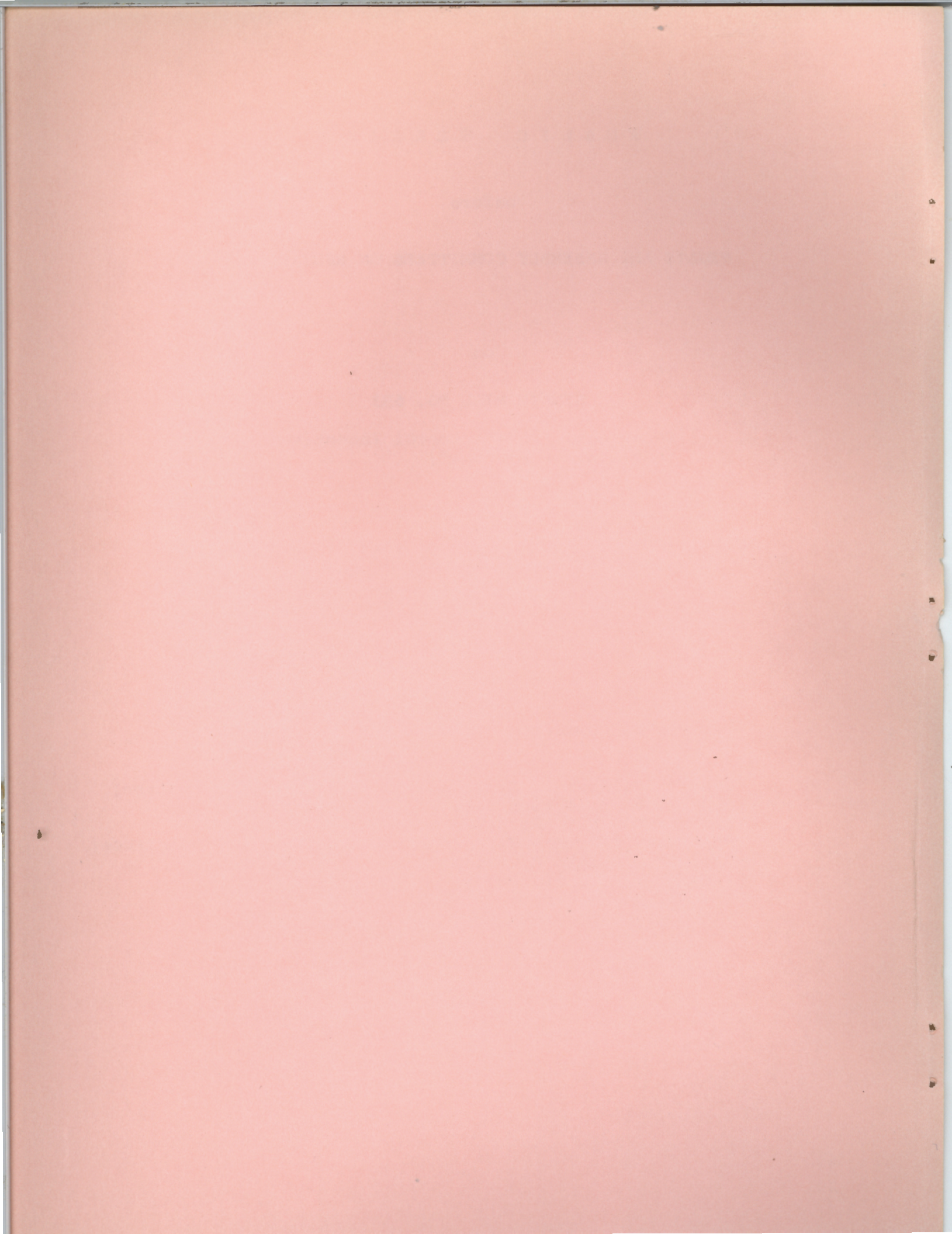
[Designated, "State School Incentive-
Equalization Aid Law"]

Held:
May 13, 1969
Assembly Chamber
State House
Trenton, New Jersey

Members of Committee Present:

Senator William T. Hiering [Chairman, Senate Committee]
Senator Wayne Dumont, Jr.
Senator Edwin B. Forsythe
Assemblyman Thomas H. Kean [Chairman, Assembly Committee]
Assemblyman John H. Ewing
Assemblyman Ronald Owens
Assemblyman Robert N. Wilentz
Assemblywoman Josephine S. Margetts

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SENATOR WILLIAM T. HIERING [Chairman]: I would like to call the hearing to order on Senate Bill No. 633, which bill was introduced by Senators Bateman, Tanzman, Miller and Coffee, and actually was introduced as a result of the report submitted by the State Aid to School Districts Study Commission.

I would first like to introduce the members of the Senate and Assembly Education Committees who are here today. First on my left is Senator Forsythe and Senator Dumont, and on my right is the Chairman of the Assembly Education Committee, Assemblyman Kean, Assemblyman Ewing, Assemblywoman Margetts and Assemblyman Wilentz.

First, I would like to call upon Assemblyman Ewing who wishes to make a statement.

A S S E M B L Y M A N J O H N H. E W I N G: On behalf of Senator Raymond Bateman who was Chairman of the Commission, I would like to make a statement. He was very sorry that he could not be here today. He is testifying in Newark before a commission studying governmental salaries in the State. Senator Bateman has made many commitments, speaking around the State in various areas on the new bill, and he has received excellent reception. He also has several amendments which he wishes to offer to the Committee at one of its next hearings. Thank you.

SENATOR HIERING: Assemblyman Fay.

A S S E M B L Y M A N J O H N J. F A Y, J R.:
Senators and Assemblymen and Assemblywoman: I bring before you

my own personal career as of this moment, the somewhat schizophrenic position of being a legislator and a public school teacher in a state that for 20 years has been kidding itself both on its tax rate and its priorities in relation to education.

Senators Bateman and Tanzman in this bill, I think, are trying to take us out of the dark ages in both areas. Anyone who has studied the two major areas of education, the urban and suburban - if there is one qualification I would like to make it is in the urban area. Here I think the most frightening statistic that I have come across is that of the Governor's Commission report of two years ago that stated and without being refuted that 50 per cent of the high school graduates are functional illiterates. I think urban areas alone should be declared educational disaster zones and should be treated as such.

But another area that hasn't been covered with this kind of intensity is the suburban area where we try to lump in the very wealthy, upper suburban areas with the phenomena of the Woodbridges and the Edisons and Madison Townships, that just by a cliché of calling them suburban is not enough. I think here we have an area of people who have struggled above and beyond the call of duty in building schools and maintaining them in a strangling tax formula that has caused so much dissention and caused so much of a breakdown between the different sections.

Now with logic and justice, being what it is, I don't think we can go any further. But I think this bill is a

minimal bill. I think that the great majority of the people when we have had a chance to explain it to them, the people closest to it, see this constant debate, this constant division between the teachers, between the taxpayers, and especially the elected officials who have to maintain their equilibrium in trying to keep the educational systems going and at the same time trying to deal with people, for example, the elderly, who are the first ones who are hurt in a runaway inflation, the newly-marrieds who leave the apartments, come out into the suburbs and try to raise their children and again they are being torn, being torn between just what is the education supposed to be.

From the President on down we are insisting that if there are any faults in education, if there is any major weakness, it is in this elementary area from the kindergarten up to the fifth grade. When we get to the crises of our high schools - and these are getting worse every year - I don't think we can just brush them aside with a few sociological answers. By the time our problems are in the high school, some of them are almost insolvable.

What we are going through on the college level to me is much more frightening and it could be handled so much more easily if the money, if the talent, if the dedication were there on the kindergarten up through the fourth and fifth grades. It does come down to money and it does come down to people who are elected to office; whether they are appointed boards of education or whether they are elected, the fact of the matter is that there is a tax resistance in our State and we back

away from it. We just decide the tax can't go any higher - the people just won't pay - and this is a political reality. But there are also realities of ideals. If this is the priority we put back, if we determine that the education will just have to wait, what we are going to be finding are the ignoble aspects of a Newark school system. I am not damning the teachers there or the administration there, but the very fact that the money wasn't there; the overcrowded classrooms were there; the run-away problems just kept right on evolving. I think you are going to find this in places such as those I have mentioned. It is not just Middlesex County. I am not trying to be parochial about this at all. Most certainly there are towns that are unique that don't fall into the big six that have very, very real serious problems, the bilingual problem, just to mention one.

So without going any further with my educational thoughts, I feel that this bill is minimal. I feel that if we don't move now, there is absolutely no other answer for the problems are getting worse, the problems of elementary education, the problems of urban education and particularly problems that haven't been quite so glaring but are going to be in the suburban areas.

I, myself, as a legislator do not believe in putting a burden on the local governing bodies and on the taxpayers as a legislator who would pass a minimum salary bill or a legislator who would pass any program that is adding expenses, passing expenses on down to the cities and the towns and the boroughs of our State. I am also committed to the idea of

re-evaluating our whole tax structure, of doing some very serious soul-searching, as difficult as that is during a gubernatorial election year. I feel that time is just running out on all of us in the State. Time is running out on marking time. We have to come, I think, to a moment of truth at this point. The last few years we have seen more of a spiralling effect, more of a shock reaction and not just on the college campuses. I happen to teach at the Linden High School. I speak from first-hand experience. And Linden isn't Jersey City, it isn't Trenton, it isn't Newark with all the many, many more problems that they have. I have gone through three confrontations in the high school that in one breath prides itself that five of its graduates are going to MIT, but regrets in another that they have a large group of people there who are not being educated the way they should be. I think the differences in some of the more progressive states in our Nation are goals that we should aim for. Thank you very much.

SENATOR HIERING: Thank you, Assemblyman.

Next, Dr. Carl Marburger.

D R. C A R L L. M A R B U R G E R: Senator Hiering, Assemblyman Kean and members of the committee:

Permit me to thank you for the opportunity to testify before you today. I firmly believe that the progressive steps toward equalizing and increasing state aid to local schools that are embodied in Senate Bill 633, and so forcefully stated in the State Aid Study Commission Report, could become the most far-reaching movement toward improving the quality

of education in New Jersey history. I particularly want to thank the Committee for its imaginative and comprehensive proposals.

No other state has gone this far in stating and proposing implementation of the fundamental principle that school aid should be apportioned on the ability of a school district to carry the weight of its own educational program and on the principle that schools should be provided with financial incentives to improve the quality of their educational programs.

The Department of Education strongly supports the concept of incentive-equalization aid as promulgated by S-633.

The overriding philosophy of the proposed aid formula is that the major thrust of educational and financial services from the state should be directed toward those areas that need it most. Those areas--principally in the major cities and depressed rural areas--can be defined as ones in which the quality of education is either maintained at a tenuous status quo or is actually declining because of high concentrations of disadvantaged students, inadequate ratables, antiquated schools and teacher shortages.

One positive way in which S-633 addresses itself to the question of equalization aid is through the pupil weighting principle. The Department of Education strongly supports this principle, and commends The Committee for its accommodation related to the weighting of AFDC children. Under this legislation, each AFDC child would be weighted an additional one half. The weighting of AFDC children at that level is not sufficient, however, to provide adequate financial assistance to those school districts which are already overburdened by increasing welfare costs, general municipal overload, and the relatively high cost of educating children from lower-income families.

It is my sincere hope that the Legislature will consider amending S-633 to provide additional weighting to these children. I propose that such additional weighting be established at the level of one rather than one-half. This level, in the opinion of the Department of Education, would provide a more equitable method of channeling assistance to our most hard-pressed school districts.

The incentive aid aspect of S-633 poses some unique problems that I would like to outline in detail.

The legislation proposes that three types of school districts be established for purposes of incentive funding--standard, intermediate and comprehensive. The Department of Education agrees with the rationale for this proposal, which states that the amount paid be related to the quality of the educational program, and that "the differential for the different types of districts is intended to be a strong incentive for school districts to improve their programs and operate them at a higher level."

The Department of Education has been engaged in extensive studies of this proposal and how it will affect the quality of education, and it is our judgment that this plan should be modified.

As it now stands, the legislation states that the commissioner of education, "taking into consideration the quality of the educational program and the organizational structure of the districts, shall determine criteria and standards to be used in judging what shall constitute a non-operating district, a standard district, an intermediate district and a comprehensive district."

It is relatively simple to define a standard district, because under the proposed system a standard district is the lowest operative base--in other words, any district that operates schools according to the standards prescribed in the commission report.

However, the first point where we feel the plan should be modified comes when we turn to the next level above the standard

district, the intermediate district. I believe we should substitute the term "intermediate" for the term "comprehensive" as used by the commission in Appendix II of its report, and that we should reserve the term "comprehensive" for a different type of effort which shall be outlined later.

For the moment, the Department wishes to propose a series of steps which would allow a district to move from standard to intermediate.

Appendix II of the commission's report outlines a total of 24 criteria to be met by districts wishing to move from the standard to the intermediate district. It is obvious, however, that if we required every standard district to meet all 24 of those criteria before being recognized as intermediate, many districts that were well along the line would be unnecessarily penalized. Thus, we propose a system whereby districts would receive financial recognition for five steps from the standard to intermediate district designation.

As a prerequisite to this system, we recommend that the first four criteria listed in the Appendix be made mandatory. They are that:

1. All requirements of a standard district are met.
2. The district operates under a written statement of its philosophy and objectives of education. This statement is reviewed periodically and updated. A continuing program of evaluating the attainment of the philosophy and objectives is maintained.

3. All grades, kindergarten through twelve, are operated in any combination in the district under one board of education in a school district of not less than 3,500 pupils in daily membership.

4. The pupil-staff ratio is satisfactory to provide a modern enriched educational program at a reasonable per pupil cost. This ratio is to be established in advance, each year, by the State Department of Education and be related directly to the number of certified professional personnel employed

Having shown proof of its eligibility in this manner, that is, the first four having been met as mandatory, the district could begin to meet on a planned basis the additional criteria. As it meets an increasing number of them, it would become eligible for an increased amount of aid.

Thus a district which meets the mandatory criteria plus 12 of the remaining 20 criteria would be eligible for a guaranteed equalized valuation of \$31,500 per weighted pupil, or \$1,500 above that granted to a standard district. A district meeting the four mandatory requirements and 14 of the 20 additional criteria would be eligible for \$33,000 per weighted pupil. A district with 16 of the 20 would be eligible for \$34,500 per pupil, and a district meeting all 24 requirements would be eligible for the full guaranteed equalized valuation of \$37,500 per pupil. It would be the responsibility of the Department of Education to delineate the specifics within each criteria listed by the Commission.

In specifying the criteria for a comprehensive district, the Department recommends a dramatic departure from the Committee's report.

The Department recommends that no district be classified comprehensive at the outset. It would be the responsibility of the district to show that it has the capability of operating under all criteria established for the standard and intermediate district before application could be made for the comprehensive classification. To achieve comprehensive status, the district would be required to develop a comprehensive educational plan based upon a complete assessment of the educational needs of the community it serves and a course of action for their fulfillment.

The concept of a comprehensive plan has unique features of built-in accountability and responsibility. The assessment would be a local matter of program and fiscal auditing to determine achievements as they relate to the stated goals of the district. The plan would be flexible, to enable the district to preserve that which is proven effective by evaluation, adopt new programs which have promise, and encourage innovation within the schools of the district.

Comprehensive school districts are important to the Department of Education. Our primary concern is a quality program of education all the children and citizens of New Jersey, and with sound planning, the quality of educational programs is usually elevated. Accountability, including assessment, is emphasized to overcome doubt and create a full measure of confidence in the public school system as a dynamic public institution. In establishing dynamic public institutions, innovative educational priorities are facilitated in a continual quest to improve programs.

The Department, in its leadership role, has responsibilities to the local education agencies and the Legislature. With established operational goals based on an assessment of local needs and a concept for the ability to perform program and fiscal audits, the Department is in a better position to report the condition of education in New Jersey and advise the Legislature.

The Department, in its leadership role to the local districts, could complement the local districts through the Department's planning and needs assessment activities. New techniques and approaches in education management, implemented in conjunction with the State Budget Office, could be reviewed with local districts as means for

developing their own planning capabilities. In a coordinated and cooperative program, state-wide priorities could be established and simplified systems designed for the implementation of special programs in areas of critical need.

The procedure that would govern how a local school district becomes a comprehensive unit will require detailed development. The Department of Education would assume major responsibility for the development of a formal process that local districts would be expected to follow. Such a process would probably reflect a step-by-step progression through a series of specific planning activities of the following type:

1. A "starting point" would be defined. For example, before a district could apply to the Department for consideration as a comprehensive unit, it would have to be operative as an approved intermediate district.

2. Eligible districts, at their option, would submit a request to the Department for a planning grant effective for a one-year period.

3. The local district would utilize the planning grant for a two-fold purpose: First, it would design and prepare the necessary machinery, in organizational and staff terms, to facilitate an on-going planning capability in the district. Secondly, the grant would be used to develop a preliminary, comprehensive plan for the total school community.

4. On submission of the comprehensive plan by the local district, the Department would carefully review and evaluate the plan, using a set of specially developed standards. Following extensive

review, the Department would approve, approve conditionally or disapprove part or all of the plan. This would allow full funding of approvable plans or partial funding in stages up to full comprehensive status. If the plan should not be approved in full, the Department would stipulate the next steps the local district could pursue in order to resubmit a subsequent plan.

5. Following certification of a district as a comprehensive unit, the Department would periodically conduct a district audit covering both program and fiscal aspects of the up-dated plan and its disposition relative to the district's operation. The data obtained by the Department as a result of these audits would be used both with the local district and in departmental planning and other activities. The Department would have several options open to it as a result of the local audit. These could provide for continued certification as a comprehensive district, qualified re-certification based on certain time-linked modifications, or reclassification of the district.

In addition to formulating and instituting the sequence of activities suggested above the Department would assume additional responsibilities in order to facilitate the approval and audit process. The Department's role would be broadened, for example, in such areas as in-service programs for educational staff with regard to new techniques in planning and evaluation (program planning and budgeting; program evaluation and review techniques; educational needs assessment and projections); in consultative and advisory relationships with the local districts; and in the development of appropriate standards, guidelines, manuals, techniques, and services to implement the established procedures.

I would be less than frank if I stated that such a plan as I have outlined, regardless of how desirable or necessary it may be, could be accomplished without extensive support and service. To implement the kinds of activities I have described will require a funding base.

For these purposes, I recommend that the legislation be amended to earmark one half of one per cent of state formula aid funds to the Department.

The Department also wishes to strongly support the recommendation establishing a Permanent Commission on State School Support and to urge its serious consideration of the problem of municipal and county overload as a means of relieving the special inequities facing our urban school districts.

We hope that the recommendations which I have outlined will be accorded the Legislature's earnest and thoughtful consideration.

Thank you.

SENATOR HIERING: Are there any questions?

ASSEMBLYMAN WILENTZ: On your last remark, Commissioner, about the municipal and county overload, does that relate to one of the points made by Superintendent Dwyer?

COMM'R MARBURGER: Yes.

ASSEMBLYMAN WILENTZ: Would it seem to you appropriate to include that in a formula - as a part of a formula right now? In other words, do you think there is some inherent necessity for further study of that or do you think it might be considered by the Joint Committee right now?

COMM'R MARBURGER: I would certainly hope that the Joint

Committee would seriously consider that right now. I think Assemblyman Fay made the point of the serious condition of our urban school systems. So indeed I would recommend strongly that the Committee seriously consider this now. I think also the recommendation to form this Policy Commission is a very important recommendation, Assemblyman.

ASSEMBLYMAN WILENTZ: I didn't note any consideration of the problem of school districts that have many Spanish-speaking people. I know this from my own experience, of course, and it is a very peculiar and particular problem. Do you think there would be any wisdom in weighting that in any manner in this formula? This is, I think, different from the AFDC problem.

COMM'R MARBURGER: Yes, generally the Spanish-speaking young people are not registered as AFDC pupils and we know that is a particular problem and we tried to address that through the bilingual education bill, the Federal bill. If we can identify the pupils who come from Spanish-speaking ancestry, then indeed I think this could be a consideration for the Committee to consider an additional weighting for pupils who bring that particular unique background to the school district.

ASSEMBLYMAN WILENTZ: One final question: Some people have suggested in the past that we would get a little more equity in the State if we had a uniform property tax to support education at local school district levels. There are obvious problems in connection with that. Do you think that that approach should be totally abandoned in favor of this

basic approach of this Commission which is basically an attempt to equalize what heretofore has been very unequal?

COMM'R MARBURGER: My reaction is, no, it should not be totally abandoned as an approach. However, we do have, I think, a superb piece of legislation here. I would certainly not want to delay any action on that in the process and think this is certainly an area for study for the Commission that has been recommended.

ASSEMBLYMAN WILENTZ: Thank you, Mr. Chairman.

SENATOR HIERING: Anything further?

SENATOR DUMONT: Commissioner, on page 2 where you recommend the additional weighting be established at the level of one rather than one-half, what would that cost in the way of shift of funds? Assuming the whole program were adopted, which would cost, as I understand it, about \$184 million in additional State aid --

COMM'R MARBURGER: Right

SENATOR DUMONT: [Continuing] -- and the weighting were changed from one-half to one, as you recommend on page 2, what would that cost in the way of shift of funds out of the \$184 million?

COMM'R MARBURGER: Additional funds?

SENATOR DUMONT: No, not necessarily additional funds. This report, for example, spells out how much each district would get if the whole program were adopted. Now assuming you changed this weighting from one-half to one, what change would it cause in the allocation of these funds to the various districts?

COMM'R MARBURGER: If you maintained the \$184 million, then there would be obviously a shift of funds to those districts that have a larger proportion of AFDC children. My recommendation is based upon the assumption that we could then raise in proportion the \$184 million to accommodate the one rather than the one-half.

SENATOR DUMONT: How much in additional money would that cost?

COMM'R MARBURGER: Mr. Kilpatrick, do you have the figures on that?

MR. KILPATRICK: I would judge about \$10 million Statewide. In Newark, for example, it would add about \$2 1/2 million to the figure that is recorded in the report.

SENATOR DUMONT: Would all or most of that go into the six large cities of the State?

MR. KILPATRICK: More than half.

SENATOR DUMONT: Now on page 8 where you recommend that 1/2 of 1 per cent of State formula aid funds be set aside, are you talking about one-half of 1 per cent of the new money or 1/2 of 1 per cent of the present plus the new?

COMM'R MARBURGER: Total funding, which would be approximately \$2 million of administrative funds.

SENATOR DUMONT: Two million?

COMM'R MARBURGER: Approximately that, yes.

SENATOR DUMONT: Thank you.

SENATOR HIERING: Thank you, Doctor.

Next, Mayor Ralph Barone.

M A Y O R R A L P H P . B A R O N E : Members of the Senate and Assembly: I am here today to make a plea for a fair share - equitable redistribution of school State aid monies.

The property taxpayers of Woodbridge have been badly discriminated against by the present inequitable distribution of State school aid. As you may or may not be aware, Woodbridge while ranking as the seventh largest in population in the State has the fourth largest school district in New Jersey. Yet, it does not receive anywhere near its fair share of State aid to school districts. In fact, this condition has become increasingly worse, and let me give you an example.

In the 1966-67 school year, we had a budget of \$12.6 million and we received \$2.7 million in State aid. In 1967-68, we had a \$15.1 million school budget and we received \$1.9 million in aid. In 1968-69, our school budget went to \$16.9 million and we received \$1.6 million in aid.

Although our school budgets have increased by more than \$4 million in two years, our actual amount of State School Formula Aid has been cut by an aggregate of about \$2 million in the same two-year period.

In the same two-year period, Woodbridge did an outstanding job in attracting new industrial ratables. These facilities resulted in an aggregate of \$730,000 worth of new tax dollars. This success, however, caused us to be penalized by the present inequitable formula to the "tune" of about \$2 million or for every property tax industrial dollar we

brought in in those two years, we lost more than two dollars and a quarter in State school aid.

What incentive, may I ask, is there in bringing in new industry which benefits the State economy as a whole and cripples the poor man who owns a little piece of dirt in Woodbridge Township?

Therefore, gentlemen and ladies, I repeat my plea for a fair share - equitable redistribution of State school formula aid.

Let me show you some other relevant examples:

While the average municipality in New Jersey receives approximately 29 per cent of its school revenues from State aid, in Woodbridge, our school system receives only 19 per cent of its revenues from State aid. This means that the local property taxpayer, mainly the poor little homeowner again, has to bear almost 80 per cent of the burden of educational costs while other municipalities throughout the State pay a great deal less.

Another way of showing the discrimination of the present State aid formula against Woodbridge is as follows:

Compare the percentages of the total property taxes that are spent on schools as detailed in a magazine, "New Jersey Municipalities," Table 7, and I have it in the report that I will turn over to you, you will see that Woodbridge is the very highest with over 68 per cent of its property tax dollars in 1968 going for school purposes. Again pointing out that Woodbridge property taxpayers are paying much more than their fair share, I ask that the present State aid formula and its clear

discrimination against the Woodbridge taxpayers be modified pursuant to Senate Bill Number 633.

A final comparison which I bring to your attention may actually shock you, as it appears to be widely believed that the taxpayers of the so-called "Big Six" are paying higher educational costs than any of the other municipalities. Well, this is just not so! In fact, gentlemen and ladies, Woodbridge is paying much, much higher school property taxes, per capita, than any of the "Big Six".

In the case of Camden, for example, the school property taxes amounted to approximately \$5 1/4 million in 1968 while Woodbridge property taxes for schools amounted to almost \$12 1/2 million. This clearly shows that in 1968, the Woodbridge property taxpayer had to pay almost 2 1/2 times as much as the Camden property taxpayer to support their school system due to the inequitable State school aid formula that exists today.

Woodbridge pays the highest school property tax per capita of any of the "Big Six" cities, it being at \$128 per person, compared to \$93 for Newark, \$91 for Elizabeth, \$77 for Paterson, \$72 for Trenton, \$63 for Jersey City, and \$45 for Camden.

Still another area in which Woodbridge is being "short changed" is in the area of reimbursement from personal property tax revenues collected by the State. Because of the present use of past years as the basis of reimbursement rather than current year, Woodbridge is losing tremendous amounts of moneys from the ratables that we have attracted to our town,

such as the extensive, sophisticated electronics equipment in the new Eastern Airlines Reservation Center that was just completed. All told, we estimate that this discriminatory reimbursement method is presently losing one million tax dollars annually to Woodbridge from all of its recent additions of industrial ratables.

Yes, gentlemen, while tremendous attention has been given to the needs of the six largest communities in New Jersey and many millions of dollars have been given to them, there are many other communities like Woodbridge who also have a great crying need for substantially increased State school aid so that they can finally say that they have received their fair share.

In summing up, I'll be brief and to the point. I offer my complete support to Senate Bill Number 633 and urge its immediate passage, this year. Thank you very much.

SENATOR HIERING: Any questions?

ASSEMBLYMAN WILENTZ: I would just like, if I might, Senator, to commend Mayor Barone, not simply for testifying here today, but - and I don't know whether the Committee is aware of it - for his efforts in spear-heading the Statewide drive in support of this measure.

SENATOR HIERING: Thank you.

ASSEMBLYMAN EWING: Mayor Barone, you feel this new formula will take care of your problems then.

MAYOR BARONE: Yes. In the new formula, \$3 1/2 million additionally will come to Woodbridge and it will certainly be a big help and take the burden away from the little old man

that owns that piece of dirt and this is what I am concerned about. Our homeowners are being hurt. In the last two years, we have had two devastating tax increases and we are going to be faced with another one this year, a moderate one, but another one. And unless some aid is given to Woodbridge in the form of this new bill, I can see nothing but disaster for our homeowners.

SENATOR DUMONT: Mayor, you talked about how much your people pay more than the Bix Six. How do your assessments compare with the Big Six - property tax assessments?

MAYOR BARONE: About equal to them, I guess, in that area. We are probably about in the middle.

SENATOR DUMONT: Then your rates are higher than theirs?

MAYOR BARONE: Yes.

SENATOR DUMONT: But you have also obtained a number of new ratables and that has accounted for the decrease in State aid.

MAYOR BARONE: Yes. What has happened as a matter of fact, our success in bringing in new ratables in the last two years - Woodbridge has over the last half a dozen years emphasized and concentrated on bringing in ratables to Woodbridge Township in order to help with the tax burden - but in the past two years this has worked against us because of the current way that aid is assessed and given to the communities so that while we brought in in two years \$700,000, new tax dollars, from industry, we lost \$2 million in State aid. So for every dollar that we brought in in new taxes, we lost two and a quarter dollars to the State in aid. It

just doesn't make sense. It doesn't make sense at all.

SENATOR DUMONT: Well, this has happened to a lot of districts. When they become relatively wealthier in the opinion of the Local Property Tax Bureau, the State aid often goes down.

MAYOR BARONE: Well, it has worked to our detriment because of the current formula.

SENATOR DUMONT: All right. Thank you.

SENATOR HIERING: Thank you very much.

Next, Mrs. Ruth Baur.

M R S. R U T H L. B A U R: Senators, Assemblymen, guests in the balcony and guests on the floor: My name is Ruth Baur. I am a member of the Board of Education, Township of Cherry Hill, County of Camden, and represent that Board of Education and a majority of the civic organizations in our community. I am here to support the need for legislation to implement the report of the State Aid to School Districts Study Commission of December 19, 1968, referred to as the Bateran Report, now Senate Bill 633.

It is in the spirit of such support that I wish to present the following:

1. The basic principles recommended in the Study Commission Report provide for State financial support of public education in a manner consistent with the current year's expenditures and enrollments.

2. The report's recommendations include a design for accountability in expenditure to improve educational program at the local level.

3. The recommendations provide for a restructuring of the financial support of the local district according to that community's effort, growth and willingness to provide a particular level of quality education.

It does seem to me as a member of the Board of Education and a citizen in a community of 60,000 that the interaction of the Board of Education's members, school personnel and residents of the community for the improvement of the local educational program is proportionate to the severity of the local real estate tax. The implementation of the formulas outlined in the Bateman Report can help to redirect community pressures toward more relevant, constructive objectives for our students. Therefore, I urge enactment of legislation to be truly "a commitment to our children in New Jersey." Thank you.

SENATOR HIERING: Any questions? [No response.]

Thank you, Mrs. Baur.

Next, Dr. Frank Johnson.

D R. F R A N K J O H N S O N: Mr. Chairman and members of the Committee: Camden City Schools are grateful for this opportunity to appear before the Committee this morning.

I would like to focus on two or three specific problems of the Camden City schools, that of increasing numbers of students, that of building needs, and that of allied costs and problems which accompany them. We believe this specific focus on our problems will indicate the need for increased aid to school districts.

I will briefly describe the building needs and focus for a short time on the allied costs which represent the problems that accompany this increase. Very briefly, the building needs, only as an indicator of problems facing the city school district, total now \$10,650,000 on top of a building program recently finished of \$12,000,000, underwritten largely, of course, through existing State aid and the good people of the City of Camden. This building program represents additions to all levels of the school system - high school, middle school, and elementary schools - as well as additional help for special education students.

To further indicate some problems in the City of Camden, the average age of the elementary schools is 55 years; the secondary schools, 36 years; and 50 per cent of the buildings are more than 45 years old.

Now if we couple this kind of a problem with an ever-increasing number of students in an urban district, we begin to see the magnitude of the problem. Our total program of education has been closely allied with the Master Plan for the City of Camden and all the planning that we do, of course, takes into account the anticipated student population, the involuntary loss of school buildings, the voluntary loss of school buildings and the continued use of substandard buildings. I can't really over-emphasize the need for buildings. They do represent a cost, one of many costs, of course, needed to operate a school district.

The student population in the City of Camden has been increasing at the rate of 352 students per year over the last

eight years while the total population has gone down by approximately 4,000. We have lost in the neighborhood of 3600 homes. I give you this as background to indicate the decreasing ability of the City of Camden to support increasing problems. We have in use 122 substandard classrooms. We continue to rent classrooms outside of our regular facilities.

If we are successful in completing our building program, we feel that we will have sufficient facilities to house our children through 1978 to 1980.

This is just one part of the problem. Building needs, of course, indicate an increasing number of students and this we have had, as I have indicated, over the last eight years. We anticipate that our student population by 1978 could reach nearly 27,000. It is now 21,000. Five years ago, it was almost 2,000 less than it is now. As we begin to serve additional numbers of students, I know you recognize that there are allied costs and problems that go along with this.

I know you realize also that the urban school districts have a preponderance of students now defined as students with special needs, which takes more funds to care for their particular needs. The allied costs, of course, are the things that are most important this morning. This dramatic increase in anticipated student population and the accompanying necessary new construction create financial needs by their very existence. Appropriate kinds and numbers of staff must be employed and assigned to the schools. In addition, there are instructional supplies and other operating costs necessary

to operate the schools.

The Camden City Board of Education in an effort to provide facilities and program for its increasing number of students has underwritten a cost of more teachers and instructional supplies, especially in the past four to five years. Nearly 150 additional teachers have been employed during that time. Three new schools were opened during the last four years. The rising cost over the past four years, for example, just in teachers' salaries has meant an increase of nearly two and one-half million dollars in the last four years for additional teachers and, of course, the increased costs of teachers' salaries. But nevertheless, we have added nearly 150 teachers to take care of the increased number of students, which indicates, of course, a large increase in operating costs.

In September 1969, three more new schools will be opened. By 1973, if we were to keep up, we will have to open the eight schools that I have mentioned previously. In addition to instructional costs, of course, all other types of operating costs have increased too, such as those for maintenance, security, daily operation, etc. As costs have risen, the ability of the City of Camden to provide the necessary funds has decreased.

A sound measure of ability to support education in our State is the amount of assessed real estate valuation per pupil in a community. Camden has less real estate value per pupil than any of the ten big cities. In approximate figures, the assessed real estate value per pupil over recent years is

shown below: In 1968, it was \$14,800 real estate evaluation per student. In 1969, it is down to \$13,600 and for 1970, it is projected to be \$11,000. This indicates a decreased ability of the City of Camden to support increased costs of education on its own, the companion to reduced real estate evaluation and increasing costs with increasing tax rates for school purposes, which has its effect on people continuing to leave the city. As is evident from the number of budgets rejected by voters in New Jersey's communities, there is increasing dissatisfaction with increased taxes for education.

Camden certainly faces this situation, as is indicated in a history of the tax rates for education. With your indulgence, I will just cite the last five years to show the increase: In 1966, the tax rate was \$2.26; the next year, \$3.05; the next year, \$3.46; this year, \$4.66; and it is estimated at \$6.36 in the next calendar year.

The increased cost of educating a growing population, of constructing facilities to house them and of carrying for a high number of children with special needs are certainly indicators of the need for increased State aid for school districts. This, coupled with Camden's decreasing financial ability and that of many other cities, makes the task extremely difficult.

Camden city schools support S 633 and ask the Senate and Assembly to give serious consideration to the Minority Report filed by Superintendent Dwyer in quest of increased weighting for AFDC students. Thank you.

SENATOR HIERING: Any questions?

SENATOR DUMONT: Doctor, your State aid for the next school year will be a little over \$6 million, is that correct?

DR. JOHNSON: Yes, sir.

SENATOR DUMONT: And you would get approximately a \$3.2 million increase under this program.

DR. JOHNSON: That is our understanding, yes, sir.

SENATOR DUMONT: How far do you think that will go in carrying the extra increase that you envision each year? In other words, where are you in regard to percentage now, that is, the percentage of State aid in relation to your over-all costs?

DR. JOHNSON: This has varied, Senator, between 27 and 33 per cent local support for education over the past really six or seven years. It has varied between those two figures.

SENATOR DUMONT: This would get you up to at least 40 per cent, is that right, or more?

DR. JOHNSON: I haven't computed it, but it would sound as though it would, yes, sir.

SENATOR DUMONT: Thank you.

SENATOR HIERING: Thank you, Doctor.

Next, W. Bradford Craig.

W. B R A D F O R D C R A I G: Senator Hiering, Assemblyman Kean and members of the Senate and Assembly Education Committees: I am W. Bradford Craig, Former President of the West Windsor Board of Education and Chairman of the Committee to Study Educational Finance of the New Jersey State Federation of District Boards of Education. I want to thank you for the opportunity to appear before you today to present the views of the Federation on Senate Bill 633.

The title the State Aid to School Districts Study Commission selected for its final report - "A Commitment to New Jersey's Children" - was indeed appropriate. Education is a function of the state which has been delegated, in part, to local boards of education. For too many years, the state has been but a junior partner in this business of educating the youth of New Jersey. S633, if fully implemented, would create a much needed full-partnership between the state and the local school districts.

One of the most significant constitutional issues involving education since the United States Supreme Court ruled on Brown versus Board of Education is presently being litigated in our courts. That issue, stated in simple terms, questions whether a state, through its structure of school finance laws, should be permitted to allow unequal support of education of the children who live within its boundaries. An increasing number of law suits have been filed attacking state school aid provisions as discriminatory, unreasonable, irrelevant to educational needs, and thus in violation of the Fourteenth Amendment of the United States Constitution. The first suit was filed by the Detroit School District just over one year ago - February 2, 1968, to be precise. Similar suits were instituted in Chicago; Los Angeles; San Antonio; Bath County, Virginia; and San Luis Obispo County, California, to mention a few. While the names of the cases are not relevant for discussion purposes, the issues are.

There can be no doubt that all states have assumed responsibility for education. All states have constitutional provisions relating to the establishment of a system of public education. All states provide state financial assistance in support of public education. Only three states do not require school attendance by children and of those three, two make compulsory attendance a matter

of local option. The concomitant requirement placed upon the local school district is the responsibility of the local school district to maintain and operate a school for a specific period of time.

Forty-five states have such a requirement. In 32 states the minimum statutory school term is 180 days. Many state aid formulas contain additional provisions pertaining to the school term.

What is frequently forgotten in the discussion of state responsibility for education is that school districts themselves are subdivisions and agencies of the state. They are as much a part of state government as the state department of education. It surprises many board members to learn that school facilities, although paid for out of local taxes, are the property of the state and ultimate control of the property rests with the legislature. A state legislature can create, alter, or abolish a school district as it deems fit. There can be no question that our system of public education falls within the definition of state action; in fact, education is something much more - it is a basic state responsibility.

Questions we would ask are these:

Does geography or the wealth of a particular school district, whose existence you recall can be changed at the will of the legislature, bear any reasonable relationship to educational needs? Should students living in one district have great material advantages over children in another district when educational needs are the same, or given a more severe test, when the educational needs of some groups are greater than others? The United States Supreme Court ruled in striking down state poll taxes that voting rights cannot be conditioned on wealth. If the relative value of a person's vote cannot be conditioned on where he lives, how can his education be so conditioned?

The present state aid formula in New Jersey could be challenged - as have been similar formulas in other states - because it fails to (1) correct the disparity in the level of local property revenues in the state; (2) compensate districts with marked differences in quality of schools, buildings, equipment, etc.; (3) take into consideration differences in the cost of salaries, construction, etc., in various areas of the state; and, (4) consider added costs in districts having concentrations of educationally disadvantaged children who need special services above and beyond regular school programs.

At the present time in New Jersey, more than 76% of the total revenues for the support of public schools is raised at the local level. I do not plan to repeat what has already been said in the final report of the State Aid Study Commission, nor do I plan to provide you with more statistics to prove to you the need for additional state aid to support this most important function of state government. I'm sure that you are all aware of the need and have digested the statistics. The need has been established, the thrust should now be towards satisfying these needs.

S633 proposes a bold and imaginative step forward for public education in New Jersey. It provides a state school aid distribution procedure that contains almost all of the criteria recommended by experts in the area of school finance. Its provision for an annual inflation factor will keep the proposed formula current and will remove the need for struggles every two or three years to increase basic formula aid. By the use of weighting factors, the report of

the Study Commission recognizes the higher cost of educating different classifications of pupils. The proposal also offers incentive for the improvement of the quality of local educational programs, the first time such a concept has been proposed in New Jersey. The State Federation of District Boards of Education applauds the members of the Commission and commends them for their insightful proposals. We believe that S633, if implemented, will do a great deal to improve public education in New Jersey. We earnestly urge the Legislature to make passage of S633 an immediate goal. The Federation has undertaken a thorough study of the provisions of the bill. It has been enthusiastically received by most boards of education who add their plea to ours for its implementation. We wish to offer seven amendments which cover items for which boards feel additional provisions should be made.

1. We question whether weighting based solely on AFDC children (Aid to Families with Dependent Children) is a fair measure of necessary extra expenditures to provide for the needs of socially and economically disadvantaged pupils. We point out that not all socially and economically deprived pupils are AFDC children. There are the rural poor and the so-called affidavit children, whose needs must be considered along with the AFDC children.

A weighting factor should be devised to recognize the higher costs of educating such children. The Federation recommends that the measure used by the United States Census Bureau to measure municipal poverty be used to recognize the higher cost of educating educationally deprived children.

The Census Bureau uses as a measure of municipal poverty 9,000 population per square mile and an equalized valuation per pupil less than the state average. We suggest that this measure be applied to identify educationally disadvantaged areas and that extra aid be given as provided in the Report.

2. The Report seeks to encourage experimentation and innovation by providing financial incentive. Local districts must carry the first year's burden of financing such programs. This lag in providing incentive will prove a deterrent to the initiation of badly needed new programs in poorer school districts. Provision should be made to allow local boards of education to submit plans for improvement of programs to the State Department of Education for approval. On receipt of such a program, the state should provide temporary one-year financing on a shared basis. The Federation recommends a special appropriation of at least \$25 million be provided for advance funding of experimental and innovative programs in the initial year. Without such aid many districts will be unable to become intermediate or comprehensive districts and thus qualify for additional state aid. Since improvement of program is a primary aim of the Report, it is essential that all districts have equal opportunity to qualify.
3. The bill recommends weighting vocational students as 2.0 units but the weighting applies only to full time students

in vocational schools. Several counties now have programs in which vocational students attend regular high schools $\frac{1}{2}$ time and vocational schools $\frac{1}{2}$ time. The Federation believes provision should be made for weighting students who attend vocational high schools $\frac{1}{2}$ time and district high schools $\frac{1}{2}$ time. The cost of educating these $\frac{1}{2}$ time pupils cannot be fairly compensated by using $\frac{1}{2}$ of the weighting provided for a full time vocational student and $\frac{1}{2}$ of the weighting provided for a full time high school student. The Federation therefore recommends that weighting be provided for vocational school pupils under the shared time concept as 1.1 units for vocational students ($\frac{1}{2}$ time) and .90 units for high school pupils ($\frac{1}{2}$ time). This recommendation recognizes and makes provision for the proportionately higher cost of vocational education.

4. Senate 633 has no provision to enable county vocational schools or other special purpose school districts to become either intermediate or comprehensive districts. The disparity of their programs, the different grade span and their special course offerings require different treatment, but the same interest in program improvement should apply to these districts. The Federation recommends that criteria be formulated which will provide incentive to special purpose school districts to improve the quality of their educational programs.

5. The Governor's Commission on Capital Needs reported that the cost of meeting New Jersey's capital needs would amount to \$1 billion. The Commission recommended that a \$227 million bond issue be spent on school construction primarily to replace obsolete buildings in urban areas. However, the 1968 legislature failed to include this item in the \$990 million bond issue package. In its place, it enacted an emergency building program to provide \$90 million in new buildings. While this undoubtedly is a step in the right direction, it is simply not enough money to take care of the building needs which are rapidly increasing in our mushrooming suburbs while deterioration and obsolescence mount steadily in our urban areas.

The Federation recommends legislative support of S713 and S714 which create a State School Building Authority and would provide a means of enabling districts to house their school children adequately. Overcrowded and obsolete conditions will worsen unless immediate attention is given to this problem. Comprehensive long range planning is absolutely necessary and we urge immediate action before the backlog becomes too great to be met.

6. Assembly Joint Resolution Number 1 recommends a study of the feasibility of a year-round school. To this study we believe the matter of pre-school and kindergarten programs should be added. Undoubtedly this study will have an impact on the

state school aid formula. We would point out that at the present time extended school year programs are financed almost entirely by local funds. Until such time as the legislative study is made, the Federation recommends that students enrolled in approved summer school programs be weighted as are other special pupils. In this way, the state will be providing incentive to local districts to extend their school year and take year-round advantage of their facilities.

7. Our last point refers to the titles used in the bill to classify districts. We take exception to the use of the word "standard" to describe a district that is operating a minimal program. In our opinion "standard" is a poor choice from both a public relations and psychological point of view. We fear many taxpayers would be satisfied with a "standard" rating from the state. The Federation recommends that a term more descriptive of the bill's meaning be used, such as, "limited," "basic," or even "minimal."

We would emphasize that these recommendations should in no way be used to delay immediate and full implementation of S633. If necessary these proposed amendments could be implemented in the near future, but right now there are hundreds of school districts that are in desperate need of the help S633 will provide. Our children cannot wait for their education. They must have it now.

In closing the Federation would like to make two final requests. We respectfully request that the legislature continue its study of the needs of local school districts. These would include but not be limited to the entire area of school budget elections, public school bus transportation and mileage limitations, the use of income as a measure of wealth in determining the local fair share and the matter of teacher salary negotiations.

Secondly, the Federation realizes that incentives to improve the quality of educational programs imply the necessity for criteria for evaluation of those programs. While it is understandable that many will view such criteria with apprehension, we would submit that the demands of education are such today that we must set some standards of quality and evaluate the degree to which they are reached.

The Federation recommends that a committee be created consisting of interested lay leaders, professional educators and legislators to study methods of evaluating school programs and to make recommendations as to the criteria by which a district might qualify to become an intermediate or a comprehensive school district. We cannot afford to neglect the concept of quality in public education.

The New Jersey State Federation of District Boards of Education congratulates the members of the Commission for their fine Report.

We earnestly urge full and immediate implementation of S633 in time to permit boards of education to anticipate increased aid in their 1970-71 budgets which we point out must be adopted in January 1970. If the Report is not implemented before January 1970, the result will be to postpone the effective date of implementation for local districts until the 1971-72 budget year. We have already waited too long. We cannot emphasize too strongly the need for action this year. Thank you very much.

SENATOR HIERING: Are there any questions?

SENATOR DUMONT: These recommendations you make for amendments, Mr. Craig, you have \$25 million listed in number 2. What do you think would be the over-all cost of them? And I presume that is in addition to the \$184 million, is that correct?

MR. CRAIG: Yes, sir, that is correct.

SENATOR DUMONT: Have you any cost figures on the other recommendations for amendment?

MR. CRAIG: An additional \$30 million.

SENATOR DUMONT: You mean 25 plus 30?

MR. CRAIG: Plus 30.

SENATOR DUMONT: Or \$55 million over and above the \$184 million?

MR. CRAIG: Yes, sir.

SENATOR DUMONT: Thank you.

SENATOR HIERING: Thank you, Mr. Craig.

Next, Dr. David Adler.

D R. D A V I D A D L E R: Senator Hiering, Assemblyman Kean, and members of the Senate and Assembly Education Committees: I am David Adler, Chairman of the New Jersey Education Association School Finance Committee and Superintendent of Schools in Newton, New Jersey. The New Jersey Education Association welcomes this opportunity to express its view and concern regarding Senate Bill 633, "State School Incentive-Equalization Aid Law."

In preparing today's testimony, we were guided by the thirteen principles developed by the State Aid School District Study Commission as criteria for a sound state support program. The NJEA supports these principles and recognizes them as an invaluable guide in evaluating proposed state aid legislation.

In accord with the principles established by the Study Commission, the NJEA supports the following general provisions of S 633:

1. The proposed change from a fixed foundation program which included a minimum aid per pupil to a two-part state program consisting of:

- (a) a minimum support program in every district plus
- (b) an equalization aid program related to availability of fiscal resources.

2. The annual adjustment in the amount of minimum aid support per pupil and the guaranteed valuation per pupil to reflect the percentage change from the previous year in the average per pupil expenditure in the State.

3. The concept of pupil weighting which recognizes educational cost variations by grade levels and types of programs.

Although the proposed legislation has many of the elements essential to a sound state support program, there are a number of areas which are not provided for and/or fall short of the criteria established by the State School Aid Commission.

Those areas in which NJEA considers the proposed legislation deficient and therefore deserving of immediate action are as follows:

1. The first and most glaring deficiency is the lack of adequate consideration for the serious fiscal crisis in many of our urban and older cities and rural areas.

In many of these depressed areas, school populations have been increasing while the tax base has been decreasing. Meeting the educational needs of these children, many of whom are handicapped because of environmental conditions, is an expensive task and beyond the fiscal capacity of urban and rural districts.

Taxpayers are protesting full value tax rates in excess of 5 per cent while school and municipal officials are unable to budget fully for even essential services due to high tax rates. Under our State Constitution, it is the responsibility of the State to provide "a thorough and efficient" system of education, making available to all children of the State equal educational opportunities.

Therefore, the NJEA recommends:

1. Immediate legislative authorization to establish a permanent Commission on State School Support.

2. That this Commission, in cooperation with the State Tax Policy Commission:

(a) Study the financial crises in our urban and older cities and rural areas.

(b) Develop proposals for including within the equalization aid formula, factors to meet municipal and county overload.

3. Immediate establishment of a plan of Emergency Aid to fulfill the State's responsibility, while pending the establishment of a permanent Commission on State School Support and the recommendations from its joint study with the State Tax Policy Commission. Districts qualifying for such aid would be those having both high total tax rates, and the inability to finance adequate programs to meet the needs of socially and economically disadvantaged pupils.

II. While the NJEA supports the concept of pupil weighting, it questions the .5 weight applied to socially and economically disadvantaged pupils. Approximately 347,000, or 24 per cent, of the pupils enrolled in New Jersey's public schools require special programs to compensate for economic, social, and environmental handicaps. This figure is from the New Jersey Urban Schools Development Council for April, 1969.

Tens of thousands of such pupils are found in the cities. Currently, state aid for disadvantaged pupils is limited to only the six cities with populations of 100,000 or more. This

aid is the meager sum of \$27 per pupil. Due to the financial crisis, the central cities have been forced to lag so far behind the suburbs that the formula's provision of incentive equalization aid and the additional .5 weighting for AFDC children will not permit the cities to reduce this gap. Additional funds are urgently needed. But, as mentioned previously, this is beyond the financial capacity of most of these districts. Additional funds must come from the State.

Failure by the State to respond to this educational crisis will help perpetuate the existing inequities in educational opportunities and ultimately result in the state supporting, through public welfare payments, the educationally deficient products of obsolete school systems.

The NJEA strongly recommends revision of the weighting for socially and economically disadvantaged pupils from .5 to a more realistic factor of 1.5 per AFDC pupil.

III. No provision is made in S 633 for financing beginning costs of new programs of experimentation and innovation. The primary purpose of this proposed legislation is to provide incentives to school districts to meet the needs of all children, the exceptional, the average, the below average and the physically, mentally, emotionally, socially, economically and educationally handicapped. Experimentation and innovation on the local level are the beginning of the process which will ultimately lead to the meeting of these varied needs. Without new programs, methods, and instruments of instruction, developed to meet the special needs within each district, the children of this state are doomed to 13 years of "more of the same,"

"business as usual." If education is to be a meaningful force and not just a fleeting, sterile, charade in the lives of tens of thousands of children, experimentation and innovation must be actively encouraged.

The New Jersey Education Association recommends first-year incentive financing for new programs of experimentation and innovation.

Local financing of the additional cost of innovative and experimental programs would be a disastrous deterrent to the initiation of badly needed new programs in our poorer school districts. Provision should be made for submitting plans for improvement programs to the State Department of Education for approval. On receipt of such approval, temporary one year financing should be provided by the State. A special appropriation of at least \$25 million should be added to the program to meet this need.

IV. NJEA supports the classification of school districts on the basis of annual ratings. The system of rating school districts against a set of standards will be practical, workable, and free from political pressure only in so far as these criteria are objectively established and applied.

Since all operating districts will automatically qualify for the standard classification, great interest and importance will center on the intermediate and comprehensive classifications. Therefore, considerable pressure - political and otherwise - will be forced on the establishment of criteria for the two higher classifications.

Any system or rating which will determine the apportionment

of tens of millions of dollars in state aid must be thoughtfully constructed. NJEA recommends that S 633 be amended to specify that the initial criteria and standards, and their annual revision set by the Commissioner of Education take place only after public hearings at which interested parties express their views.

V. S 633 requires the submission of an estimated budget for a school year by October 15 of the previous year. For practical purposes this date is much too early in the school year. There has been little experience with the present budget; the school year has just started. The financial needs and priorities for the next school year will be more clearly established as the year progresses, present programs are evaluated, and necessary new programs are planned by the professional staff. The involvement of parents, interested members of the community, and teachers in the formulation of school district policy would be minimized if the proposed budget had to be finalized and filed with the Commissioner by October 15.

NJEA therefore recommends that:

1. The October 15 budget deadline in Senate Bill 633 be amended to December 31 and that the present authority of the board of education to make changes and additional supplementary appropriations in the proposed budget, in fact, be retained.

2. Section 8 of Senate Bill 633 be amended to make provision for the upward recalculation of state aid when the local current expense tax appropriation is increased above the amount shown in the estimated budget of December 31.

In summary, the New Jersey Education Association supports the general provisions of S 633, especially its two-part program of minimum support and equalization aid, annual adjustments based on changes in per pupil expenditure within the state, and the concept of pupil weighting.

The proposed legislation offers inadequate financial incentives to improve education in those districts which need it most. To correct this deficiency, the following must be incorporated in Senate Bill 633:

1. Emergency aid for those districts with high total tax rates and inability to provide the programs (remedial, vocational, teacher training, etc.) necessary to meet the needs of the disadvantaged student.

2. Increase the weighting for AFDC children to at least 1.5 so that the special services (guidance, food service, health and medical, attendance, etc.) required by these children will be provided.

3. Provide first year financing for new programs of experimentation and innovation.

Without amendments covering these areas, the disparity between educational opportunities in the high income suburbs and the low income cities and rural areas would increase. The poor rural and urban districts, already in a financial crisis, will not be able to finance the programs and services required by the needs of their students. Without new programs and services they will not be able to qualify as intermediate or comprehensive districts and thereby entitled to additional state aid. It could be a vicious cycle of no money - no

programs, no programs - no money!

NJEA urges the State not to grant more money to the affluent, wealthy districts until it first helps equalize educational opportunities in those districts handicapped by prohibitive tax rates and large numbers of disadvantaged children. Thank you.

SENATOR HIERING: Do any members have any questions?

ASSEMBLYMAN WILENTZ: Yes. I take it that you feel that this bill is so deficient in its relative treatment of the urban areas that instead of enacting it now, we should enact some other kind of emergency aid now.

DR. ADLER: Well, that particular question was never faced in the committee.

ASSEMBLYMAN WILENTZ: I think that is basically what your recommendations quite clearly say.

DR. ADLER: Right. But the Committee's feeling is that it cannot take a stand against S 633. We are very much in favor of this bill. We are pointing out simply that there are areas we feel were overlooked which are vitally important to the educational future of the children of the State. We would hope though that whether or not 633 is passed, emergency efforts would be made to tune in and affect the financial crisis in the cities and in certain rural areas.

ASSEMBLYMAN WILENTZ: Dr. Adler, as I listened to you and as I glanced at the report, it seemed to me that what you have said quite directly is that this bill should not be enacted until there is the appointment of a permanent Commission which consults with the State Tax Policy Commission

in order to effectuate the recommended changes that you have mentioned and that in the interim we immediately enact emergency aid for the urban areas. I think that your recommendations are similar to the Federation's recommendations, but there is a very clear difference in what the call for action is. And I would like to have clarified as to whether or not my understanding is correct.

DR. ADLER: I am not sure I can help you as you would wish to be helped. But very clearly the Finance Committee of the NJEA supports S 633 and would hope that it would be enacted very rapidly. Hope is also extant that certain additional factors would be considered in such legislation.

ASSEMBLYMAN WILENTZ: Do you concur with the Federation's position that S 633 be enacted immediately and that, if necessary, the amendments await a later date or is your position different from that?

DR. ADLER: That would be definitely the position of the New Jersey Education Association School Finance Committee.

ASSEMBLYMAN WILENTZ: That it be enacted immediately whether or not the amendments are put on?

DR. ADLER: That's correct.

ASSEMBLYMAN WILENTZ: I see.

DR. ADLER: I want to make clear I may or may not be speaking for the leadership of the New Jersey Education Association or the Delegate Assembly which has not had an opportunity to review the School Finance Committee's feelings and/or recommendations. But the feelings of the Committee are very definitely as I have stated them.

ASSEMBLYMAN WILENTZ: I would like to point out and suggest that your statement does not in my opinion anyway indicate that at all and that's the way I read it. The Emergency Aid that you mention, has the NJEA had a chance to formulate that in terms of total dollars and method of distribution?

DR. ADLER: This is purely an estimate, but it is between \$45 and \$50 million estimated.

ASSEMBLYMAN WILENTZ: And that, I assume, would be an annual amount in addition to 633's figures.

DR. ADLER: Probably.

ASSEMBLYMAN WILENTZ: Has there been any formulation of method of distribution?

DR. ADLER: None as yet.

ASSEMBLYMAN WILENTZ: Thank you.

SENATOR DUMONT: Doctor, these recommendations you made on page 5, only one of which, I think, was touched upon by Assemblyman Wilentz as to cost, what would all three of them cost over and above the \$184 million?

DR. ADLER: As we heard from Commissioner Marburger, the 1.5 would presumably cost about \$20 million.

SENATOR DUMONT: Ten million?

DR. ADLER: Did he say \$10 million for one?

SENATOR DUMONT: I think he said \$10 million from one-half to one.

DR. ADLER: So this would then be \$20 million.

SENATOR DUMONT: The Emergency Aid you indicated was \$45 million, is that right?

DR. ADLER: Approximately, yes.

SENATOR DUMONT: And the first year of financing the new programs of experimentation and innovation?

DR. ADLER: \$25 million.

SENATOR DUMONT: Your last paragraph on page 5, what you are driving at there, I presume, is no increase in, say, the minimum aid formula until the other districts have been provided for, is that correct?

DR. ADLER: That is correct.

SENATOR DUMONT: Thank you.

SENATOR HIERING: Thank you, Doctor.

Next, Mr. Samuel Damiano, Newark Chamber of Commerce.

S A M U E L D A M I A N O: Mr. Chairman and members of the Committee, the Greater Newark Chamber of Commerce congratulates the State Aid to School District Study Commission for their dedicated effort to attempt to solve the current fiscal problems in New Jersey through the recommendations of the Report, "Commitment to New Jersey Children: A State School Support Program for New Jersey."

As we understand it, the essential intent of Senate Bill 633 is to appropriately and adequately recognize the special educational problems and the related special educational financial needs of the large urban centers in the State. The context of the Bill, and the formulae it contains, is extremely complex. The very short interval between publication of the Bill and this hearing has not afforded sufficient time to enable us to determine that this essential objective will be attained. For example, a cursory examination of the material indicates that the City of Newark will not benefit to the extent of its demonstrated needs.

We are, therefore, in a position at this time only to urgently recommend that careful analysis and study be made of the procedural and implementative portions of the legislation as proposed under Senate Bill 633, by all parties interested, including ourselves, to ensure that they will produce the results intended and as described in the preceding paragraph.

We offer the total technical resources of the Greater Newark Chamber of Commerce and its member components to assist and cooperate with any group appointed to make such an analysis and study.

Thank you.

SENATOR HIERING: Any questions?

ASSEMBLYMAN EWING: I would like to ask, what do you feel the demonstrated needs are in Newark?

MR. DAMIANO: I am not, quite frankly, prepared to go into terms of dollars and cents or another formula as an alternate, but far more than what we would foresee as being made available through this piece of legislation.

ASSEMBLYMAN EWING: Well what is it? Some \$13 million, I believe, isn't it?

MR. DAMIANO: I believe if the projected \$184 million were to become a reality Newark's would probably be somewhere in the vicinity of 10 percent. We feel that that would be in terms of its demonstrated needs a very, very small portion toward what could actually be utilized in that city.

ASSEMBLYMAN EWING: Well what percentage do the people in Newark pay now?

MR. DAMIANO: I am not prepared really to answer these questions at this time. We've indicated that the formula is complex. We would naturally urge complete and further study. We did not want to miss the opportunity to be here today to address you ladies and gentlemen but, by the same token, we are, in our cursory examination, rather positive in this initial statement of not meeting the demonstrated needs.

SENATOR FORSYTHE: Apparently Newark would get about ten percent of the total package with about six percent of the State's population in Newark and almost, not quite, one and a third times the population weight, looking at it

rather roughly it's still not enough.

MR. DAMIANO: That's correct, sir.

SENATOR HIERING: Anything further?

Thank you, sir.

MR. DAMIANO: Thank you.

SENATOR HIERING: Next is Dr. Harold J. Ashby.

G E R A R D F. M c C U N E: Mr. Chairman and members of the Committee, obviously I'm not Dr. Ashby, I am Gerard F. McCune, Vice President of the Newark Board of Education. Dr. Ashby regrets his inability to attend.

On behalf of the Board of Education of Newark, its staff, its 78,000 students who range from pre-kindergarten children to the adults in our evening high school, and its thousands of parents, may we thank you for the opportunity to make known our views on this most crucial question of improving the State system of providing financial aid for meeting the cost of public education in New Jersey.

We are gratified that the legislature and administration of our State are giving serious consideration to revising the present State Aid formula which has become woefully inadequate in helping us to have available even the minimum funds for giving our students that kind of education we are certain they need and deserve - one of high quality capable of helping them to play their role as productive and creative citizens in a world of automation, space travel, and heart transplants.

More than 75 percent of the children in our public schools of Newark come from minority groups who are the

victims of social inequities and discrimination that has unhappily been part of the history of our nation from its very beginnings. Almost 19,000 of our pupils come from families on welfare. This does not begin to tell the story. According to federal standards, 28,000 of our pupils, as of the 1960 census, come from families which are in the poverty category.

With the changes that have taken place in our city in the past decade it is certain that the 1970 census will show that the number is nearer the 50,000 mark. To give these children a high quality of education requires not merely ordinary expenditures and efforts, but rather a large extra quantity to overcome and compensate for the effects of environmental and social deprivation.

But, need it as our children may, we have not had the financial means available to us to offer this quality of education. Our expenditure per pupil was \$637.44 during 1967-68. This was \$249 less than that of Millburn, \$185 less than Montclair, \$156 less than Caldwell, \$138 less than Verona, and \$374 less than Essex Fells. Other than one community in Essex County, we were the lowest in expenditures last year. And this does not give a full picture because a significant part of our expenditure must be devoted not to instruction but to medical services, free lunches and milk, and recreation services, which we have to provide for our many needy youngsters and which few if any of our neighbors are forced to provide to any large measure.

It might then, of course, be argued that we have been

loath to tax ourselves to provide our children with the education they need or our citizens with the social services they require. But all of you know that this is just the reverse of what is the actual fact. No city in the county or state or nation, for that matter, taxes its local property - for that is all we can tax - more heavily than we do. Our prohibitive tax rate is becoming almost confiscatory and is driving people out of our city. And we are now at the end of the rope. Moreover, our tax base shrinks as the State builds roads and colleges in our city. A Newark homeowner pays double the amount he would if his house were moved to the suburbs.

We need help and we need it in a hurry and we need it in substantial amounts. And if it does not come, it is our children that will continue to pay the price in terms of insufficient educational services.

That is why we consider that our presence here today is so critical. It is within your power to bring us the help we need by tapping the resources of this, one of the wealthiest states in the nation.

If we are to narrow the gap which makes a mockery of the principle of "equal educational opportunity" we must expect the State to do its share - something which it has never yet done in its history.

While we are in accord with many of the recommendations of the final report of the State Aid to School Districts Study Commission, out of which the present legislation under consideration emerged, and while we accept most of the criteria

for a sound state support program which the Commission proposed, nevertheless, we feel that certain very critical changes are called for in the present bill.

1. The bill presently under consideration will without question give our schools a great deal of help. And we would welcome it. But let us point out to you that in a study made by the New Jersey Urban Schools Development Council, it was found that, under the proposed formula, cities would receive an average increase of 92 percent while at the same time the average increase for a selection of 50 suburban districts would be 146 percent - that is, they would fare one and one-half times better than the cities would.

You must agree that there is something almost immoral about any such a system of distribution which gives those who need the least the most and those who need the most the least.

It is our firm conviction and that of the financial analysts who have tested the formula for us that this anomaly can best be changed by increasing the weighting factor for Aid to Dependent Children from .5 to the more realistic figure of 2.0. Even that increase would still leave Newark, percentagewise in its increase, well behind communities like Glen Ridge, West Orange, Bloomfield, South Orange, Livingston, Montclair, Caldwell, Orange, and East Orange.

We urge this change as one of primary importance, because this is the only factor in the legislation which was designed to provide compensatory help for meeting the problem where it is greatest, namely for children already handicapped

by economic inequality and disadvantage. We are saying that the compensatory factor does not go far enough.

2. We strongly urge that the funds available under this legislation be used to supplement present local support and not to replace it. We ask that firm safeguards and penalties be included in the legislation to guarantee such use of the new State school aid.

3. We are skeptical about the proposal to set up three types of minimum aid districts - standard, intermediate, and comprehensive. We see it again as possibly helping to reward affluence and, in a sense, to penalize those districts beset by poverty. If this concept becomes law despite our objections then we urge that the Legislature guarantee that criteria for such differentiations only be undertaken after exhaustive study on the basis of objective standards rather than judgmental and arbitrary decisions, and following public hearings.

4. Cities like Newark cannot devote as large a proportion of their local taxes for education as can their neighbors because of the many other services which they must render. Our city has to spend more money on police and fire services, hospitals and clinics for the indigent, sanitation, and, yes, even library and museum services. Many of these services are used by the one-half million non-Newarkers who come in to our city to work during the day, who contribute little to the cost of these services, and who then rush home at the end of the day to enjoy life in their less-taxed suburbs.

a budget of \$100 million a year, not one of \$65 million a year.

Under the formula aid, even as we propose in a 2.0 AFDC factor to make up for the poverty, we would still not be reaching that figure. What we want is to supplement total services and at this time we can't calculate it because you're asking us to calculate on the basis of what we don't have.

ASSEMBLYMAN EWING: No, but if your budget was \$100 million and you should get the proposed base of \$36 million, that would be 36 percent.

DR. EPSTEIN: That's correct.

ASSEMBLYMAN EWING: Above what you're getting now.

DR. EPSTEIN: Above what we're getting now but that would still leave us, in terms of states in the nation, far below the percentage of average state support for local municipalities.

ASSEMBLYMAN EWING: Well how much fat do you think there is in your own educational system that can be gotten out, such as no-show jobs, etc.?

DR. EPSTEIN: That's an assertion and an allegation that I wish someone would come to the Prosecutor with rather than to me.

ASSEMBLYMAN EWING: There isn't any?

DR. EPSTEIN: I have no knowledge of such.

ASSEMBLYMAN EWING: What about within the City government itself?

DR. EPSTEIN: That's a department I have nothing to do with.

ASSEMBLYMAN EWING: I mean if greater efficiencies could be made, I am sure that --

DR. EPSTEIN: I'm sure that we can improve efficiency. There's no question.

SENATOR FORSYTHE: In this area of your factor increase from .5 to 2.0, have you given consideration to any other way of approaching this? The Associated Boards of Education, for instance, recommended that the U. S. Bureau of Census poverty area definition be used. Is AFDC the right criteria?

DR. EPSTEIN: We're not sure that AFDC is but we did not want to complicate the process of passing this legislation. We have many more youngsters who are in the poverty group than AFDC. This is why we proposed a 2.0 factor in order to umbrella the situation a little bit.

Incidentally, that would increase us by roughly \$6 million.

SENATOR DUMONT: You mentioned that there is one school district in Essex County that spends less than you do. Which one is that?

MR. McCUNE: Nutley. That is '67; '68 I don't know. But again we would like to underscore that we give different types of services than most of our suburbs. For example, we feed far more children; we give medical services to children; we include recreational services in our program; we give glasses to children. Our suburbs don't have to do that. I wish we didn't have to do it either.

SENATOR DUMONT: Well, the fact that you do that is a matter of local decision.

MR. McCUNE: It's a matter of local decision because

we can't educate kids who are sick and they don't have any way to take care of their needs. But this reduces the amount available for in-classroom instruction.

SENATOR HIERING: Thank you very much.

ASSEMBLYMAN WILENTZ: Senator, maybe I didn't hear correctly. Did one of you say the weighting should be 2.5 and the other 2.0?

DR. EPSTEIN: 2.0. From .5 to 2.0.

SENATOR WILENTS: Thank you very much.

Next, Mrs. Myra Malovany.

M R S. M Y R A M A L O V A N Y: Senator Hiering, Assemblyman Kean and members of the Senate and Assembly Education Committees, I have a very brief statement on behalf of the Caldwell-West Caldwell Board of Education and the municipality of Caldwell.

We support, without any reservation whatsoever, S-633 and compliment the Commission on the conceptual brilliance of their report. It will restructure State Aid to public schools in New Jersey in a creative and farseeing way which will be valid for many years to come.

We particularly commend the weighting of pupils which properly recognizes the varying forces within a school district and the incentive equalization aid.

Throughout our district there is immense support for this Commission. One municipality has already forwarded to you their own resolution supporting it. The municipality of West Caldwell is presently studying it and you will be hearing from them shortly.

Thank you.

Senator Hiering. Thank you, Mrs. Malovany.

Next, Dr. William Ramsay.

D R. W I L L I A M W. R A M S A Y:

Senator Hiering, Assemblyman Kean and members of the committees, my name is William W. Ramsay. I am Executive Director of the New Jersey Association of School Administrators. Our association includes among its membership most of the superintendents of the public school districts in the State. These superintendents, recognizing that education is basically a State function, have long strived for improved programs of State support in New Jersey.

I wish to express the appreciation of our membership for this opportunity to present the thinking of our association on Senate Bill 633. Further, we commend the Chairman of the State Aid to School Districts Study Commission, Senator Bateman, and the members of the Commission for their efforts in the development of a state aid plan.

The New Jersey Association of School Administrators supports, in principle, the report of the Commission, and, in particular, the criteria embodied in the thirteen statements of principle used in analyzing and evaluating the proposed plan. Our Association has, however, some suggestions for modification of the Commission's proposals.

- (1) The amount of building aid, as recommended in the report, is inadequate for districts of all types. City, suburban and rural school systems are in great need of additional school construction. Costs have been rising steadily, and will continue to rise. The amount of school building aid should be based upon a weighted pupil factor and upon a flexible scale as opposed to a fixed figure. A fixed figure is inconsistent with the principle of increased state sharing as costs increase.
- (2) Our Association has a most serious concern regarding the classification of districts into three types. The criteria for such classification are in some cases vague and debatable. Moreover, there is no guideline as to how a district moves from standard to intermediate. The report does say that the requirements for intermediate "would be approximately half-way between those of a standard and a comprehensive district."

While many K-12 districts were originally classified as standard, according to amounts of aid listed in the report, all regionals were classified as intermediate. An outstanding elementary school district might send pupils to an outstanding regional district, but neither district could be classified as comprehensive.

Local districts which have not had the financial ability to provide quality education would be under attack because of their inferior classification. Boards of education, in these districts, may find it difficult to persuade the voters to provide them with additional funds needed for program improvement. In this regard, the plan appears to make the rich richer and the poor poorer. If city districts and suburban and rural districts with severe problems are to improve, some initial kind of funding from the State level will be required.

- (3) Coupled with the question of classification is that of accountability. We believe that the legislature, as well as the local citizens, has a right, and a responsibility, to look for achievement results in the schools. We do not believe that a meaningful evaluation can be made, for example, upon the basis of such measures as the New York State Regents Examination.

If, as has been suggested, accountability means a mutual evaluation similar to that of the Middle States Association, where the broad proposals and objectives of a program are examined, and the attitudes as well as the academic achievements of the children are scrutinized, we would certainly endorse the process.

- (4) We believe that categorical aid for disadvantaged pupils, particularly in the cities and rural areas, is desperately needed. It has been the unfortunate experience in the past two years that additional State aid, which was not ear-marked, did not result in improved programs for such children, but found its way into higher staff salaries or tax relief. These children are the responsibility of the State as well as of the local community. If their educational progress and personal development are not encouraged and fostered by every means, the entire State will suffer.

While some federal programs, which are categorical in nature, have not met with complete success, substantial achievement has been noted. This is particularly so when the State devises proper safeguards for the distribution of funds. If increased State aid does not result in the improvement of education, particularly in the cities and the rural areas, we will be faced with greater social tensions than now exist.

- (5) Although we feel that income would be a more desirable measure to determine a school district's fiscal ability, we recognize that currently sound equalized value of ratables can serve as an effective determinant of a district's wealth. We believe strongly, however, that "equalized valuation" should mean the same in Middlesex as in Morris, in Cape May as in Union. This will require some State-wide study.

- (6) It is regrettable that the formula in the Commission report contains no provision to compensate for the problem of municipal and county overload. This problem is especially acute for some of our larger and older cities.

We are aware that the Commission, after considering several proposals, has recommended continued study of this problem. We would suggest that this study be given priority and that any necessary modifications in the formula be made in the near future.

- (7) Regarding school district consolidation, it has been the experience of many states that such consolidation must be mandated by the legislature. The recently completed report of the State Committee on Regionalization and Consolidation in the School Districts of New Jersey calls for strong financial incentives as a basis for voluntary consolidation on the part of school districts.

An effective State support program should provide strong incentives for school district consolidation. It does not appear that the Commission's proposals will develop sufficient State support to bring about voluntary school district consolidation in New Jersey.

Finally, we believe that the Commission's proposals, at the time of implementation, will call for an increase in excess of the projected \$180 million. Further, to support the flexible pattern of funding, proposed in the report, and in view of an expanding population base, we may anticipate an annual increase of \$30 million to \$40 million in total support. This, of course, is without consideration of any increase called for by an upward modification of the Commission's plan.

In the view of our Association the significant tax which can support such a program over the years will be an income tax. If education in New Jersey is to receive the State support that is vitally needed, the citizenry should not be lulled into thinking that an income tax is out of the picture for the near future. Rather, careful study should be given to the needs of the State, and then the legislature should decide how best to fulfill these needs.

The funding proposals of the State Aid to School Districts Study Commission should be thought of as a base minimum. Consideration should be given to raising these proposals and to their prompt implementation. The future of our youth and of this State depends greatly upon such a consideration.

Thank you.

SENATOR HIERING: Are there any questions?

ASSEMBLYMAN WILENTZ: I would like to compliment you on your courageous statement about the need for an income tax, or your statement concerning an income tax. If we Legislators could have tenure like, say, your administrators, we might just be receptive to it.

DR. RAMSAY: I don't have tenure.

ASSEMBLYMAN WILENTZ: You must have some kind of job protection.

The categorical aid for disadvantaged pupils, do you have any dollar sign on that?

DR. RAMSAY: No. Unfortunately, I could not bring with me this morning - a Committee which has been working on this and preparing it did not come up with this. We thought of this as a possible approach, particularly regarding those children - the AFDC and so forth, the disadvantaged children, and we felt that it might be more significant to use the entire categorical aid approach to the big cities that handle these children than necessarily a weighted figure, like .5 or 1.0, and so forth.

ASSEMBLYMAN WILENTZ: And how would that - are you thinking of this in terms of the funds that must be specifically directed for the benefit of those children?

DR. RAMSAY: We see it possibly working two ways, one as substituting for the .5 factor in the formula - in other words, it could be determined, it could be the .5 factor, it could be the number of children per square mile whose parents incomes fall in a certain bracket; it could be distributed, for example, through these formulae. On the other hand, it

could be handled separately from the formula. We feel that there has to be some assurance that these funds are going to improve the program.

SENATOR HIERING: Anything further?

Thank you, sir.

Do we have a representative of the League of Women Voters of New Jersey? (No response)

Do we have a representative of the Clark Board of Education?

H. R O L A N D S M I T H: Senator, I am a member of the Education Committee. My name is Ronald Smith. I am the Business Administrator and Secretary of the Clark Board of Education. I would like to thank you on behalf of the members of the Clark Board of Education for allowing us to appear here today.

The main thrust of this proposed legislation is to encourage and reward those school districts providing quality education and to relieve the overburdened taxpayers.

No school administrator or anyone interested in education could find fault with this approach as an incentive to upgrade our school systems. However, as I look at the recommended criteria which school districts must meet to become classified as a comprehensive district, I find items which really do not directly relate to quality education.

Requirement No. 3 on page 62 calls for districts to be K-12 and have 3500 pupils. This in my opinion is not truly a measure of quality education. The only reason that this might appear in the recommendations is that it happens

to be one of the major recommendations of the now controversial Mancuso Report.

Clark is a K-12 district with less than 3500 pupils and a constituent district of the Union County Regional High School. We of the Clark Board of Education find ourselves in the same position as eight of Union County's 21 School Districts, that is, with the enactment of this bill as recommended, being legislatively denied becoming eligible as a comprehensive school district and receive the maximum State Aid.

I, therefore, make a plea on behalf of the school districts that find themselves in our position, that you eliminate this requirement from the list of criteria for becoming eligible as a comprehensive school district.

Thank you.

SENATOR HIERING: Any questions?

Thank you very much, sir.

Next, Mr. Michael Limongello.

M I C H A E L L I M O N G E L L O: Senator Hiering, Assemblyman Kean and members of the Senate and Assembly Education Committees, my name is C. Michael Limongello and I am President of the Newark Teachers Association.

I am here to plead the urgency of the need of Newark for increased State School Aid.

To explain the situation of Newark, allow me to use myself as an example, me as a person involved rather than as President of the Newark Teachers Association.

I was born in Newark. I grew up in Newark. I was educated in the public schools of Newark. When I was

certified I became a teacher in Newark. I was married in Newark. My children were born in Newark. When it came time for my oldest child to enter school, I reluctantly left the city of my birth and moved two short blocks across the City line into Bloomfield.

This was an unpleasant action which I took with real reluctance, but as a father I am responsible for the well-being of my children and education is the key to later success, be it material or social.

As a father, I do not wish my children to go to school in an antiquated building that might have been condemned years ago and was a hazard to their safety.

In Newark our new schools were built in the 30's, except for the few under this brand new building program.

I did not wish my children to enter into overcrowded classrooms, and in Newark all classrooms are overcrowded - where they would be denied a reasonable share of the teacher's attention because of the sheer numbers that had to be divided among them. I did not wish my children to enter into classrooms where they would be denied the attention of the teacher because of children in that class who desperately needed special help and were claiming a disproportionate share of the teacher's time.

I did not wish my children to enter into a school system where if they needed special help it would be denied to them because of the shortage of social workers, psychologists and other education specialists.

I did not wish my children, as a father, to enter into

a system where if they needed to be sent to a special education school there would be a harmful delay in meeting their needs while they waited in an ordinary classroom for a place in these crowded special education schools which, as unbelievable as it may sound, were mostly built before the Civil War, the buildings.

I do not wish my children to attend a school where the pupil population is in such a state of flux that these ins and outs seriously impair the continuity of learning.

I do not wish my children to attend a school system where the teacher population is also in a state of flux due mostly to the massive problems of Newark.

As a father, I do not wish my children to attend this school system but rather one where the conditions would be more conducive to learning. And so I moved just a few short blocks. And yet, despite the drain of me and others, the schools of Newark remain full to the bursting point. They are filled with children of the poor, mostly from the rural areas of the south, who made a pilgrimage to the mecca of the big city seeking opportunity and help for themselves and their children. With them they brought special needs to be met by the city, expensive needs.

They needed an expanded curriculum to fill in the deficiencies in their background, denied to them in their former homes. They needed help in language, help in reading, help in arithmetic, help in all subjects because of the schools and irregular attendance that marked their schooling in the south.

'They needed health attention, they needed opportunities for social interaction.

Newark, to its credit, rose to this challenge and met this better than any other urban center in this nation. But alone, Newark can no longer handle the job. Alone, Newark has steadily lost ground to the immensity of the needs. Alone, Newark has steadily lost good teachers to more attractive conditions outside. Alone, Newark has steadily lost its ability to attract teachers. Alone, Newark has not been able to build classrooms to meet the need. The problem of unskilled people migrating to the urban cities is not Newark's alone, but also a problem of this State.

The responsibility to help low income citizens is not Newark's alone but it's also shared by the State. Newark cannot continue the task alone but must have increased aid from the State, not just a little to patch it together but a massive infusion that will restore the school system of Newark to its former preeminence so that people will no longer leave Newark for better educational opportunity but, instead, move into Newark to allow the children to benefit from its excellence.

We urge you and all members of the Legislature to make certain that the State fulfills its financial and moral responsibilities to Newark and by Newark I mean all urban centers of the State.

Thank you very much.

SENATOR HIERING: Thank you, sir.

SENATOR DUMONT: You said, if I heard you right, that

aside from the buildings that you have constructed very recently in Newark there haven't been any constructed in the last 30 years or so. Is that correct?

MR. LIMONGELLO: The last building program in Newark, sir, was during the thirties, and now we are entering into a new one helped by the bonding capacity.

SENATOR DUMONT: When, for example, was the Mt. Vernon School constructed?

MR. LIMONGELLO: The Mt. Vernon School was constructed in about 1954.

SENATOR DUMONT: So you have had buildings in between then, between 30 years ago and the most recent ones?

MR. LIMONGELLO: There would be Mt. Vernon, Barringer High School and the brand new Camden Street which just opened up, which is in the new building program. But after the thirties there were just two, yet the school population of Newark just nearly doubled between the thirties and sixties.

SENATOR DUMONT: You mean it doubled while your over-all population was going down?

MR. LIMONGELLO: Yes, sir.

SENATOR DUMONT: Because Newark, according to the Federal Census each ten years, - the population of Newark has been on the decline.

MR. LIMONGELLO: Yes, sir, but the families that are moving in --

SENATOR DUMONT: But the school enrollment doubled in that period?

MR. LIMONGELLO: Yes, sir. Now over half of Newark's

population is under 18.

SENATOR DUMONT: All right, thank you.

SENATOR HIERING: Thank you, sir.

Is there a representative here from Phil Kunz & Associates?

P H I L L I P K U N Z: Good afternoon. My name is Phillip Kunz. I am the Chairman of the Coordinating Committee for the Trenton Office of the New Jersey Council of Churches with headquarters at 176 West State Street, Trenton, New Jersey, and also Pastor of the United Church of Christ in Cherry Hill, New Jersey.

There can be no arguing the fact that the cities of our State are facing daily crises. One of the most critical crises, and the one with which our organization is principally concerned, is the urban education crisis. The gravity of the educational situation stems from two factors that upon analysis we find are inter-related. The gist of these factors is that over 64% of the children in our central cities are numbers of minority groups who, by the nature of social inequities that have existed for decades, suffer from environmental and social deprivation. The second factor relative to the urban education crisis is lack of money to expand special programs in the daily educational process. Programs that would enable the city child to raise himself above the cloud of deprivation that presently engulfs him.

Thus, suffering from a lack of funds to do the job on their own, the cities of New Jersey need aid. With the enormity of the task before them this aid to the cities must

come from one basic source - the state.

We are pleased that the Legislature shares our concerns in this problem and as a consequence is considering revisions in the State Aid Formula. However, no aid formula alone will solve the education problem. Other vital areas such as school construction, transportation consolidation and special education must be considered. For example, aid to construction, as in S-400, is crucial.

In general, we are in substantial agreement with the principles that are adopted as the criteria for drafting the proposed state aid program. Specifically, however, there are two principles that we believe need either clarification or modification.

The first of these principles is number seven, and permit me to quote from the report: "The program recognizes that improving programs is more important than achieving equality of education at some predetermined level."

We acknowledge that no upper limit can be placed on excellence at any level and any attempt to do so will only end in futile mediocrity. Needless to say, our ultimate goal must be nothing short of the improvement of the entire educational process. However, we firmly believe that there is a considerable need for equalization to reduce the immense educational gap separating the suburban and urban communities.

Due to the urban fiscal crisis, the central cities have been forced to lag so far behind the suburbs that the formula's provision of incentive equalization elements and an additional .5 weighting for each child receiving support

through Aid to Families with Dependent Children program, will not begin to permit the cities to reduce the lag factor. Additional funds are necessary if the cities are to narrow this gap. The situation confronted by the cities is much like a dry pump which must be primed before it can produce water.

Analogously, the urban communities must have State aid to specifically help them to tool up in order to meet the requirements demanded of a comprehensive school district. They simply cannot make it on their own. Failure on the part of the State to respond to this unavoidable dilemma will further rigidify the present inequities. This, in turn, will ultimately lead to an ever-increasing need for public welfare to support the educationally deficient products of obsolete city school systems.

The other principle for which we raise exceptions is in number nine of the Bateman Report, and I quote: "In the absence of a field-tested model measuring fiscal capacity in whole or part by income, a soundly-conceived, equalized valuation of property appears to be the most practical base."

Other states, such as Oregon, are presently developing models based on per capita municipal income figures. Should not a state the size and wealth of New Jersey possess the capability of producing such models?

We can think of no better occasion upon which to begin developing such a capability. The State Department of Education can begin by consultation with the Internal Revenue Service. Any program that is going to require nearly \$200 million in its first year, and be adjusted annually as the

state per pupil expenditure rate rises, certainly deserves to be founded on the most effective, efficient, and equitable basis possible. Presently, this eliminates all contenders except a per capita municipal income rate.

Furthermore, the information gathered through this new capability would be applicable to many present programs as well as to whole new areas where State involvement will be expanding in years to come. Moreover, since full implementation is not expected for three years, there is sufficient time to establish the necessary machinery for this state-wide data bank. It certainly makes no sense at all to initiate a multi-hundred million dollar program on the basis of admittedly inferior knowledge.

The Council firmly believes that property tends to be a highly inaccurate criterion for measuring a person's ability to pay, and is thus a poor standard upon which to base the State School Aid Formula.

Let me say with emphasis, members of the Commission, that housing property taxes are regressive because, 1, housing consumption patterns for the poor are inflexible; 2, an enormous disparity exists in rates of taxation between the suburbs and the central cities; 3, regressive assessment practices in many of our cities; and, 4, low income individuals must spend larger proportions of their earnings for housing.

It is interesting to note, for example, that the effective tax rate of that portion of Essex County which excludes Newark is only 51% of Newark's rate. Such an inequitable distribution of the tax burden places an

unnecessary and harmful stress on our urban communities. It greatly reduces the revenues available to central cities for the education of their residents. This, in turn, hampers the ability of the poor and the near poor to improve their living conditions or to pull themselves up by their own bootstraps.

We are naturally very concerned, therefore, by some of the proposed revisions in the state aid formula. We are speaking specifically of the fact that the proposed revisions are highly favorable to the wealthy affluent suburbs of our state and are at the same time negligent in providing the additional resources needed by our cities to significantly remedy their problems. We are presently faced with a dangerously growing alienation and polarization between city and suburb, black and white, high income and low income. Let us not perpetuate this trend by increasing the disparity between the funds available to the cities and to the suburbs.

As proposed, the revisions in the State Aid Formula would help the urban communities immensely. For ten impacted cities alone the revisions would provide a much needed \$43 million in additional aid. However, this figure represents only 92% increased aid as compared to the 146% increased aid that would be provided to fifty selected suburban communities. We maintain that this State must not grant more money to our wealthy suburban districts until it first helps to equalize those handicapped urban districts, currently possessing prohibitive tax rates and thousands of disadvantaged children to educate, than their more affluent suburban neighbors.

Therefore:

1. We recommend that S-633 be amended to provide an additional unit weighting for AFDC children. This weighting would be more in line with the actual cost of compensatory education programs. A provision of this magnitude would furnish the school districts with such a strong incentive to provide the very best education possible for disadvantaged pupils and AFDC children that they won't be able to disregard it.

2. We recommend that S-633 be amended to include a penalty factor for any school district that utilizes new State School Aid Formula revenues for the purpose of reducing its participation level in school support.

3. We recommend that the State School Aid Formula be adjusted to weigh the amount of local tax revenue required to support municipal services. This would significantly help alleviate the problems of municipal and county overload.

4. We strongly recommend that the proposed School Aid Formula be modified to employ municipal per capita income as the measure of the fiscal ability of school districts.

5. We urge that a contingency fund be granted to the State Department of Education to be used in helping major urban districts raise their category from standard to intermediate within two years.

Thank you.

SENATOR HIERING: Are there any questions?

SENATOR DUMONT: What do you recommend in this additional weighting? We heard all kinds of recommendations

from a half to one and one and a half and two. Which of those do you prefer?

MR. KUNZ: We prefer a new weighting of 1 point, raising from a half to a full point for AFDC.

SENATOR DUMONT: The same as Commissioner Marburger.

MR. KUNZ: Yes.

SENATOR DUMONT: You also say here that this proposal does not significantly help the large cities, yet Newark, as Senator Forsythe pointed out earlier, would get 10% of the entire \$184 million, approximately. Do you think that that's not in proportion to the needs of Newark, that the suburbs are getting a larger percentage than that?

MR. KUNZ: I live in Cherry Hill, Senator, and I notice that under the proposed figures of the green Bateman report we're going to get as much increase as the City of Camden.

As a citizen of Cherry Hill, I'm going to be very glad this comes about but I can also see that this is a tremendous disparity. The need in Camden and in these other six impacted great cities has just got to be greater than ours in suburbia. We chose to live out there, in fact some of us fled from the cities because we didn't want to face the city problems, and now it's time for equalization.

SENATOR DUMONT: Well that may be true in regard to Cherry Hill and Camden but how can you, with the figures we cited for Newark, necessarily justify your statement so far as Newark is concerned?

MR. KUNZ: Well, I think if we look at the other

suburban area around Newark - I lived for three years in the municipality of Montclair which has many problems - but if you look at the surrounding territory of Montclair and the Caldwelles, this area of Essex County is going to do very nicely under the proposal, and I think that somehow that stands in the balance between what Newark is going to have. That is, if you take raw percentage figures, such as you are doing, you're going to have some kind of picture, that's true, but when you look at the other kind of district by district figures, you see that the wealthy districts are doing very handsomely.

SENATOR DUMONT: Well, for example, Montclair would get about \$1.6 million increase and Newark gets almost \$18 million increase.

MR. KUNZ: Who needs it the more? We just heard that they haven't had any appreciable improvements there since the thirties.

SENATOR DUMONT: However there was that qualification that there were two schools built between the thirties and the present time.

MR. KUNZ: And a doubling school population with a shrinking population to pay for the increase, and the population, nearly one-half, if I heard the gentleman correctly, under 18 years old. Now as a former resident of Montclair I know that we just don't have that kind of problem there.

SENATOR DUMONT: However, I would find it difficult to imagine the Newark school population has doubled while

the over-all population has gone down.

MR. KUNZ: Well I think you and I could verify that if we wanted to.

SENATOR DUMONT: Thank you.

ASSEMBLYMAN EWING: On this penalty factor, if the district did not use the State Aid formula for the purpose of reducing its participation level, you don't feel then that the State should try to get up to about a forty percent part of the over-all cost. You want to stay where they are and use the money for something else.

MR. KUNZ: Well, this is what we're afraid of, that some county heads in New Jersey might see this as a windfall and reduce their local share when they get State Aid money, and this we want to insure against because we don't believe that this is the intention of the legislation which we're very much in favor of.

ASSEMBLYMAN EWING: Their local fair share say is around 80 percent right now, you don't think they should reduce it.

MR. KUNZ: We feel they have problems to solve and this shouldn't be treated as a windfall.

ASSEMBLYMAN EWING: How do you feel about taxing church property in order to raise additional revenue?

MR. KUNZ: Well I am kind of glad you raised that because I testified before the Apy Commission, along with a lot of other people on that, and in a thumbnail we testified at that point that we feel that all of the business operations, the air rights leasing, etc., should be taxed. We also made a

number of exceptions in that testimony, that is not exceptions applying to us but pointing out that what the State needed was a whole new tax structure, and I notice now that on both sides of the Governor's race we're starting to hear talk about a tax convention and that's what my testimony called for, a whole new system of taxation in this State, and I think the churches are going to have to start paying some of their share of the bill.

ASSEMBLYMAN EWING: Do you feel - evidently you've lived around the Newark area for some time, do you feel that none of their problems come from poor administration in the City itself?

MR. KUNZ: I think Newark must be a mess, but we have those messes in suburbia too. And I think that it's now within the close reach of this Legislature, sitting, to start to do something meaningful from your level of responsibility. We hope that these town councils will start to clean themselves up.

There is another reason, by the way, for a penalty factor - you know, you have some little district out in the middle of nowhere that sees this as a windfall and we're going to be giving them an incentive for corruption in a case like that. So let's make sure that everybody stays nice and honest.

SENATOR HIERING: Anything further?

SENATOR FORSYTHE: On this question of the disparity of aid - yet you recommend that just a change from .5 to 1 in the weighting, as your answer to that. We've had testimony

here this morning that this really wouldn't get very close to this equalization that you're talking about.

MR. KUNZ: I think that was NJEA, wasn't it?

SENATOR FORSYTHE: Newark School Board.

MR. KUNZ: Oh, right. Well, I'll be very candid with you, sir. When we talked about what we should put in our testimony we hoped that we could get something like that, but when we call for 1 percent, like Mr. Marburger has, we think that's, you know, political reality. But if we could get the Legislature to be courageous about this, we certainly would solve some problems in the next couple of years if we could get 2 percent.

SENATOR FORSYTHE: One other question, you and Dr. Marburger referred to these fifty - I believe it was Dr. Marburger -- fifty selected suburban communities, how was this selection made? You found those that were best off?

MR. KUNZ: Well the list I have been working from has been put out by the Urban School Commission - I've got it tucked back here in my briefcase someplace - and I owe a debt to those people for doing that research, and I think we ought to go through it. If we find some things we don't like about it, we can raise questions about them but I think, on the whole, it makes a lot of sense. I don't believe that it was done with an eye of canting the case, you know, bringing in a hidden agenda, as it were.

SENATOR FORSYTHE: Well, I'm concerned because I think there are many more communities in the suburban area and had we found some unique situations I think the Committee ought

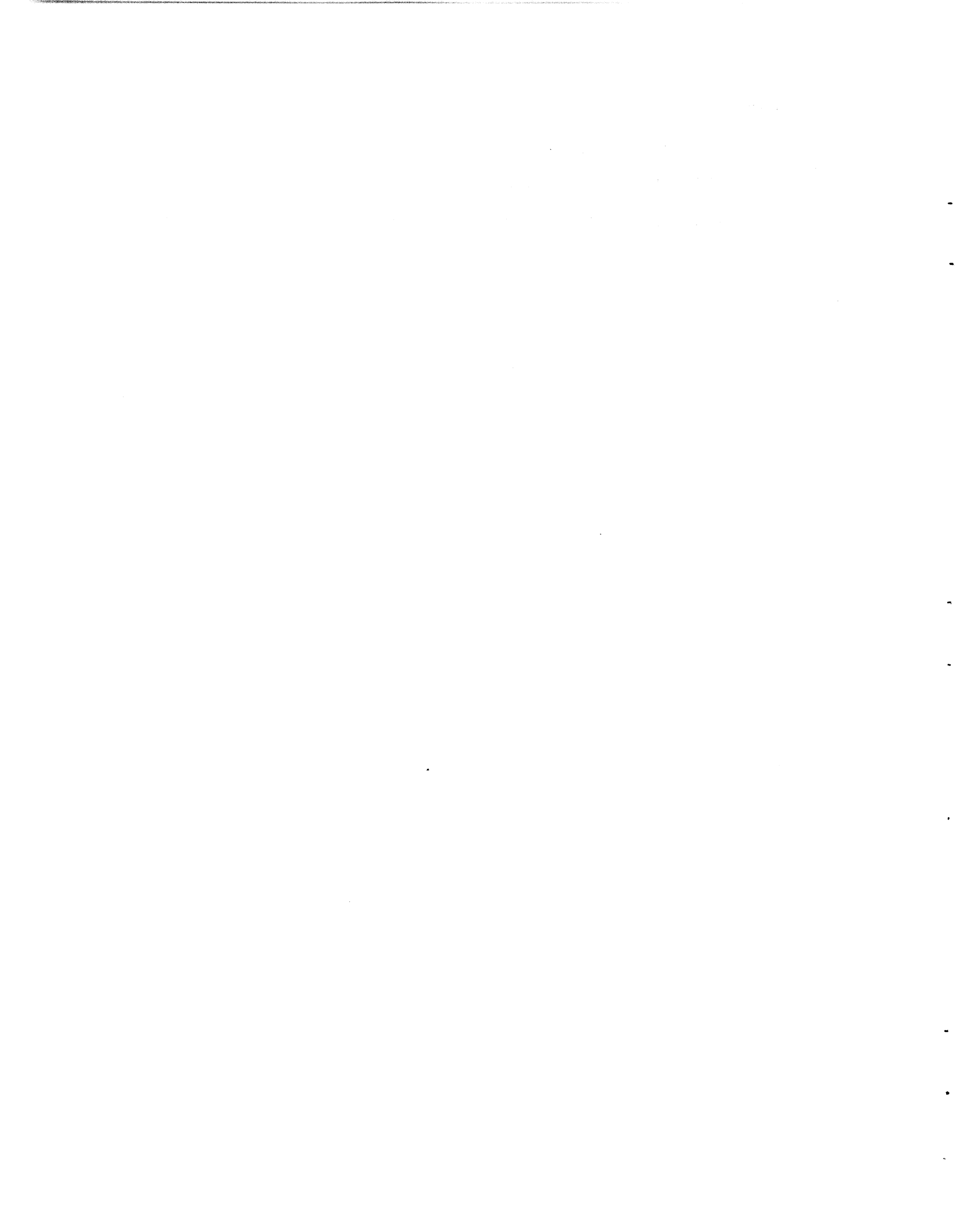
to know.

MR. KUNZ: Right.

SENATOR HIERING: Thank you, sir.

We will now recess for lunch and return at two o'clock.

(Recess)



[Afternoon]

SENATOR WILLIAM T. HIERING [Chairman]: I would like to call the hearing to order and will ask the next speaker to step forward. Is Dr. Jerome Panzer here?

J E R O M E P A N Z E R: Senator Hiering, Assemblyman Kean, thank you very much for the opportunity granted me to speak on Senate Bill 633 today.

The members of the Bateman Commission ought to be commended for their excellent study of state school aid and for proposing the imaginative principle that state aid should be used to encourage the improvement of the quality of education. Adoption of legislation to implement this proposal, we feel, will significantly affect the quality of New Jersey school districts. However, the State Federation of District Boards of Education and the NJEA, as well as several other speakers, testified about their concern with defining the criteria for quality education. We also are concerned with how quality education will be defined, and I would like to comment specifically on this area of the proposed bill.

The proposed legislation defines a comprehensive district which can receive maximum state aid based on quality as one with at least 3500 pupils and meeting certain standards to be established by the Department of Education. Some of these standards are suggested in the Bateman report without any evidence supporting their validity. When one reads the report of the State Commission on School District Reorganization, or the Mancuso Report, it is apparent that the suggestions in the Bateman Report are tied very closely to the recommendations of the Mancuso Report. Although this public hearing is not

concerned with the latter report, it appears necessary to discuss both of them together because of this relationship.

The Mancuso Report tries to show that the quality of school districts is directly related to the number of pupils and that such quality can be improved by providing more teachers, more courses, more guidance counsellors, more books, more money, more of everything. At this point we ask two questions. How does one define a quality district and what evidence is there that more of everything assures quality? The Mancuso Report says that quality districts are those defined by county school superintendents as superior. But no mention is made of the criteria used in their selection or the validity of these criteria. However, even if we accept their selection, we find from the Mancuso Report that 42 per cent of the superior districts have less than 250 pupils per grade level (which is equivalent to 3250 pupils in a K to 12 system) and that many districts which have more of everything aren't classified as superior. After reviewing the data in the report we can only conclude that size and quantity are not major factors in quality education and perhaps may in themselves do nothing to assure quality. We feel that asking the taxpayers to pay for such criteria will only alienate many people in New Jersey. Now we must ask what does determine quality education?

We believe that quality education is determined almost entirely by the quality of teaching in the classroom. We believe that teaching can be defined. We believe that the quality of teaching in terms of the definition can be

determined. We know that the level of academic achievement is increased in the classroom where this teaching occurs and this achievement can be tested. We know that the mental health, thinking, peer relationship, classroom climate, and values of pupils are improved in classrooms where this teaching occurs and that such change can be measured. It is these kinds of measurements which we believe indicate whether quality education occurs.

How well have such criteria been established? The Roselle Park School District during the past two years, with the assistance of Dr. Louis Raths, now retired as a Professor of Education, has developed and implemented a definition of teaching. This definition comprises ten functions which thousands of teachers have agreed are important components of teaching. These functions can be summarized as:

Informing and explaining

Showing how - in order to teach new skills

Supplementing existing curriculum

Providing opportunities for children to think

Guiding the development of values

Relating the life of the community to that of the school

Contributing to a fine classroom climate in which every student earns status and respect from his classmates

Creating a secure emotional climate

Diagnosing and remedying learning difficulties

Evaluating, recording, and reporting of what is happening in the classroom

We know from numerous research studies around the country that measurements of the components of this definition of teaching can be made and that these relate to the objectives we have defined for quality education. We do not know how well these objective and criteria predict ultimate performance when pupils complete their public school education. And I want to emphasize that it is such performance that is the true measure of the quality of education. We feel that research is urgently needed to determine whether accurate predictions of performance can be made from these criteria, or any evaluative criteria. And we feel that the Department of Education should carry out or support such research before establishing legal criteria to evaluate schools. Finally, we feel that criteria which truly predict performance must be determined in advance of legislative action providing financial incentive for quality.

Although the proposed state aid will not come from real estate taxes, the people of New Jersey will still pay for it and I feel they will be willing to do so provided they can be shown that the quality of education will really be improved. However, assumptions about how to make such improvements must be proved first.

Thank you.

SENATOR HIERING: Any questions? [No questions]

Thank you.

I will call Mr. Howard Goeringer.

H O W A R D G O E R I N G E R: My name is Howard Goeringer; I am a resident of Newark and work as Minister of Community Relations for the United Church of Christ with a special assignment in education.

Senator Hiering and Assemblyman Kean and members of the Committee today, we appreciate this opportunity to testify on Senate Bill 633.

I have been asked to represent the Education Task-Force of Essex County which is a community organization which works with concerned citizens from the twenty-two municipalities of Essex County.

We are in general agreement with the principles and goals of S-633 and we congratulate the special legislative committee for its excellent report. As early as possible in the next session of the legislature we urge the enactment of a new state aid formula based on the suggested principles of the report and the appropriation of sufficient funds to implement it. To delay such desperately needed help for our schools in the sixth or fourth - I'm not sure of the ranking - wealthiest state in the nation would certainly be inexcusable.

However, there are several components of this bill which need to be studied very carefully to see if the formula can be improved. One of these is the kind of criteria used in determining the classifications of school districts. It is on this one aspect of the proposed formula I would like to focus this presentation.

In the present form of the bill, the kind of criteria suggested on pages 61-63 of the report to determine which of

the three types each school district would fall into, are geared to standards and goals which, if achieved, would improve the quality of education in all of our schools. Without question, the purpose is commendable but the actual results of such criteria and the increased aid which would go to the districts meeting such criteria would only widen the gap between our schools in poverty -stricken cities and our schools in the affluent districts. In other words, the more privileged communities would find it much easier to achieve the standards and receive the additional money while the districts with the most serious problems would find it virtually impossible to meet many of the criteria and consequently would not get the extra financial aid.

For example, very few suburban communities would find it difficult to meet this suggested criterion, I think: "Each child receives a full day's program." Newark, on the other hand, short some 9,000 pupil stations, would not be able to meet this criteria for at least 5 to 10 years and then only with much more state aid for new schools than is now in sight. Likewise, a pretty, grassy town outside the city can hope to have a suggested 40 per cent of its staff with Masters' degrees because at present we know that younger teachers are attracted to these schools, but under present conditions the big cities would find such criteria completely unrealistic, unless we're talking about the year 2000 when some do expect the millennium to come.

In the same way it would not be very difficult for small and affluent suburban communities to meet this criterion: "The

pupil-teacher ratio is satisfactory to provide a modern enriched educational program." Again, cities like Newark which should have no more than 20 in classes of disadvantaged pupils now have 30 to 35 or more in such classes.

Everyone will agree that the goal is commendable, but the fact is the formula does not deal in a realistic way with the tremendous gap between inner-city schools and suburban schools. It only widens the gap as we see in the following figures related to the proposed formula: in Essex County, West Orange jumps from \$100 to \$377 per pupil; Caldwell from \$100 to \$332 per pupil; Glen Ridge from \$101 to \$310 per pupil, and Orange from \$100 to \$413 per pupil. I might say that these are in the comprehensive school districts according to the listing.

These four communities are hardly struggling with the problems of poverty and disadvantaged pupils, but as they easily move into the so-called Comprehensive School District, they would be receiving three to four times as much state aid as they are now getting. Newark, on the other hand, with very serious problems would receive about twice as much if placed in the Intermediate District going from \$213 to \$473. If the formula worked as it should, the cities with the greatest need would get the highest percentage of state aid without having to meet standards which are, certainly many of them, beyond their reach.

But there is another serious problem, I think, connected with this type of criteria. Not only do they point to the problem rather than the answer to the problem, many

of the criteria are so defined as to make it virtually impossible for the State Department of Education to decide when a school district becomes eligible to advance from a lower to a higher level.

For example, when does a school district meet this criterion? "Continued efforts are exerted to improve the quantitative and qualitative productivity of the school system." I am sure every school district is trying to do this now, or thinks they are, and would react strongly if told they are not doing their best with the resources at their command.

Or this criterion: "A modern and enriched comprehensive program with courses of study available for children of varying ability and achievement." What does this mean when it comes to specific measurement in a specific district. How does one decide when a district passes over the line and qualifies for a higher rating?

How would Dr. Marburger's staff draw the fine line between adequate and inadequate counseling services, adequate and inadequate libraries, adequate and inadequate remedial instruction, adequate and inadequate social and cultural programs, adequate and inadequate health and safety programs, etc., etc. In all of these areas there are all degrees of achievement. To try to decide which district is on which side of the line, especially when such a decision means more or less money for a school district, would, I think, result in all kinds of controversy. Every district would like to think it qualifies or has a reasonable excuse for not doing so.

And so we say the goal is desirable but the way to get there is both unfair and unworkable. Not only will such a model widen the gap between the problem areas and the privileged areas, it is also unmanageable when the nitty-gritty decisions have to be made.

We seriously question this approach and would like to suggest an alternative. We propose a different kind of criteria which have two advantages; they can be judged quite precisely and objectively and they are based on dire needs. If used, these criteria would enable the new formula to work as it should. It would give the greatest amount of assistance to the districts with the greatest needs.

Without attempting to go into a complete analysis of this different kind of criteria, we would like to suggest two types which would provide a basis for the classifying of school districts; one, the fundamental problem needs of the children and the basic financial ability of a municipality to support its school system.

Under the first type would be the number of children in a school district who test below norms in the major subjects offered in elementary schools. All children in elementary grades would have standard tests in basic subjects such as reading, writing and arithmetic. The number of children falling below a certain level would indicate the need for increased aid to deal with the problem. And this, incidentally, I think would guarantee the kind of evaluation of input in success to know what is going on in our school systems that I believe we are lacking today.

Unless these children receive remedial help in the early grades, they soon lose interest and lack both motivation and ability to cope with more advanced study, with the result that they join the misfits in a society which demands minimal skills to be trained for meaningful work. Until much more adequate help is provided in our schools, the poverty cycle cannot be broken. The cost of such neglect is beyond calculation.

Under this same kind of criteria would be the number of children who enter our schools with a language problem. We are thinking especially of Spanish-speaking pupils who need special help without which they are soon lost to a meaningful process of learning.

Again, under the same heading would be the number of children on welfare who come in with need of multiple services which are costly.

Other special needs could be identified and included in this list.

The second kind of criteria are related to the financial ability of the community to adequately support its educational program. Again we will not try to exhaust these criteria but they probably would include the following:

- a. per capita income within the district, within the municipality

and certainly these figures could be made available if we try.

- b. the number, the amount of tax ratables
- c. the total tax load to provide needed services
- d. equalized value of property per pupil, as compared to the State average

Here possibly density of population could be used.

Such is the kind of criteria we think should determine classifications of the school districts,- not criteria which holds up goals to be achieved but criteria which will get down to the gut-level needs of our problem areas.

How to work these criteria in precise ways into the new formula, we are not equipped to say today. We leave this to the experts, Certainly it can be done if we agree that this is the approach to take.

If used, it would mean that all school districts would receive some increased state aid. The communities with the most wealth, the lightest over-all tax load, and the fewest pupils with special needs, would receive the smallest increase. The communities with the least wealth, the highest over-all tax load, and the largest number of pupils with special needs would receive the largest increase, and then there would be the intermediate group in between.

We believe this is the simplest and the fairest way to calculate state aid to local school districts.

To be sure, S-633 in its present form does recognize special need and try to meet it by giving an extra amount of weight to AFDC children and by fixing an equalized tax base to guarantee minimum aid. Still the fact remains that it works to the great advantage of those districts with the fewest problems and to the disadvantage of districts with the most serious problems.

We recommend, therefore, that a model to classify school districts be designed using the kind of criteria just outlined - that statistics based on this model be

compiled and distributed for study, and that another public hearing be held as soon as possible to evaluate this alternative along with other proposed changes.

We do not agree with those who say that S-633 is better than the formula we now have, so let's pass it and amend it later. If there is a basic injustice to this bill, then we should try to correct it now. Hundreds of thousands of children crippled by our present educational system cannot afford to wait for another five or ten years, to say the least, for another formula to be designed. This is the time to do everything possible to give the priority to the wiping out of poverty for those at the bottom and not to increase the advantages of those at the top. Unless we deal with this fact realistically now, our cities teeming with disadvantaged families will turn into jungles of guerrilla warfare. Although money alone is certainly not the answer, without it we cannot find the answer.

So far as achieving more relevant programs of education in New Jersey, which is the commendable purpose of the kind of criteria suggested by the Commission's report, we believe these improved programs can be achieved more effectively in other ways. For example, the all-important need for smaller pupil-teacher ratios will be met, not by suggested criteria, but simply by providing money for new schools and more classrooms- money not provided by the proposed formula. And here we are thinking about bills like S-400 and S-713 and S-714.

Excellent programs in education depend upon excellent teachers who are properly trained for the most difficult assignments in our ghetto schools. This will happen, not

by holding up criteria but by making teacher-training programs in the colleges and universities of our state more relevant than they are now in equipping new teachers for urban schools. It will happen when we take seriously the re-training of many teachers who are now struggling to do a better job but need help. To get at the heart of the problem quickly we may need a new kind of peace corps recruited and trained by the State to work with pupils with special problems. We don't have to wait for Washington to come up with the answer.

Such an approach to develop better programs in our schools will come not by suggesting criteria but by dealing with these hard facts of life in a very pragmatic, down-to-earth way.

We strongly urge, therefore, that more easily, precisely defined criteria, based on need rather than criteria in the form of suggested higher standards, be used to classify school districts in the proposed state aid formula for New Jersey.

SENATOR HIERING: Are there any questions?

ASSEMBLYMAN KEAN: I understand then that you are against the formula as it's written in this bill which would increase the amount of money substantial school districts would get through the merits of its program and you think we should go down to the heart and give the ones who need help the most the most help we can give them, and then if they improve perhaps they need less money. In a sense what I am saying is, under your formula wouldn't you be losing money as you improve?

MR. GOERINGER: No, I don't think you would be losing money. It seems to me that the way we get at improved programs

in our schools are ways which I have just mentioned. I don't think that Dr. Marburger's office suggesting certain criteria is going to, in some magic way, bring about the improvements. I think it's a rather simplistic approach to it. I think it's a much tougher job than is suggested here. For example, the quickest way to get better pupil-teacher ratio is simply by providing money for new schools and massive amounts such as we need in Newark where we believe we need upward of two hundred million dollars for new schools. Now you can talk for the next ten years about lowering pupil-teacher ratios but if we don't get the money for these new classrooms, it's meaningless and it also sets up a standard for us that we can't meet and it's very unfair.

ASSEMBLYMAN OWENS: I wonder if this re-statement of your views for a proposed formula would be correct or if you would agree with it. As I see it, your proposal would be to give us the schools help for their maximum needs when they need it, or school districts, and that that help would be reduced as the need is reduced. The result, of course, is that it is losing money or it will be getting less money as it improves but at the same time it doesn't need as much money. Is that a fair statement?

MR. GOERINGER: Right. I think one of the real problems with these criteria is as I think Dr. Marburger himself testified to this morning. Now he has stated that we must deal with these criteria and their implementation in a much more realistic way and a certain number of criteria have to be met - 16 or 24 - and when you meet 16 you go up a little higher and when you meet

24 you go up a little higher, and it seems to me that these criteria are such that a department is not going to be able to look across this State and determine when a school district precisely meets these requirements. They are very difficult to pin down and be precise about it, it seems to me.

ASSEMBLYMAN OWENS: May I ask one further question?

Am I correct also in my understanding from your presentation that it is your feeling that the most disadvantaged schools would have a very difficult time catching up under this formula, or do you feel that it is even impossible to catch up under the formula?

MR. GOERINGER: I think under the proposed formula our urban schools would certainly get additional help, which is good, but we are thinking here of a formula that is going to be in operation for presumably a number of years to come. It seems to me that percentages basically should be worked out in such a way that without trying to pull yourself up by your own boot straps when you don't ^{have} any/bootstraps to get hold of very often and saying if you do this then you will get so much more money is not the way to get more money into our depressed areas. We need to put the money in now and with the proper guidance, it seems to me, from the State Department we could hope for innovated programs. We have a number of innovated programs going in Newark now but they are in operation because money was made available and we were challenged to put that money to use.

ASSEMBLYMAN OWENS: What is the over-all purpose of a state aid formula, if you can put that in a few words. Or what do you think our state aid formula ought to do?

MR. GOERINGER: Well, I think the state aid formula ought to provide at least half - this suggests 40 per cent - of the cost of the expense of the local school district. It seems to me we ought to be thinking in terms of 50 per cent and to distribute it in such a way as to give the maximum amount to those with the maximum need, and to base that need on things that can be precisely objectively defined and tested.

ASSEMBLYMAN OWENS: Well, apparently or I get the impression that you don't feel that the state aid program is just to give money alone but to achieve certain educational results. Am I correct in that?

MR. GOERINGER: That's right.

ASSEMBLYMAN OWENS: Could you expand on results that you think a state aid formula should achieve?

MR. GOERINGER: Well, we are talking basically here about meeting the specific needs in our more than 500 school districts, and I think, as we look across the State, we see that there are some very serious problems in our urban areas and in our depressed areas and I think these should have top priority. I don't think the present proposed formula brings the kind of maximum percentage aid that it should to the areas with the greatest need. I think it, perhaps for the sake of political expediency, says we want to give more balanced aid to all of our districts and, although this certainly has some political wisdom to it, I think we have to help the citizens of New Jersey realize that it's not just a matter of every district sharing as they would like to share in the money. I think it's a matter of identifying our priorities and then

gearing the formula to priority needs.

ASSEMBLYMAN KEAN: Do I understand also that you would then be in favor not in passing this particular bill, that it should not really be amended, but it should be re-written?

MR. GOERINGER: I think this section should be studied very carefully especially in terms of whether these criteria can actually be implemented in terms of these three types of districts. It seems to me we are headed for all kinds of trouble when we have the State Department try to say you've met this standard or you haven't. I think if we look at the needs another way and say we've got to revamp our teacher training program in our colleges, we've got to do more re-training of teachers who are on the job now, and if we go at the problem of better programs in terms of better training of our teachers, I think we will get further quicker than simply by what I would say "Mickey Mousing" around with these criteria. I don't think really you get at the problem quite so easily. I think, as I said before, it is rather a simplistic way of doing it.

SENATOR HIERING: Anything further? Thank you.

Next I will call Mr. Rudolph Schober.

J A M E S D A V I D H E I S E R: Mr. Chairman and members of the Committee, I am not Rudolph Schober. I am substituting; I am James Davidheiser, from Middletown Township.

The New Jersey Association of School Business Administrators supports the report of the State Aid Study

Commission and would emphasize the need to adhere to the thirteen principles outlined in this report.

Clearly the present foundation program with its fixed amounts is inadequate if the State is to fulfill its responsibility to a greater degree and provide much needed relief to the local taxpayer.

The New Jersey Association of School Business Administrators would like to present the following suggestions for modification of the Commission's proposals:

1. The procedure for classification of districts into three types should be clarified in order to achieve orderly implementation. Specifically, the criteria for such classifications are in many cases too vague; there is no explanation as to how a district moves from standard to intermediate. We believe the classification principle to be an important one, since a study of the effect on the Plainfield Schools indicates the following results:

Plainfield's total state support under the proposed formula:

As a Standard District	\$1,786,492.
As an Intermediate District	3,088,295.
As a Comprehensive District	4,054,966.

In light of the above example and with the modifications proposed above, we strongly support the principle of incentive aid.

2. We believe that greater incentive aid should be provided to districts who become parties to reorganization on a K - 12 basis. We believe that the reorganized district should be classified in the

highest category and given aid on this basis for a period of 5 - 7 years, at which time actual determination of its status is made.

3. The history of categorical aid indicates that it has been more successful than general aid in improving the education of the disadvantaged child. We believe that rather than a weighted factor for A.F.D.C., categorical aid for disadvantaged children in cities and rural areas is urgently needed.

4. We believe that the state aid formula should not make provision for county-municipal overload. It is our belief that direct municipal aid should be provided for specific items which cause municipal and county overload.

5. The committee questions the language in the report on page 40 where it says: "In the proposed State support formula, no pupils would be counted more than once. Thus, pupils transported would not be counted in a determination of weighted pupils." We believe this language to be in error and should be clarified.

6. We would strongly recommend that greater attention be directed to the improvement of building aid. We believe that additional moneys channeled to this kind of program can more directly meet the objectives of providing relief to the local taxpayer. An example of the type of program suggested would include the following elements:

- a. Raise the state contribution from an estimated 28% of statewide cost for Debt Service and

Capital Outlay to 40%. This would amount to an additional appropriation of approximately \$12,000,000. annually.

- b. In order to provide flexibility, the State's share should be recomputed annually at 40% of Debt Service and Capital Outlay.
 - c. The 40% contributed would be apportioned on a pre-determined fixed-dollar amount (which could vary each year) and be distributed on the basis of weighted pupils less a provision for local fair share.
7. Our Association would recommend the establishment of a State School Bonding Authority to issue all school bonds and pledge the full faith and credit of the State behind such issues. The school district would reimburse the Authority for principal amortization and interest costs.

I would like to take this opportunity to commend the members of the Commission for the work they have done. We feel that a much-needed step has been taken in the right direction.

ASSEMBLYMAN OWENS: Sir, were you able to hear the previous speaker when he made his presentation?

MR. DAVIDHEISER: Yes, I was.

ASSEMBLYMAN OWENS: I gathered from the second page of your statement that you would not agree with his proposal for revision of the formula, or would you?

MR. DAVIDHEISER: No. We point out a few things to study but we heartily concur with the formula as a whole.

ASSEMBLYMAN OWENS: His idea is perhaps to have more specific criteria to determine municipal need or educational need, financial need. You would not agree with that?

MR. DAVIDHEISER: No.

SENATOR HEIRING: Thank you.

Mr. Roy Mundy.

R O Y J. M U N D Y: I am Roy J. Mundy and reside at 321 Middlesex Avenue, Colonia, New Jersey. I am Past President of Middlesex County School Boards Association and currently a member of the Woodbridge Township School Board.

I have had the honor of representing the Middlesex County School Board Association at a hearing on this matter before the State Aid to School Districts Study Commission in 1967. Although I am not now officially representing any group, I have a sincere interest in this matter and I am pleased with the opportunity to submit for your consideration certain views which I share with others regarding this bill.

Additional State aid is urgently needed to enable local school districts to provide a sound educational program without placing an undue burden on local property taxpayers. The State Aid to School Districts Study Commission, as well as the sponsors of this bill and the present committee holding these hearings, are to be commended for their interest and concern with this problem. It is sincerely hoped that at the conclusion of these hearings, any modifications deemed appropriate will be effected immediately and a concerted effort made to implement the new plan at the earliest possible date. A local taxpayers rebellion is rapidly approaching.

Certain features of this bill are outstanding improvements over the current aid program. However, there are other features that are unduly complicated and open to debate.

The weighted pupil concept for enrollment is excellent, since it permits aid to be more equitably distributed on the basis of actual costs at the various grade levels. It also enables other cost factors involved in teaching each child, such as those from lower socio-economical families, to be taken into consideration. The present proposed weighted factor for economically and educationally deprived AFDC pupils enables receipt of aid for them which is about 50 per cent greater than for other pupils. Although this differential is undoubtedly justified in lieu of other aid, services are now being provided for these children under the Elementary and Secondary Act of 1965. In addition it is believed that aid could be secured for some of these children under certain phases of the Beadleston Act. If this weighting is to be applied, it should be in lieu of all other supplementary aid and the bill should define how the program for AFDC children will differ from that provided for other children. At present it is rather complex and involves strict accounting for purposes of aid.

A most welcome feature is the adjustment of enrollment figures for pupils entering schools after the start of the year. Too frequently aid is lost because pupils who enter classes after September are not counted in the aid calculations.

There is no problem involved for the secretary of the board to report on or before October 15th regarding pupil enrollment. However, it is impossible to report on this date an estimated budget for the ensuing year that would come anywhere near the final budget. Some reconsideration should be given to this date.

Probably the most valuable feature of this aid program is the provision for keeping the formula current. A static formula, such as our present one, forces a greater percentage of the cost on the local taxpayer each year because there is no provision for adjusting to compensate for the yearly increases in costs of education. The use of the change in the State average cost per pupil is undoubtedly the best index to use in making such adjustments. This provision is a must.

The use of different classifications for school districts unduly complicates the aid program. The quest for inducing improved education through incentives is commendable, but the three classifications for operating districts would probably bring about inequities, dissensions and possibly even intrigue. In the first place, it is exceedingly difficult to define or identify the factors, situations, or conditions necessary to clearly establish the three levels of classification suggested. The criteria involved is so complex, that it is not included in the law but left to be defined by the Commissioner of Education and his staff.

The arbitrary and indefinite nature of the classification of districts into different levels is clearly indicated by a statement in the report of the State Aid to School Districts Study Commission on page 59 which states ". . . , the State Commissioner of Education would have the authority to change the level of classification of the district if, in his judgment, the geography, sparsity of population, inadequacy of property valuations, difficulty of transportation or other factors make it impossible to qualify for a higher level of State aid."

Even though a clear delineation into three classifications were possible, the dollar difference in aid between classifications is unrealistically large. The difference between a standard and intermediate classification is quite marked. Not only does the guaranteed valuation change from \$30,000 to \$37,500 per pupil, but the minimum aid likewise changes from \$110 to \$135. Although the difference indicated by these figures is large, the difference becomes even larger when applied to a real situation. Using Woodbridge as an example, the total aid received if classified as a standard district would be 2.9 million versus 5.7 million for an intermediate district. Similar differences exist between the intermediate and comprehensive classification. This feast or famine situation hardly seems reasonable.

Incentives for improvements in a school district's educational program could be accomplished through the proposed pupil weighting concept covered by this bill. Such a procedure, if used, should be defined in absolute terms that are directly measureable. Factors such as pupil-staff ratio, size of school district and percent of teachers with specific degrees are examples of items that can be expressed in absolute terms. Points on the weighted pupil scale could well take care of the costs involved. Furthermore, recognition of a series of individual factors could be a means of producing a sliding scale of incentive aid rather than sharp large steps which exist in passing from one district classification to the next.

An excellent feature of this bill is the shared-cost concept in which aid is directly based on a percentage of the net operating budget. This in reality is incentive oriented since unlike the present aid formula additional costs are at least partially offset

by additional aid. Unfortunately this concept of the aid program only applies to aid in excess of the minimum, and much aid is at or close to the minimum. This shared concept, together with weighting pupil enrollment for some specific functions, would appear to lend sufficient incentive without the need for the proposed three classifications of districts.

SENATOR HIERING: Thank you. Are there any questions?

ASSEMBLYMAN KEAN: The figures here for Woodbridge - the difference between a standard district and intermediate district of almost three million dollars worries me a bit. What kind of pressure could or might or would be brought to bear, do you think, on the problem of education if a board felt it was hovering in between these two classifications when this large amount of money is involved?

MR. MUNDY: Well, unfortunately, at the moment our town council has seen fit to remove \$882,000 from our current budget. We are now before the Commissioner of Education. It seems to me the Commissioner could very well say, "I don't think you belong in an intermediate classification. You belong in a standard classification." And bang goes three million dollars.

ASSEMBLYMAN KEAN: In other words, there are political considerations here which are paramount -

MR. MUNDY: I think there are; maybe not strictly political but there may be justifiable considerations but not to the degree of three million dollars.

ASSEMBLYMAN OWENS: How would you react to an increase in the weighting factor for AFDC children; that is, by doubling it from 50 per cent to one.

MR. MUNDY: Well, let me say this: I'm afraid this

is a device that could be used for a municipality or city to receive more money. It would not be used directly to benefit the child. This is my worry here. I think at the moment there is a substantial program developed for these children under which we take care not only of their educational needs but some of their physical needs, such as eyeglasses, teeth repairs, and things of this sort. If you are going to lump a single factor and say, "This is for school aid," it seems to me, without specifically saying what you are to do with this money, it seems to me that the kids we really want to help may not get it and it may simply go to take care of the so-called municipal overburden or overload which I do not think should ever be in any school aid program. This may be a justification, the overload may be a justification for aid to municipalities but certainly not in the guise of school aid, because we need this money to educate the children.

ASSEMBLYMAN OWENS: Well, would you eliminate this factor altogether?

MR. MUNDY: No, I think it has merit but I think it must be clearly defined as to what you do with this extra factor, what benefit the child would receive. I think it must be spelled out somehow, but it is not covered at the present time in S-633.

ASSEMBLYMAN KEAN: You did indicate that you found some vagueness in the criteria, didn't you? Or was that a previous speaker?

MR. MUNDY: Vagueness in what?

ASSEMBLYMAN OWENS: In the criteria.

MR. MUNDY: Oh, definitely, yes. I do think there is very much vagueness in the criteria. As other speakers have said, it is very difficult to define this, and your understanding of adequate may not be the same as someone else's understanding.

ASSEMBLYMAN OWENS: Would you accept such criteria, more definite criteria, such as per capita income within the district?

MR. MUNDY: Well, now you are asking me how you would base aid other than putting it in classifications. Let me say this, the manner in which the aid would be derived for additional aid to education is a matter I don't feel I am in a position to comment on today, I realize it is going to take more money, but I would not like to propose any specific way of doing it.

SENATOR HIERING: Thank you.

Mr. Ralph Thompson.

R A L P H G. T H O M P S O N: My name is Ralph G. Thompson of Woodbridge, New Jersey, and I am a Trustee of the Woodbridge Township Taxpayers Association. Also my background is that of a Certified Public Accountant who has audited school districts and also my parents are in the teaching profession so I have had some acquaintance with certain aspects of problems in our schools.

I wish first to join with the Honorable Mayor Ralph T. Barone of my Woodbridge Township in protesting the inequities we have suffered under the present school aid apportionment formula. However, the Woodbridge Township Taxpayers Association cannot support S-633 and, on lieu of support for S-633, I have

here a prepared statement supplemented by a report. This prepared statement is to all Legislators of the State of New Jersey on the subject of Re-allocation of State Aid to School Districts, to encourage a system of merit pay increases to the teaching profession in lieu of the tenure system.

Honorable Gentlemen: We are a non-profit, non-partisan incorporated association of burdened taxpayers from Woodbridge Township in Middlesex County.

We wish to advise that by unanimous vote of our Executive Council we are opposed to any legislation increasing the present rate of State Aid to School Districts, that is to say on a State-wide basis, since additional revenues would be required to be imposed in the form of new or increased State taxes which we prefer to raise by local taxation in accordance with local needs. Woodbridge Township has difficulty supporting itself already and cannot take on the burden of subsidizing other communities by indirect taxation.

However, we are here today for the special purpose of presenting an idea - a new idea which we hope will be worthy of your consideration, since we firmly believe it will benefit the taxpayers, children, and the teaching profession throughout our State of New Jersey.

We, the taxpayers and parents of Woodbridge Township, realize we are hardly alone in the problems we face in our school district today. Disproportionate increases in our school taxes, shortages in instructional supplies, mediocrity of instruction, and a recent teacher wage settlement for which we may not be able to find the funds, are all evils which have

resulted by the imposition of trade unionism principles upon a profession, the teaching profession.

Let us hasten to assure you that we do not deny any trade or profession the right to unite and seek economic justice from employers.

But let us remember that the average teacher, on an annualized basis, is far better paid than you or I would be led to believe. The present tenure system, which rewards teachers for marking time in our schools and rewards also the accumulation of academic credits for academic proficiency outside the classroom, fails to reward or even recognize the dedication so essential to this profession. What profit is it, gentlemen, to teach the student rather than the subject?

With the passing of the old generation of teachers we knew when you and I were in school, we have seen pass away without public comment or regret one of the most dynamic forces that shaped this great land: the stern yet benevolent guidance of the dedicated teacher, a professional who by definition was dedicated to a life of service to generations of our children, bound to this service by an ethical and moral conviction as stern as any Hippocratic Oath. The very idea of Trade Unionism that a pay scale that is good for one is good for all is unfair to the dedicated professional. Why should the least dedicated teacher be on the same scale as the most dedicated teacher? That is the tenure system, gentlemen: mediocrity!

We, therefore, submit to all of you the following proposal in the hope that at least one among you will see

fit to propose new or amended legislation as follows:

We suggest that you consider your present state aid formula as a package to each school district. Without increasing the over-all size of this package, we suggest that you hold aside a small portion of it in escrow, say between 5% and 20%, using it to create a special purpose reserve for the specific purpose of rewarding school districts who institute and implement a system of merit raises to teachers. Payments would be made from this special purpose reserve, matching dollar for dollar merit raises actually granted to teachers in accordance with a state-approved system of unbiased review at the local level. The State would have only a trusteeship control over these funds.

We point out that the average school district should receive the same over-all state aid as before, provided that it was also average in relation to other school districts in its merit raise program.

Under such a program, without increasing our costs above levels we would have to meet anyway, we have enhanced the quality of education in our schools - because we would have quality in teaching as a primary motive for competition among teachers. We have no such realistic basis for competition among teachers today. The tenure system has destroyed such competition.

Furthermore, we would stimulate a new motive as a basis of compensation. Let me remind you, gentlemen, that only two decades ago it was prestige, not compensation, that held teachers to this worthy profession.

Now I know some will say that you can't support a family on prestige. But the fact is, honorable gentlemen, that you must have prestige, because student unrest will reach such a pitch in our public schools that eventually even the grammar schools will be hotbeds of violent dissent. That threat is a prime reason we have smaller class sizes, although many do not yet know it or will not admit it. The day has passed, gentlemen, when a dedicated teacher could give quality instruction to a class of 50 students. We now have an average class size of 25 students and have seen our school taxes doubled and redoubled.

Our Association made a 14-page comparative survey of selected school systems in this State earlier this year, and our analyses show the tremendous impact on our school taxes from two sources:

- 1) average classroom size
- 2) average teacher's rate of pay.

We, therefore, entrust this proposal to you in the earnest hope that you gentlemen will act upon it as soon as possible. Thank you.

SENATOR HIERING: Are there any questions?

SENATOR DUMONT: As I understand it, Mr. Thompson, you don't like the present formula, you don't like the bill as recommended here, you want us to do away with mandatory salary schedules, and you also want us to do away with tenure. Is that correct?

MR. THOMPSON: That is correct.

ASSEMBLYMAN EWING: How many members are there of your Association?

MR. THOMPSON: Approximately 1100.

ASSEMBLYMAN OWENS: On page 3, are you referring to your school system; that is, the Woodbridge school system?

MR. THOMPSON: Which paragraph?

ASSEMBLYMAN OWENS: Let's see. Where you say "reduce average class size."

MR. THOMPSON: Yes. However, if you will refer to the report that I have provided, you will see average class sizes distributed throughout our several school systems in our report. The average class size does vary from school system to school system. However, in general you will see today, of course, and I am sure you are aware of the fact that the average class size throughout the State except for the ghetto areas is roughly 25 in the public schools. This did not used to be. I was in a public school, sir, where the average class size was 50.

ASSEMBLYMAN OWENS: How many?

MR. THOMPSON: Fifty, when I was in school.

ASSEMBLYMAN OWENS: Well, do you feel under the present circumstances that a school system that has an average of 50 or near 50 students as members of the class can improve immeasurably by reason of improving teaching alone?

MR. THOMPSON: Yes, I certainly feel that.

ASSEMBLYMAN OWENS: You do.

MR. THOMPSON: Yes, in fact I compare my education and

my experience in school. Sometime back in the 1940's I came back after the second world war to grade school and I consider the education I received even in grammar school with those large classes is far superior to what my children are receiving in grammar school today in small classes.

ASSEMBLYMAN OWENS: Then naturally the primary consideration in your view is the educational result that would be achieved that comes from teaching itself?

MR. THOMPSON: That's right. I would like to reemphasize that I think a re-study or a study of the motivation, teachers' motivation, I think is in order, because as I pointed out here I think the tenure system has destroyed the proper motivation for attracting the dedicated teacher.

ASSEMBLYMAN OWENS: Now, following your thinking, suppose a school district where the teaching calibre is acknowledged to be quite low and the percentage of substitute teachers and inadequately-trained teachers is extremely high, what means would you use to uplift this criticism, considering also the tenure provision that does exist for many of those teachers who are not in the substitute category?

MR. THOMPSON: Once again, I would get rid of the substitute basis which we have described which presumably would mean a high turnover in classrooms and poor instruction, inconsistent instruction, and so forth. I would certainly institute some kind of an incentive system for teachers, one which would attract teachers permanently and would be cumulative in its effect both on the quality of instruction and on the stability of the teaching profession in a school.

district, and I suggest once again that a merit system such as I propose would be instrumental in the solution of such a problem.

ASSEMBLYMAN OWENS: One final question: Do you see any difference between the problem of elevating your school system and that of an inner city school district?

MR. THOMPSON: Yes, there are certainly quite different problems involved. I think the problems are a matter of degree rather than of an essential nature.

ASSEMBLYMAN OWENS: Well then, would you apply the same solution or attempt the same solution for both districts?

MR. THOMPSON: I would attempt somewhat the same sort of solution. However, I certainly would temper the recommendation with an examination of the individual teachers involved. For example, let me just point out that there are certain teachers that will naturally, you could say, tend to be the dregs of the profession as you have the dregs of any profession, that would tend to accumulate in areas where they could not find employment elsewhere. Now these teachers you could not work with on an incentive basis. You have to remember that in the specific situation where you have, shall we say, the dregs of society as far as the teaching profession is concerned and other elements, you must remove, cut out, perform major surgery in some cases in a ghetto area, which would not be a significant aspect in other school districts which are not ghetto areas.

ASSEMBLYMAN OWENS: But this would be very difficult where this particular kind of teacher has tenure.

MR. THOMPSON: Yes. As I see it, it is a question of

getting a system like this going. Once it's launched, it takes care of itself. I think it's a question of just knowing how to get it started, how to make an intelligent selection of personnel to start a program like this.

SENATOR HIERING: Thank you, sir.

I will call Mr. Richard S. Moore.

Mr. Moore, I hope you are not going to read this whole book.

R I C H A R D S. M O O R E: No, Senator Hiering. I am going to abbreviate my statement. I will address a number of my comments actually to past testimony and then would like to delve into the area of criteria.

Senator Hiering, Assemblyman Kean, and members of the Senate and Assembly Committees on Education: I would like to address my first remarks to the fact that municipal overload is an education problem. The tax rates in the urban communities have risen at such an enormous rate that it has now become a burden really to the educational structure. It reduces the flexibility and the upward mobility possible in the education tax rate.

On page 22 of my testimony - the thick one; it's about fifty some pages - you will find some comments directed directly to the municipal overload factor.

Because of the enormous increase in the tax rate and Table I in this presentation deals with the increase in the tax figures. It follows immediately after page 3. In checking this chart, you will see that for the ten most impacted districts in New Jersey, the average effective tax rate is \$5.68 per \$100 of assessed valuation.

Also on that same page you will see figures for ten selected suburban communities that approach the statewide average effective property tax rate. The average for these ten communities is \$2.61 per \$100 of assessed property valuation.

Now there is one community that has testified here today to the fact that their tax rate is enormously high for schools. That is the City of Woodbridge. Woodbridge has the combined total tax rate of \$2.43 per \$100 of assessed property values; \$1.60 of this is for the school tax rate.

Compare this, if you will, to Newark, with \$7.13 for \$100 of assessed evaluation. When you have such an enormously high rate, you can't possibly avoid an effect on the school tax rate. It places a ceiling on it, plus the urban communities can't begin to raise their school tax rates much higher than the level which they now are. Property owners just will not agree to this. It is too much of a burden on them. Consequently the entire total tax rate should be used in the formula, because this gives a more accurate indication of the need of the community and the effect that has been brought on the school tax rate by all the municipal services that have to be provided.

I would also like to direct some comments on the manner in which the 50 suburban communities were selected in the publication that was just handed you. A question arose earlier this morning about these 50 cities. They were selected on the basis of their proximity to the standard metropolitan statistical areas that make up our most impacted urban districts. This has

been a standard procedure used in economics and in government for a number of years dating back to the 1930's. It is done on the basis of standard metropolitan rings and the communities you find here are those that fit within the ring surrounding our urban communities. That's how they were selected, that of proximity. Of course, many of the rural communities are thus excluded and hence the enormous needs that are located also in our rural areas are not incorporated in these tax figures. This will just give you an idea of the suburban communities surrounding and adjacent to our urban communities and their needs and the fact that they will be receiving an increase of around 146 per cent in their per pupil support levels, whereas the urban communities will be receiving in the 90 per cent level - 82, I believe it was.

There was also a question directed about school construction needs. Last week I presented a 75 page study before the House of Representatives in Washington about New Jersey's capital school construction need. I will try to make copies of this study available to the members of the committee so that you can look it over at your leisure.

Suffice it to say that within the 10 urban districts which I represent, we have 149 schools that are over 50 years of age. Many of these schools are actually in excess of 100 years of age. It involves about 3,800 classrooms that are completely obsolete, overcrowded, over 50 years of age, and need to be replaced. Many of these are virtual firetraps.

I would like to also direct a comment on the testimony and the questions regarding Newark's receiving 10 per cent of the state school aid formula as opposed to their actual six

per cent of the total school enrollment of the State. Newark's needs for education are well known here. Newark presently has over \$314,000,000 worth of school construction needs alone. They have over 44 schools that are over 50 years old must be replaced. Many of these schools were constructed back around 1870 and they are certainly obsolete.

I would like also to tackle the question on AFDC pupils and the possibility of having control and accountability for funds that are directed to aid educationally AFDC pupils. I think this would be appropriate. I think we have to develop a system of accountability to insure that these funds will really be used to aid the educational experiences of these children. However, I do wish to take exception to the limiting environmentally handicapped, disadvantaged pupils to the AFDC category. I don't believe this is adequate whatsoever. There are far more pupils who are environmentally handicapped than those who are recipients of AFDC aid. In our ten districts there are 42,266 AFDC pupils. However, we have environmentally handicapped children, disadvantaged pupils in excess of 100,000 and all these pupils need aid. These pupils also include affidavit children and children who live in public housing projects. Also what should be incorporated into the consideration of disadvantaged pupils are those rural children who do not have adequate fund basis but yet at the same time are not AFDC pupils. In addition to this, I believe there should be a factor there for 9,000 population per square mile cities that have high population density. This is definitely a factor contributing to the needs of the children.

The New Jersey Urban School Development Council is in general agreement with the report of the State Aid to School Districts Study Commission. However, we also feel that S-633 in its present form will further increase the present glaring disparities that exist between educational opportunities in high income suburbs and those available in the low-income cities. This particular bill would definitely aid our ten cities. It would provide \$43,405,341 for our community. However, this represents, as I mentioned, a 92% increase as opposed to 146% increase for the suburbs.

Camden is receiving only a 52% increase. Nearby Cherry Hill is receiving 148% increase through this bill. We believe that we must begin now to narrow the educational gap between our suburban and urban communities. We believe that the weighting in the bill of a .5 unit weighting for AFDC pupils is inadequate to accomplish this. Thus, we are proposing a 1.5 unit weighting increase to a 2.0 unit weighting for AFDC pupils, or the possibility of block grants to the cities that will have strict accountability for the use of the funds to aid these pupils. Such grants should be in the neighborhood of fifty million dollars annually if we are going to begin to provide equal educational opportunities for all the students and pupils in our State.

We also believe that property is an inaccurate criteria for State aid. It certainly has been shown by economists and government officials for years to be a very inadequate measure of ability to pay. This is caused by a number of factors, some of which were brought out this morning. One of these

factors is the very fact that housing is inelastic. It is not flexible. The number of houses cannot increase and the low level or low ceiling you might have or the lowest possible rent paid is not that flexible. Hence, poor people end up paying far higher rents or far higher proportions of their income in the form of rents to maintain housing. In addition to this, we also have the factor that was previously mentioned-- the higher tax rates that exist between our urban communities and our suburban communities. This also tends to be extremely regressive and works against the poor and the near poor that are concentrated in our urban communities by the hundreds of thousands.

There are also regressive assessment practices. This comes about largely due to the fact that it is impossible often to accurately evaluate the value of a high income dwelling. Frequently the turnover in the high-priced properties is not sufficient enough to give an assessor an accurate picture of its true value, whereas the turnover rate in lower priced properties is extremely rapid and in many cases, because of this, you will find the assessors assessing the low income properties or low value properties in excess of their true market value, while the larger and more affluent dwellings are assessed below their level of true value.

We also would like to encourage the Committee to consider instituting a penalty factor to insure that the communities receiving the school aid will maintain their present levels of municipal educational support. Too often we are afraid that the money they would receive from the State would be used to lower their high property tax

rate, so this is definitely a needed situation. The property taxation rate is extremely high. New Jersey ranks third in the nation in its dependency upon the property tax. We need to begin assessing other ways by which the State can begin to reduce the high property rates, but the School Aid Formula should not be the means by which this should be done.

There is also a factor I would like to bring to your consideration and that is the means of absorbing the rising costs due to increase in school enrolments. Paragraph 9 in Senate Bill 633 deals with re-counting your enrolment and reporting it in May. The figures would be reported in September and reassessed in May, but the increases for such increased enrolment as do occur would not be coming to the cities for at least the second succeeding school year. This means that the school districts must carry these pupils in their enrolment and pay for their education for one solid year, in fact two years, for which they do not really receive any funds. We believe that if the budgetary requirements of the State are such and should be changed so that there is a flexible upper limit and estimates can be made of increased enrolment, a cushion fund should be developed to absorb such increased enrolment and increased cost to the aid formula so that money could be made available to these districts the following September rather than wait an additional year for such moneys.

In addition to this, we would like you to consider moving up the time schedule for full implementation to one and a half years rather than the three years suggested in

the report. We would like also, in regard to this, if it is possible, to move the formula over to a municipal per capita income rate rather than using property as a measure of ability to pay, that the three-year implementation date would be far more reasonable in that case. We definitely could provide figures, per capita municipal income figures, but it would take probably three years to develop a good system of maintaining this.

Now in regard to the criteria suggested for classifying school districts. All the urban communities are virtually barred from achieving this comprehensive school district rating. The proposed level of support would reimburse the cities from only a small fraction of the actual cost that it would take to attain a comprehensive school district rating. They would receive only an additional \$25 per pupil from the intermediate to the comprehensive rating, and this would not even pay for the just one criteria necessary, or suggested at least, in this comprehensive school district rating. That is that 40 per cent of the teachers should have Masters' degrees. It would cost approximately \$40 to \$50 per pupil to achieve this in most of our urban communities.

We would suggest rather that the suggested criteria be abandoned in favor of criteria based on need. We would like to suggest that the level of the local property tax should be one of these criteria, that a local per capita wealth determination, possibly income, should be another factor, and that adjustments for cost variations from cities and suburbs - from cities and suburbs and from areas that have socio-economic

characteristics that are not controllable in any other manner and that an adjustment should be made on these.

We think also that population density is a factor that should be considered, in addition to which the number of environmentally handicapped children should be considered. This includes not only the AFDC but also the handicapped children that we mentioned earlier.

We also believe that the average equalized valuation per pupil should be a factor and, in addition to this, we believe that the teacher-to-pupil ratio should be a factor, and certainly the percentage of student population housed in schools that are more than fifty years old should be taken into consideration in the formula.

All this culminates in the fact that what we really need is a comprehensive school aid formula. The proposed formula that is now in existence ignores such factors as transportation, school construction, special educational programs, pre-kindergarten and summer school programs. We feel that all these factors should receive state aid and it would be wise to have one formula incorporate all these factors within it rather than take a piecemeal approach to the problem. We feel that if we fail to do this, it will be just a system of educational support that moves from crisis to crisis, constantly sticking one finger in the dike and then another. If we have a comprehensive formula that covers all areas of school support and one that is flexible so that it can be modified by increased costs each year, then you have the entire situation in control. You are not going to be faced

every two or three months with new bills being brought up and new fights to get them through the legislature.

School construction needs in New Jersey are reaching crisis proportions. A report was released last year from the Governor's Office based on twenty dollars per square foot which estimated New Jersey school construction needs at 1.2 billion. Dr. Spair of the State Department of Education believes that a \$35 per square foot figure is a more reasonable construction figure projection for the next ten years. Presently in our rural areas, construction costs are running between \$23 and \$24 per square foot and in our urban communities from \$29 to \$35 per square foot. If such a figure is used, we find New Jersey's needs at 2.1 billion dollars. A breakdown of these figures will be available in the report that I made to the House of Representatives.

In New Jersey Urban Schools Development Council's ten districts, we have done a survey which revealed \$694 million worth of construction needs in our 10 districts alone. This is a tremendous need and certainly should receive consideration in a school aid formula.

SENATOR HIERING: Are there any questions?

ASSEMBLYMAN EWING: You mentioned the tremendous need for building - how do you feel about the single bid for school facilities?

MR. MOORE: You mean one single contract for the entire school structure rather than breaking it down into -

ASSEMBLYMAN EWING: The five major ones.

MR. MOORE: I think sometimes if you use just one bid

it's easier to pad, and I would rather avoid this. This isn't true in all cases but in some cases I feel that you have stricter control over appropriations if there are requirements that detailed bids be submitted in each area, and then these are strictly surveyed and assessed.

ASSEMBLYMAN OWENS: How do you feel about the teaching factor or the level of teaching in the school district. I will rephrase that. You heard the commentary of the previous speaker. What's your feeling about the teaching factor?

MR. MOORE: I believe that we do need some incentive salary scale. However, -

ASSEMBLYMAN OWENS: I know you haven't completed your answer but I want to ask, do you feel that there is anything in the formula that helps in this area?

MR. MOORE: Well, just the fact that of course the formula will make increased funds available to the cities and the cities themselves then will be in a better position to do recruiting. At the present time there is a shortage of about 1600 teaching posts in New Jersey which are being filled by substitute teachers, some of which are good but, of course, you never know what you are going to get when you get a substitute. It would provide them with an opportunity to reach out and do some centralized teacher recruiting. I personally feel that the State Department of Education needs a computerized branch which will be able to assess the qualifications of teachers all over the State and then direct them to districts

where they are needed. There presently is no data bank and no centralized clearing house for the State capable of recruiting from all over the nation. There are many teachers that get out of VISTA each year or come back from the Peace Corps that could be recruited through a central processing bureau in the State and then directed to urban communities where we need high quality teachers. Frequently the teachers who do come to the urban communities are those who cannot find employment in other districts and, because of this, you have a high turnover rate among the teachers and at the same time you get lower quality production from them. Many of them are there just tolerating the conditions in the urban schools and certainly something needs to be done to attract the finest possible teachers to the areas where the greatest need is, and right now that's in our urban communities. So a set of scales, a recruiting program, anything of this nature that could be developed on a state-wide basis, I think would help alleviate the problem.

ASSEMBLYMAN KEAN: I have a couple of questions.

I'm sorry I'm not more familiar with your organization. You certainly have given impressive testimony and impressive documentation. Are you funded by the school districts you represent?

MR. MOORE: We are funded under Title 3 by the Federal government. The actual grant goes to the Elizabeth School Board. It's a grant that has to be administered by the local school board and then in turn the money comes to us. The money, of course, goes to the State Department of Education

and then to the Elizabeth School Board.

ASSEMBLYMAN KEAN: You are talking about AFDC as part of the formula and also then mention possible block grants as an alternative. I am interested in that because I have a feeling, and I think you do, that the AFDC may not be the right criteria. The trouble with block grants - and I am not posing this in the form of a question - the legislature, not in the amounts you have been talking about, is in the process of making grants to various urban municipalities this year. The Assembly version of that grant was we were going to make those grants to the school board and were informed by certain individuals that the municipalities would have no trouble in taking that money out of the school board and using it for their own purposes.

MR. MOORE: From the press coverage of this, it looks as if that may happen. We are worried about that.

ASSEMBLYMAN KEAN: I am interested in your reaction - if it can be done that way, could it be done with this formula? In other words, can the money be siphoned off that this legislature and others mean should go to the schools - can it be siphoned off into other areas?

MR. MOORE: Not without difficulty and certainly controls can be developed for strict accountability, defining specific costs in certain areas that the money must be spent in, say for disadvantaged children. A comprehensive study needs to be done of the needs for these children and the proportionate areas that this money needs to be directed into, so that the communities themselves can

wisely spend the money. In many cases our urban districts are fully manned at the upper levels because they don't have the money to go out and get people, people doing the planning, necessary to make wise decisions on how to spend it. We need at the State level companies and organizations that can help the communities to plan, long range planning, and decide upon priorities for spending this money so they can get the highest return per dollar. I think these control factors can be created and without too much trouble. It's just a matter of getting the experts together and getting them to sit down and work it through. I think we can avoid seeing huge amounts of this money siphoned off.

ASSEMBLYMAN KEAN: I hope so. When you talk about property being bad measure, I would agree with you, but it was ideally, obviously, income, and you seem to believe that this would not be a hard thing to find out. Just how would you go about this? I am ignorant in this field. I am not sure I know how you would go about finding out the income measurement in a community in order to base the formula on it.

MR. MOORE: My background is in systems analysis and I work with DuPont and several consulting firms in the Princeton area in computerized projects, and it would be relatively simple for a consulting firm, say, for example, Applied Data Research in Princeton, to work with the Internal Revenue Department to get figures to develop municipal income figures and computerize it so that it could be constantly updated as the population in the community changes. It would take a little bit of time but certainly within three years a fine system could be developed and there shouldn't be too many problems. There

might be a few problems with resort communities and a lot of people have a stake in property and their income is not registered with the State but there are factors, for example, that could be incorporated into the formula to take care of exceptions like this.

ASSEMBLYMAN KEAN: Will the Internal Revenue Service make these figures available to the State?

MR. MOORE: Yes.

ASSEMBLYMAN KEAN: One final question: I am surprised at your \$40 to \$50 per pupil cost for teachers with a Master's Degree. Is this based on increased salary?

MR. MOORE: This is not just increased salary. The problem the cities are finding, of course, is the recruiting problem too. Just the fact of trying to entice people with high educational background into the cities is no easy task and because of this the salary schedule would have to be higher in many suburban communities and then the overhead cost for attracting them into the impacted educational areas would have to be a very efficient machine to do this, and it would run along those lines. That, of course, is projecting at the same time a decrease of the present pupil-teacher ratio, which in many of our communities is in excess of 40 right now, down to the level of 25.

SENATOR DUMONT: How much do you estimate this program as you have outlined it would cost in State aid? In other words, we have a \$184 million program here. I don't gather from your testimony we could ever hold it to that in view of what you envision.

MR. MOORE: I would estimate it would run in the neighborhood of \$225 to \$230 million, which should cover these additional features.

SENATOR HIERING: Thank you, Mr. Moore.

Mrs. Milton Gordon.

M R S. M I L T O N G O R D O N: Senator Hiering, Members of the Senate and Assembly, I would like to express my appreciation for the opportunity to address this hearing.

I am Mrs. Milton Gordon of Haddonfield, New Jersey, and I am here as a member of the Education Committee of the Citizens' Advisory Council of Camden. The Council, under the chairmanship of Mr. Arnold Weber, is a coalition of people from the city of Camden and suburban environs, with a wide variety of interests and activities, both professional and lay, who are attempting to deal with and find solutions for the myriad problems of inner city life. Council members are top-level representatives of labor, industry, business, finance, religious institutions, and civic and civil rights associations. I know that I speak for the Council in support of Senate Bill 633 because we recognize that no matter how much concerned citizens can accomplish in improving the quality of life for all in our community, ultimately we must turn to you, the State Legislature, for the final solutions to inequity and injustice.

My personal interest in education is, first, as that of a mother. Although my three children are well beyond high school age, they are all products of the New Jersey public school system. In addition, from 1960-1967, I was a

full-time member of the faculty of Rutgers University, Camden campus, in the English Department. During that time I assisted the School of Education as an observer for practice teachers in the county and had an opportunity to become familiar with the criteria for certification. This past year I served as a volunteer tutor at Camden Community College, working with a number of young women from minority groups in "Operation Second Chance." The hope of the College is to help these young people advance to a level of academic capability which will enable them to enter as regular matriculating college students in the coming year. Although I was ostensibly involved in helping my students to develop more fully their linguistic skills, I recognized quite early that my greater responsibility lay in adding what cultural enrichment I could to their lives and in giving them the opportunity to call on me for explanations of concepts with which they were unfamiliar and the lack of which set them apart from their fellow students.

So, although I have not been directly involved in public education on the elementary and secondary levels, I think I have come to understand the liabilities with which many of our young people are burdened when they attempt to further their education - liabilities which, undoubtedly, were assumed in their early years of schooling.

For this reason, and with apologies for the personal references, I should like to address myself to that portion of Senate Bill 633 dealing with environmentally-handicapped

students, for this portion, to my mind, is its most important aspect.

Certainly, we are all concerned with improving the quality of education throughout the State for the more advantaged pupil as well as the disadvantaged. But it is my firm belief that a culturally-enriched home environment can compensate quite easily for poor educational standards, because in such an environment there is actually a continuing process of education, if only by osmosis. It is the culturally-disadvantaged youngster who must be given, once and for all, a real opportunity to develop his capabilities to the fullest capacity. All this, I know, the members of the Commission recognize, and I reiterate my gratitude for this recognition. But I appeal urgently that the weighting for environmentally-handicapped children be increased. A program that becomes token will result in failure, and we simply cannot fail now. The amount of money that will be needed to develop creative and challenging methods of compensating for cultural deprivation is certainly greater than that required for normal elementary education because these methods will require totally new approaches.

Furthermore, the .5 weighting will be available only to AFDC children. Even though all AFDC children in a given district will be included in arriving at the amount of money allocated for such programs, the fact is that there are many non-AFDC youngsters who are culturally deprived. The parents of these youngsters may be able to earn incomes above welfare levels and still be incapable of providing an environment for

their children which is equal to that of other, more fortunate ones. I am aware that it would be extremely difficult to arrive at an accurate estimate of the number of such children, but since they are most likely to be found in the inner-city districts with the highest percentage of AFDC children, added weight for the latter would benefit them also. From the Commission's report it is obvious that the members wrestled with this problem and finally arrived at what they consider a reasonable figure, but I would strongly urge a reconsideration of the weighting factor, to be increased to 1.5.

Finally, I should like to express, on behalf of the Citizens' Advisory Council and myself, our sincere appreciation and commendation to the Commission and the Education Committee of the Senate and Assembly for their efforts in proposing and implementing a long- and sorely-needed program for State support of public education.

SENATOR HIERING: Are there any questions? (No questions)

Thank you very much.

I will call Mrs. Jerrothia Riggs.

M R S. J E R R O T H I A R I G G S: Senator William T. Hiering, Members of the Senate and Assembly Committees, all concerned with the quality of education for the children of New Jersey, may I express at this time my sincere thanks for the opportunity to address this hearing.

I am Mrs. Jerrothia Riggs of Camden, New Jersey.

The National Association for the Advancement of Colored People came into being a short sixty years ago. The response to the historic call for "a national conference for the

discussion of present evils, the voicing of protests, and renewal of the struggle for civil and political liberty was answered by distinguished American educators, clergymen, social workers, publicists and philanthropists. Called and organized by the Negro and white citizens, the National Negro Conference gave birth to the NAACP.

The National Association for the Advancement of Colored People is widely recognized as the first sustained and powerful nationwide organization dedicated to the task of securing equal rights for Negroes in the United States. Now 450,000 strong in 50 states of the Union, the Association in its 60th year wages the battle for civil and political liberty.

As a member of the Executive Board of the largest county branch, I am a representative of the Camden County Branch of the NAACP. Our branch is 3,500 members strong.

The broad scope of my interests in public school education is vested in being the parent of 7 children, 6 of which are high school graduates and 3 are college graduates. Two are skilled technicians in their respective fields, one still serves our country, and the youngest is a Junior High student in the public school system of Camden City.

My observations have been that my own public school education (30 years ago) was of a broader curriculum in Philadelphia schools that prepared the student to reach out toward any course of direction of his or her choice of the times.

(2)

This has not been the facts with the experiences of my own children graduating after 12 years in the public school system. Facts and data were and still remain inaccessible to parent and pupil alike unless pressure is brought to bear. Special beneficial program data are not made public unless requested by individual parents or groups. Many times this information or the source of same is made available too late to benefit the student. Many parents are unaware of useful relevant data or a source from which to secure such. For these reasons and many more I feel the State Support Program will benefit student system and urban community alike, by opening accountable channels, answerable at state levels.

The State Support Program will offer areas for an evaluation of the comprehensive reading requirements, progress reports and accomplishments. Many groups and individual parents have sought this true picture of needed improvements and implementations of such. These need which must be met, here and now, can be met with the funds to be provided by the state. Direction of said funds by the state and the accountability by the local levels to the state can eliminate repetition (of unsuccessful, fruitless and shallow programs).

The problem of a basic index for the purpose educating the children of the poor and ethnically different (principally black, Puerto Rican/and or urban) should be 3 times greater than the that index embracing the ADC child which is to be used as the representative factor.

Since school systems are not meeting the needs of the environmentally handicapped pupils, a correlation between the two must be made for true representation of the disadvantaged pupils. Educational programs sustained by state financial support will be the long awaited state participation in the development of school policies and the execution of such needed changes which will be welcomed in many cities.

The rating of school districts (standard, intermediate, and c comprehensive) as a basis of the level of support will encourage educational effectiveness and administrative efficiency. But how can a system upgrade itself, when it is given the additional state support only after it has done so? It is like asking a starving man to win a footrace in order to get some food. First he must have the energy with which to win the race. Recommendation: provide block grants to systems submitting acceptable plan for upgrading their system, then reward their accomplishments.

The rating of school districts, etc.

The State Support Program will provide the very boots by which one may be able to pull himself up by his own boot straps.

We appreciate the great efforts of the Commission and the Senate and the Assembly Education Committees to educationally equip all the children of our State to participate fully in a democratic society.

SENATOR HIERING: Thank you very much, Mrs. Riggs.

I will call the Reverend Richard R. Whitham.

REV. RICHARD R. WHITHAM: Senator Hiering and members of the Senate and General Assembly Committees and all concerned with the education of our children in New Jersey: I wish to express my appreciation for this opportunity to speak to those who, perhaps more than any others in the State, are in a position to make possible the badly-needed improvements in our school system.

I am Rev. Richard R. Whitham of the Camden Metropolitan Ministry. I live at 315 State Street in Camden. We have a standing record of five years of intensive interest and involvement in support of public school education in Camden. Furthermore, my children are the victims of its inadequacies.

I would like most sincerely to compliment Senator Bateman, even in spite of his absence, and the Study Commission for their proposed State School Support Program. I have an idea of what is involved in the preparation of such a program, especially in the climate which now prevails in New Jersey, and perhaps especially in its Woodbridge Township. To propose such a program and eventually to act upon it will take a great deal of high purpose and political courage. We all

commend you.

The proposed State School Support Program is also to be commended because it finally expresses in a substantial way what has, up to now, been largely rhetoric; namely, in the language of the report, that "education is a State and not a local responsibility." It is a State responsibility not only because the people with their children are citizens of the State, but also because only the State has the means to carry out this responsibility. Local school districts, when they are incorporated in our deteriorating core cities like Camden, Newark and Jersey City, simply do not have either the means or the wisdom to carry out the grave responsibility for education of the young. The proposed State School Support Program is a first step, a large step, in this direction. We hope New Jersey will live up to its responsibilities as one of the wealthiest states in the nation in proportion to its population.

Though we have great hope for the benefit of the proposed State School Support Program, we want to point out that it is not truly a comprehensive program. It does not make adequate provision for school building needs in the poorer districts. Camden is a case in point. I need not spell out the details of our building needs. They are like other poorer cities. Many of our buildings are old, inefficient and falling apart and they barely keep the rain off the textbooks. That's bad enough, but even worse than that, in the next three years the State Highway construction program in Camden will result in the demolition of three of our schools

in the poorer areas of our city. This is a state-funded plan to remove the schools but not a state-funded plan to replace them. Because of effective racial jealousies, ignorance, apathy and powerful political opposition, our two attempts to get approval for a bond issue to build new schools have been smashed by impressive voter turnouts in our white neighborhoods. Camden is only typical. In any city where school construction needs conflict with other claims upon exhausted borrowing power, collapsing tax bases, or expensive urban renewal commitments, it will be difficult or impossible to pass the necessary bond issues, the generous State debt servicing assistance notwithstanding. Furthermore, local bonds are an expensive way to borrow money. Much better would be, in terms of the interim report of the Committee on Civil Disorders, "a state school building authority," as recommended by the Committee. Failure to meet our building needs in Camden will result in double sessions very soon, further limitation in education, especially of the children of the poor, more undereducated graduates, social unrest - all of which will be more expensive even in the short-run than a State funded school construction program.

We would also urge that the State School Support Program be revised in the manner in which it reckons a local school district's ability to support its schools. Real property values such as has already been noted here may indeed be a practical way of estimating the wealth of a community, but they are by no means accurate for older cities like Camden. It has often been said that "the poor pay more."

This is certainly true in respect to housing, which is a large part of the real property valuation in older cities. Property values do not accurately reflect wealth or the means to support municipal or educational services. Personal income, though less convenient, is a fairer and more accurate index of wealth upon which to base the State School Support Program. We urge the program's revision to include this.

We thank you for your attention. Be assured that we appreciate your concern and efforts on behalf of our children. In a very important way, their future is in your hands.

SENATOR HIERING: Thank you very much, Reverend.

Mrs. Clara Williams.

M R S. C L A R A W I L L I A M S: Senator Hiering, members of the Study Committee and other members of the Senate and General Assembly, I am Mrs. Clara Williams of Camden, New Jersey. I am here first as a parent interested in a fuller and more complete education of my children. I have four now attending three of the public schools of Camden. I have worked with many of the PTA's in the beginning. My interest increased when there was a lack of parent participation in the groups. I have worked with the election and now with a group called "Citizens for Better Education." We are planning a group with the Board of Education now for Neighborhood Advisory Councils.

I approve the school support program, Senate Bill 633, because I feel it is the main staff of life toward making a better citizen of all people even if their education doesn't

start until adult life. Because everyone cannot afford the cost of private tuition a state supported school allows all children the equal opportunity of a good education. It allows every parent and concerned citizen to better participate in the betterment of a community on the whole. The mass migration from urban to suburban living has caused a much greater need for state supported schools.

With the help that we now get from state supported schools, there is always need for improvement. The factor is geared only to the ADC children but there are many that are living in poor environmental disadvantaged homes that are not included in the .5 factor. If these other children can only be counted as ADC children, then I feel the factor should be raised to 1.5 to deal with the problem. The school is now becoming the home of many children. The need to include all of them is much greater. The compact living now is closing the opportunity for enjoying their surroundings.

I feel the Senators and the Commission have worked earnestly with this problem and feel their decision was well founded without partiality to any child. But consideration should be met for the uncounted child. I would like to thank the Senate Commission and the Education Committee on behalf of Citizens for Better Education and myself for their continuous work to a better education for all children.

SENATOR HIERING: Thank you very much, Mrs. Williams.

I have one other gentleman on the list here, Mr. Francis J. Ziegler who is Executive Director of the New Jersey Taxpayers Association. He called in and said he couldn't be here today

but that he will deliver a statement to us tomorrow and, of course, we will put it in the record.

Is there anyone else who wishes to be heard?

There being no further witnesses, I declare the hearing adjourned.

NJTA

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STATEMENT BY NEW JERSEY TAXPAYERS ASSOCIATION
RE SENATE NO. 633, (ASSEMBLY NO. 728)
STATE SCHOOL INCENTIVE-EQUALIZATION AID ACT
SUBMITTED TO JOINT COMMITTEE ON EDUCATION

STATE HOUSE, TRENTON, N. J.

MAY 13, 1969

My name is Clarence J. Ziegler. I am Executive Director of the New Jersey Taxpayers Association.

We wish to commend the State Aid to School Districts Study Commission on its Final Report submitted to the Governor and the Legislature, December 19, 1968. We further wish to commend this Committee for scheduling a series of public hearings, to consider the legislation which would implement the Commission's Report.

We are concerned with the emphasis in the Report on the amount of aid which each district would receive under the proposal. We recognize that the calculations were based on what can only be defined as arbitrary classifications with respect to what constitutes a standard, intermediate or comprehensive district. The absence of specific criteria which would be the basis for such classification obviously generates such criticism. However, this observation should not be interpreted to mean that we are opposed to the classification advocated. On the contrary, we favor such an approach and assume the criteria will follow. Even more significant is the necessity for development of an evaluation process for both elementary and secondary schools by the State Board of Education. This subject was touched on briefly at the meeting of the State Board of Education last week.

At this time we are unprepared to express a judgment on the formula itself. We have frankly had insufficient time to explore its workings and ramifications in view of the priorities placed by the Legislature on other subjects during the current session.

We would like to express some reservations and offer suggestions on a number of other recommendations in the Report:

1. No evidence is presented in the Report to support the weighting factors assigned for pupils. We assume that the weights are being used in one or more other states and resulted originally from some type of cost accounting procedure or an arbitrary assignment. In any event the basis for them should be stated. Those studying the Report will benefit if they are shown the relationship of the assigned weights to current expenditure experience in New Jersey.

2.

2. Recommendation 12 calls for the Legislature to create a Permanent Commission on State School Support to study both the operation of the proposed school support program and other facets of State school support in New Jersey including five specific areas in which the State is already spending millions of dollars.

Recommendation 13 calls for the Permanent Commission with aid from the Commission on State Tax Policy to study (a) use of income in measuring fiscal ability of school districts and (b) the problem of municipal and county overload as it relates to school finance.

We have seen no legislation to implement these two recommendations. We believe they could and should have been implemented without delay. We propose such action be taken before any legislation is enacted to implement major aspects of the Report. Those projects set forth for further study should be thoroughly explored before enacting major aid changes since they are the real crux of the problems. Recommendation 7 relating to pupil transportation is one of five related support programs set forth for study.

3. We agree with Recommendation 10 that when more than half of a school district's revenue comes from the State, its budget should be reviewed by the State Department of Education. This action can and should be implemented immediately.

4. We currently have reservations about putting the State support program into full effect over a three-year period. Such action calls for more detailed long range revenue and expenditure projecting than has been publicly revealed in recent years by either the Executive or Legislative branches of State Government. A single recent exception was the effort in the "Report of the Governor's Commission to Evaluate The Capital Needs of New Jersey." We strongly recommend that appropriate agencies of State Government, upon completion of the fiscal package for 1969-70 and this spring's legislative session, evaluate spending and tax needs for fiscal 1971 to 1975. Decisions can then be made as to how an expanded new aid program can best be integrated with financing alternatives.

5. We agree strongly with one particular point in the proposed legislation. On page 5, section 3 e, lines 55 to 57, one criteria of a comprehensive district is set forth: grades K through 12 and an enrollment of at least 3,500 pupils.

While we find nothing in the Report to support these criteria, we are aware that they are proposed in the more recently issued "Report of the State Committee to Study the Next Steps of Regionalization and Consolidation in the School Districts of New Jersey".

To our organization, the recommendations in that report to the Commissioner of Education are even more significant at this time than the proposals for increasing State school support. Reduction in the number of school administrative units in New Jersey is essential. We would be forced to take a dim view of any drastic increase in State school support without simultaneous or previous reorganization of school districts. Unless the two go hand in hand, we can foresee only a continuing upward spiral in property taxes and a failure to achieve the maximum utilization in spending the educational tax dollar. We feel certain the members of your joint committee share with us the concept that state aid to education is not simply designed to offset local costs but to enhance the opportunities for an improved educational environment. Thus we recommend that all pertinent facets of the elementary and secondary educational system be considered coterminously.

Thank you for the opportunity of appearing and presenting this statement.

