

Public Hearing

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before

EDUCATION FUNDING REVIEW COMMISSION

"Components of an Education Funding Formula"

LOCATION: Union County
Vocational School
Scotch Plains, New Jersey

DATE: October 25, 1993
6:45 p.m.

MEMBERS OF COMMISSION PRESENT:

Albert Burstein, Esq., Chairman
Dr. Margaret E. Goertz, Vice Chairperson
Dr. Robert Boose
Dr. Vito Gagliardi
Thomas P. Geyer
James Moran
Melody Sawyer Richardson, Esq.
Michael Ritacco



ALSO PRESENT:

Kathleen Fazzari
Office of Legislative Services
Secretary, Education Funding
Review Commission

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, CN 068, Trenton, New Jersey 08625



ALBERT BURSTEIN, ESQ.
CHAIRMAN
MARGARET E. GOERTZ
VICE-CHAIRPERSON



New Jersey State Legislature
EDUCATION FUNDING REVIEW COMMISSION
LEGISLATIVE OFFICE BUILDING, CN-068
TRENTON, NEW JERSEY 08625-0068

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SECRETARY

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DR. VITO GAGLIARDI
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DAVID PAUL GOLDMAN
JAMES MORAN
MICHAEL J. PERRUCCI, ESQ.
MELODY SAWYER RICHARDSON, ESQ.
MICHAEL RITACCO
DENNIS TESTA
HELEN W. WALSH

NOTICE OF PUBLIC HEARING SCHEDULE

The Education Funding Review Commission will hold public hearings on the following dates:

1. October 11, 1993
6:30 P.M.
Toms River High School North
Auditorium
Old Freehold Road
Toms River, New Jersey
2. October 18, 1993
6:30 P.M.
Burlington County Special Services
School District
Woodlane Road
Mount Holly, New Jersey
3. October 25, 1993
6:30 P.M.
Union County Vocational School
1776 Raritan Road
Scotch Plains, New Jersey
4. October 27, 1993
10:00 A.M.
Convention Center
Room 216
Atlantic City, New Jersey

The public may address comments and questions to Kathleen Fazzari, Secretary to the Commission, or make scheduling inquiries to Mary C. Lutz or Bernadette Kmetz, secretaries, at (609) 984-6843.

The witness list for each public hearing will be limited to 20 persons and testimony will be limited to 5 minutes per witness. All persons who are testifying should submit 20 written copies of their testimony. Persons who are not presenting oral testimony may submit 20 copies of written testimony for consideration by the commission and inclusion in the record.

Issued 10/1/93



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ALBERT BURSTEIN, Esq. (Chairman): This is a public hearing before the Education Funding Review Commission. I think it would be helpful to the members of the Commission sitting down in this pit for you to come a little closer together, if you would, from the back rows forward, so we have a cohesive organization in front of us.

Now, the ground rules for the evening are quite simple. We have a fairly lengthy list of persons who have indicated that they desire to testify. We are here to listen to you. It is not really a matter of dialogue. We want to hear what you are thinking as we go along in the process of developing a funding system that we are to recommend to the Governor and the Legislature.

Ordinarily, we try to limit speakers to five minutes each, particularly so on an evening like tonight, where we have so many speakers on the list. We are prepared to accept beyond those that we have thus far, anyone else who wishes to speak, but, please, come up at this point and give your name to Kathy Fazzari, our Secretary here.

Other than that, all we ask of you is that you speak to us in a way that we can hear. I think the microphone is going to be on. In any event, we will be able to hear you quite clearly, I am sure.

We welcome all of you here this evening. It is a pleasure to be in Union County. We have been in other parts of the State up to this point. We will be down in Atlantic City on Wednesday. We are getting some very good ideas from people with regard to what we ought to be doing in coming years. So thank you for being present.

We will get started with the first speaker on the list, Pat Demarco.

P A T R I C K D e M A R C O: Good evening. I am Pat Demarco, from Roselle Park, representing the Roselle Park Senior Citizens Educational Advisory Committee.

Our objective is to find ways, in consultation with the school administration, to provide quality education for our youth without overburdening the senior citizens and resident taxpayers with ever-escalating property taxes.

The objective is necessary since Roselle Park's equalized tax rate for 1992 was 64 percent higher than the State average tax rate. We are a town with limited property tax ratables, mostly residential with lots of State education mandates.

Our recommendations for a new funding formula are:

a) To include a high foundation level of funding -- pay most of the education expenses.

b) It should be per capita based; for example, give each district \$9000 per student.

c) It should be funded with a broad-based tax such as a statewide tax, which would eliminate burdensome local property taxes for education.

Some of our other comments which I would like to relate to you are as follows:

Since most of our educational programs are State mandated, the State should pay for them. Any new State mandates should be funded by the State, rather than local districts.

Over the years, special education costs, including transportation bills, have escalated much more dramatically than any other part of the budget. Here again, the State is mandating that local school districts provide better care and education for our handicapped students. Of course, it is well-intentioned and money well-spent; however, there is a limit to a senior citizen's ability to pay when so many are on fixed incomes.

We are told by our administrators that we get aid for students on our rolls as of October 15. If someone moves into town after that, no aid is given for several years. The State

must devise a plan, especially for special education students, by which their State aid follows students wherever they go in New Jersey.

The State should define what it means by a thorough and efficient education, and should provide proper and sufficient funding for it. Anything above T&E should be funded locally.

Special needs, foundation aid, which is the middle-income districts, and transition aid, wealthy districts, should never be placed in a position of competing for State education funds.

Now, on behalf of our Committee, thank you for giving us an opportunity to speak with you. We wish you success in your efforts to establish a fair and equitable formula for all.

MR. BURSTEIN: Thank you very much. Thank you.

I must tell you that you must have a very lively community, because my office has been inundated with petitions and letters from Roselle Park. But I thank you for bringing it to our attention.

MR. DeMARCO: Okay. Thank you for allowing us to talk to you.

MR. BURSTEIN: Ms. Judith B. Nudelman.

J U D I T H B. N U D E L M A N: Hello. I am here to speak for the library community. My name is Judith Nudelman, and I have been associated with libraries for most of my life. First and foremost, as a library user and, for the last 18 years, as a Trustee of the Ruth L. Rockwood Memorial Library, which is the Public Library of Livingston. I have also served on many State committees and advisory boards, including the State Library Advisory Council and the New Jersey Library Trustee Association. As part of my duties, I visit many New Jersey libraries each year, and I am concerned with the eroding State aid and the effects of this lack of funding.

In times when libraries are charged with providing more and more expensive services to their patrons, the percentage of State financial aid is less and less. This has caused an increased burden on local taxpayers and has resulted in greater differences between the libraries in affluent and economically disadvantaged communities.

In our library in Livingston, we have over 15,000 cardholders out of a population of 26,000. Two hundred and sixty-two thousand library users entered our doors last year, with 40 percent estimated to be K-12 students. It is our goal to serve all of these patrons, but we believe that we have a special mandate to serve the children of our town from the time they can hold a book until graduate school. Here are some available statistics of the impressive use of our facilities by the students of Livingston:

- * This past year in our children's department, 12,000 K-6 took part in story hour programs.

- * 1995 students participated in class visits to our library and classroom visits by our librarians to their schools.

- * 1825 students used 988 books -- and this is only the children's department -- reserved by teachers for various school projects.

- * Our young adult division circulated 42 books and videos for SAT and college board preparation to 1606 high school students.

- * Our reference department answered 8802 questions posed by elementary through high school students and provided 11,210 articles from periodicals to these students.

We have no statistics on how many books were taken out by these students just for fun, but there were many. The programs and services we provide encourage the joy of reading, learning, and knowing that will last a lifetime. We are not unique, but we are very lucky; lucky that we exist in a library-friendly, fairly affluent community.

In 1992, our library budget was \$1,325,127. Of this, our State aid amounted to \$28,377. This year, with a budget of \$1,421,296, our State aid is \$28,272, less than 2 percent of our total budget. This is a far cry from the 20 percent that was intended when this formula was instituted. As I said before, we are lucky in Livingston. Our town can afford the luxury of a good library.

But libraries are not a luxury; they are a necessity. They lay the foundation for literacy and learning and -- like the schools -- should not be subjected to the whims of local attitudes or economics. Good libraries are needed in all areas of New Jersey -- urban, rural, or suburban.

We are a part of the Department of Education for good reason -- we educate. But our current allocation of one-fourth of one percent of the education budget undermines this function.

We ask you to increase this percentage to a permanent 1 percent of the State education budget to help libraries join with the schools to provide all New Jerseyans with vital, active centers for literacy and information.

The public library is a learning center for the whole community. Please help us to keep it alive.

Thank you.

MR. BURSTEIN: Thank you very much.

Lorelei McConnell.

L O R E L E I C. M C C O N N E L L: Good evening. My name is Lori McConnell. I am the Director of the Irvington Public Library, and my colleagues in the New Jersey Library Association have named me New Jersey Librarian of the Year. I appreciate the opportunity to give this testimony. I speak with the same level of commitment and concern as the other librarians who have appeared before you, and I am speaking on behalf of urban students in a special needs district.

Irvington High School is directly across the street from the public library. After school, evenings, and Saturdays

our library is a natural magnet for youngsters with homework assignments. Much of the use of our large periodical collection, valuable for both current and historical information, is by local students.

In our multicultural community, we are careful to reflect the ethnic origins of the population by providing materials that encourage self-esteem and pride. Since school curriculum emphasizes black history in January and February, we are careful to purchase in depth and breadth to meet the intense demand engendered by grades 1 through 12.

Funded by a State Library grant, our fax connection will soon link the public library with every school in the district to encourage cooperation among teachers and librarians. Prepared if we know assignments in advance, we can better assure that homework is a learning experience, rather than an exercise in frustration.

To engage the entire community in a recognition of the artistic talents of our youngsters, the public library hosts an annual month-long districtwide art show and reception. We are also the site of two college fairs each year.

Younger students have the same benefit of homework assistance and enjoy class visits and the summer reading program. Story hours for day-care centers and nursery schools give an early foundation for reading, and our Read-Outs have volunteers reading bedtime stories to parents and their children.

Our branch library, situated in the poorest and most crime-ridden section of town, is a safe haven for latchkey kids. Giving structure and discipline not always found at home, our staff does not let these children participate in film or craft programs until their homework is done.

You can see that we have a high level of energy and commitment. We do a lot with what we have.

Finally, funding. Of 221,000 visitors to the library in 1992, the majority were public school students, and yet they entered the same library their parents had entered -- and their grandparents. We have no computers, no dial-in access, no CD-Roms, no computer access to Mr. Gore's information highway. My question to you is: How will these urban children compete in the 21st century?

The disparity between our library and our more affluent neighbors is visible. Our carpets and windows are not clean; we can't afford to clean them and buy books too. Our lighting is inadequate; we can't afford to replace fuses, ballasts, and yellowed plastic diffusers. Our book collection, like those in most urban libraries, is not as up-to-date as it should be, nor can we buy adequate multiple copies. The audio-visual collection is obsolete, and we can't afford to improve it.

How can we get equity for our urban young people? Funding the public libraries with State aid at 1 percent of the State dollars allocated to education would go a long way toward providing us with the means to address their needs. Their education does not stop at the schoolhouse door, and we are a proven and experienced partner in the education process.

Thank you very much.

MR. BURSTEIN: Thank you.

Catherine R. McErlean.

C A T H E R I N E R. M C E R L E A N: Good evening, Chairman Burstein and members of the Commission.

In a typical public library on any afternoon, you will find students of all ages presenting class assignments, book lists, and series of questions to the library staff and asking for help; help, first, in understanding what is on the sheet of paper -- some have difficulty in reading it -- then, in interpreting and getting a focus on what their task is, and

finally, getting their hands, and hopefully, their minds, on the information they need.

At 2:30 on weekday afternoons, the school buses start taking children home. At 2:30 the activity in the public library begins to heat up. The pay phone gets a lot of use as youngsters begin calling home to make alternate transportation arrangements. Some of these children work in the library until the supper hour and beyond. Junior and senior high school students arrive throughout the afternoon, and often are in the library until 9:00 at night, extending their education day by another six hours, using the tools and resources that they cannot find anywhere else. The school libraries are doing their best, but they, too, are often working with limited funds. After school, the doors to the school libraries are normally locked. The school athletic fields are open, but the libraries are not. This image of the public library, then, as a multigrade study hall is repeated on Saturday and Sunday afternoons and through the summer months as well.

To provide this service requires a tremendous fiscal juggling act. The typical public library is run on a budget of less than \$25 per resident per year. This is less than the cost of a single hard cover book.

The emphasis in education today is on leading students through the process of using many reference tools -- both text and on-line -- in researching and developing their assignments. Nowhere is this ideal more embraced than in the State of California. Yet, while Sacramento subscribes to this goal, public libraries in that state are being shut down, hours curtailed, staffing reduced, and many libraries are sharing librarians and forgoing new purchases due to reduced state funding. It is a frightening situation.

We in New Jersey cannot afford to make the same mistake. We cannot strangle the efforts of the very institutions that are providing education in its broadest sense

to the people of this State, especially the upcoming generations.

The public libraries are really community learning centers that are open seven days a week, twelve months of the year. They are busier in bad economic times than in good. Out-of-work citizens use the public libraries to run down job leads, to research companies, and to prepare resumes, and they have a staff assisting them in their efforts. Literacy volunteers can be found in the public libraries teaching citizens of all ages how to read.

These community learning centers are caught in a vise of increased use and decreased State funding. Book and subscription prices are increasing and new technologies are changing daily. Keeping up with these changes, providing the equipment and hookups necessary, and keeping an informed and educated staff ready to serve are a constant challenge.

The public libraries are not in the business of developing collegiate or professional athletes. They are in the business of education. Every time a computer-shy person is shown how to use the computer catalog to search for and find information, learning has taken place that advances us all. We must be able to provide this access to information and education to all citizens, not just to those who can afford it.

The challenge keenly felt in the public library or community learning center lies in the creation and maintenance of service delivery and in the prevention of burnout which causes frequent and costly staff turnovers. Each year there is more work, less money, and the staff gets stretched a little thinner. If a few staff members go to a workshop to learn how to surf the Internet, or how to use other recent technological advances, the remaining staff is hard-pressed to keep things going back at the public library. Sometimes, being on the cutting edge feels more like being on the ragged edge.

Public libraries are not peripheral entities or cultural niceties. They are at the core of our educational efforts in this State. We must see this reflected in their position and treatment in the State budget process. Public libraries need more of the education budget dollars, since they are expected to provide so much of the education that is basic to New Jersey's economy.

Thank you.

MR. BURSTEIN: Thank you.

Joseph Keenan.

J O S E P H J. K E E N A N, JR.: Good evening, ladies and gentlemen. My name is Joseph Keenan. I am the Director of the Elizabeth Public Library. As you know, Elizabeth is the fourth largest city in New Jersey, and it is classified as a special needs district under the Quality Education Act.

I would like to make three important points in my testimony this evening:

1) Public libraries play a major role in the education of children in New Jersey.

2) The public libraries' ability to play that role is impeded by inadequate funding.

3) The State has an obligation to increase funding to public libraries to ensure that the educational activities which occur in public libraries are adequately funded.

Now, how are public libraries involved in the education of our children? Let me use the Elizabeth Public Library as an example. We build literacy awareness in three- and four-year-olds through story programs. Throughout the year, classes of children from the public school system visit the library for book, craft, musical, and dramatic programs. Students of all ages find required and summer reading materials. And here is the real joy: Children come to the library on their own to select books which they want to read, voluntarily, for their own enlightenment and pleasure.

The Elizabeth Public Library contains over 200,000 books, and one of the strongest reference collections in the region. Students rely upon the library to provide them with the materials needed to do research projects, term papers, and homework assignments.

The breadth and depth of the public library's collections are an important resource for the local school system which cannot be duplicated.

Funding for public libraries is inadequate. In 1983, three branches of the Elizabeth Public Library were closed due to retrenching budgets. Children in these neighborhoods do not receive adequate library services. In the last 10 years, book budgets have been inadequate to meet demands. We are facing physical plant problems with old buildings, and problems in providing appropriate library service to large numbers of immigrants who do not speak English.

If public libraries help educate our children, and clearly they do, then the State must fund these educational programs and services which occur in public libraries just as it does education programs and services which take place in the school systems.

The Elizabeth Public Library currently receives \$140,000 in State aid per year, just a little over one dollar per capita -- one dollar. Is that adequate? In my view, no.

Ladies and gentlemen, please look at the role of public libraries in the educational process in New Jersey.

If I have done nothing else here this evening, I hope that I have shown that our public libraries are important in the lives of our children, and that public libraries are deserving of State funding.

The New Jersey Library Association recommends that new money, an additional 1 percent of the total State aid to local school systems, be earmarked for libraries in New Jersey, and I subscribe to that recommendation.

Thank you for allowing me to address you this evening.

MR. BURSTEIN: Thank you, sir. I want to apologize for mangling your name, Mr. Keenan, but the word processor went wild, so it was misspelled on our list.

Margaret Jiuliano.

M A R G A R E T C. J I U L I A N O: Good evening. I am Margaret Jiuliano. I am the Director of the Bernards Township Library in Basking Ridge, New Jersey.

I am going to share some thoughts with you this evening on how the public library is the children's first door to learning.

Public libraries, children, and reading -- perfect together. In fact, public libraries promote reading readiness from infancy, providing a variety of services for self-enrichment and for discovering the pleasures of reading and learning.

In this process, librarians do extensive programming throughout the year for infants and parents, toddlers and their parents, and, of course, for school-age children. We offer read-aloud sessions, traditional storytelling, parenting skills workshops, book talks, and homework help for older children.

In a comfortable, inviting setting designed specifically for children and stocked with age-appropriate materials, reading habits are formed and library use patterns are established. All of this activity, I feel, contributes to a child's successful school performance. Clearly, the public library and the schools serve the same clientele and, although our styles may vary, we are both in the education business.

Tonight I would like to highlight the most child-intensive time of the year when public libraries provide megaservice to preschoolers and school-age kids and their caring parents -- the traditional summer reading program, and probably you are all familiar with it. The kids call it "fun," but we librarians and the parents call it education with a light touch.

Well over 600 kids in Bernards Township each read an average of 18 books this summer. The August circulation of books was up 21 percent over August of 1992. The number of preschoolers in the "Read-to-Me" group was the largest growth group we had. The independent readers -- the older kids -- were the greatest participants in our summer reading program, with over 90 percent of them finishing the program requirements for the summer. Needless to say, the children's room was a steady stream of activity from early morning until sunset, from the day that school got out -- and some of them tried to enroll before school got out -- up until Labor Day weekend.

Reading enjoyment and developing a library habit, those are our fundamental goals. The obvious correlation, though, is the bonus of enhanced reading skills. It is really not surprising that kids who read during the summer do not drop back when September rolls around. You all know where they get their reading materials during the summer. They get them from us.

It cannot be denied: Public libraries are part of the education process. If we are going to actively contribute our share to children's enrichment, then we need more education funds to cover the rising costs of materials and staff.

Public libraries must serve all age levels, though, and our shrinking resources are being pulled in many directions to cover a multitude of needs. Additional financial assistance is urgently needed for us to serve our most fundamental constituency -- the children.

Thank you so much for listening to me this evening.

MR. BURSTEIN: Thank you.

Daniel O'Connor. Dr. O'Connor is unique, in that he has been named as the only citizen on our list of speakers this evening. I guess all the rest are noncitizens, by implication. Is that the idea?

UNIDENTIFIED MEMBER OF COMMISSION: Or librarians.

DANIEL O. O'CONNOR, Ph.D.: Thank you for the opportunity to appear before you today to make the case for the full funding of State aid to New Jersey's public libraries.

My name is Dan O'Connor. I have been a librarian for over 25 years. I hold a master's degree and a Ph.D. from Syracuse University. I served in the United States Army as an operations research/systems analysis officer. Currently, I am a tenured faculty member at Rutgers University in the Department of Library and Information Science. I am active in the New Jersey Library Association and, in particular, its Library Development Committee, which has the responsibility for conducting research on New Jersey's libraries.

I served from 1978 to 1980 as a member of the Advisory Committee to the County and Municipal Government Study Commission on Libraries. You might be interested to know that my wife, Cheryl, is also a librarian and she has worked at the Plainfield Public Library, the Piscataway Public Library, and for the library region serving Middlesex and Union Counties. I am also Vice President of the Rutgers Council of the American Association of University Professors, the faculty union. I served as the Chief Negotiator for the current contract and represented 2500 faculty and 1700 teaching assistants in collective bargaining. My comments today are my own and should not be construed as representing Rutgers, NJLA, or the faculty union. I speak to you as a private citizen who has knowledge of the library issues you are addressing in this hearing.

Let me start by expressing my thanks to the members of this Commission for your contribution to the education of New Jersey's children. Our educational system, though not perfect, needs the recognition you can give it to ensure that all children have available to them the same opportunities to advance in our society through our public education system. As you know, it is in all of our interests for each and every child in this State to learn how to become productive citizens who share fully in our democracy and in our economy.

Yours has been a difficult task and a time-consuming one. I am aware that you must value the many individuals who give freely of their time and energy to see to it that our schools are the best they can be: the members of our boards of education, the administrators, the teachers, and the support staff in our schools. Importantly, those whom you advise, the legislators, also play a key role in making sure that our children have the kinds of educational opportunities which will make New Jersey grow and prosper. I salute you for your devotion and dedication in serving as a member of this Commission.

State aid to New Jersey's public libraries exists as an incentive to encourage communities to provide citizens with reasonably adequate and competent libraries. The history of this can be quickly traced. On March 14, 1879, a law was passed in New Jersey, "to establish and maintain free public libraries and reading rooms."¹ This law was later amended on April 1, 1884, to specify that cities raise revenues for libraries by collecting property taxes, "equal to one-third of a mill on every dollar of assessable property."²

Changes have occurred to this law since then but, surprisingly, its principles have remained relatively intact. It benefits a community to have a library, because that library serves as an educational institution which allows citizens the opportunity to participate in our democracy through voting and other forms of civic participation. The library makes information available to all so that citizens -- rich and poor alike -- can learn and develop through use of the library's books, magazines, reference activities, and information collections.

Citizens are also better able to participate in the economy by having a public library which has collections of information relevant to job skills, small businesses, and new technology. As you can see, the library has as its guiding

principles the same goals as our schools, and it is no accident that both of these institutions value reading. Importantly, it must be noted that public libraries in New Jersey fall under the aegis of the Department of Education and that their placement there is no accident. Libraries are educational institutions and librarians are educators.

Since I arrived in New Jersey in 1974, the concept of State aid to libraries has always been explained using the carrot and stick metaphor. If a community makes a commitment to its library, then the State will reward that city or town. State aid -- more properly called per capita State aid -- is based on a formula linking adherence to library standards to per capita payments.³ After a community's library millage rate is computed which establishes their State aid per capita rate, then the amount actually paid to the library is based on its compliance with statewide minimum criteria. If a library failed to meet the minimum statewide criteria, then State aid was reduced. Today, a recent change in the law means that State aid is withheld altogether when the criteria are not met.

By 1978, 15 percent of a public library's total budget was provided by State aid.⁴ This was a major incentive for communities to fund their libraries at adequate levels, and to adhere to complying with the State standards. Thus, mayors and city and town council members knew that providing the library with adequate resources resulted in additional library money from the State. The last decade, however, has been a devastating one for libraries in terms of State aid. This unwritten carrot and stick contract was weakened and the State aid share of a library's budget shrunk year after year after year. As you well know, it is now less than 4 percent of an average library's budget. I have had a few library directors inform me that their boards of trustees think that the incentive may no longer be worth the effort.

Four years ago, there was a 16 percent cut in State aid to public libraries. This resulted in libraries only receiving 89 percent of the State aid they expected to get. Then the State aid dropped in the ensuing years to 87 percent, then 85 percent, and now it is at 81.77 percent of the amount the libraries would get if this were fully funded. There is a certain irony to all this.

Before 1990, libraries could receive a partial payment of State aid for partial compliance. From 1990 on, there has to be full compliance to receive State aid. This change in policy had a positive impact on libraries. By October 1992, one-third of the libraries which had previously fallen short on compliance, then came into full compliance, so the carrot and stick approach worked. They did this so they would not forfeit their State aid. It is interesting to note that of the 312 libraries in New Jersey,⁵ 85 percent are in compliance and receive State aid. The 47 libraries that are not in compliance include 35 association libraries and 12 municipal libraries. Let this point be clear: If State aid is not fully funded, then the incentive to comply is reduced. The result of this downward spiral is the deterioration of that educational institution we call the public library.

The next point is: How much money is needed? Full funding of State aid to public libraries would cost about \$9.4 million. Currently, \$7.665 million is being paid to libraries as per capita State aid. You are being urged, in the strongest terms I can muster, to recommend that the \$1.735 million be added back into the per capita State aid for libraries. Only full funding at the \$9.4 million level will provide New Jersey's public libraries with the sustained incentive to continue to comply fully with the State Library Aid Law.

We come to an additional concern, that of the urban libraries. As you might guess, the tax levy of one-third mill amounts to unequal burdens when different communities are

compared. For the most part, the one-third millage rate is effective, but it is not appropriate for several dozen communities. These are primarily the urban public libraries located in the QEA districts. An example of why such libraries should get more State aid might help.

The library standard for adequate funding is usually based on a common ratio measure: per capita library expenditures. This is how my field explains the money a library spends, how much per person is spent. The New Jersey State average for 1991 was that \$27 per person was expended by the average library. For example, in 1991, the Scotch Plains Public Library would have about \$27 per capita expenditures if it taxed itself at the recommended one-third millage rate. However, if Camden City taxed itself at the one-third millage rate, then that would only yield enough for \$3.42 per capita expenditures. The reason is obvious: Property values in Scotch Plains are higher per person than property values in Camden.

Newark is another good example to use for this. Newark has about \$37 in per capita library expenditures and to get this it must tax itself for library purposes at a 1.42 millage rate, far above the one-third millage rate required. If it were to tax itself at the one-third millage rate, then that would only yield \$7.55 in per capita library expenditure funds. You should know that the Newark Public Library is grossly underfunded at \$37 in per capita library expenditures.

The relationship between a community's sociodemographic characteristics and its ability to fund its library is clear: High socioeconomic standards communities fund their libraries at much higher rates than low socioeconomic standards communities. I prepared Appendix A to my report to include a graph showing this relationship. Note that when the District Factor Groupings are applied to libraries, the expenditure rate varies with the grouping. DFG

ratings for those in A, B, C, and D categories are significantly lower than for those communities in the G, H, I, and J categories. Each bar in the graph shows the 95 percent confidence interval for each District Factor Group's mean. Thus, where bars do not overlap, such as in F and G on that chart, then there is a statistically significant difference in the library funding between these communities. Note the overall impact of DFG on library expenditures per capita.

I might add that I realize the DFG groupings have been regrouped. This was the only data available to me.

The relationship between expenditures and library performance is also clear. Appendix B shows the regression line when circulation per capita is accounted for by expenditures per capita. There is a direct link between these variables. The point is obvious: District Factor Grouping has a statistically significant effect on expenditures, and expenditures have a statistically significant effect on library circulation.

I now come forward with the proposal to address this urban library problem, and other problems.

A simple extension of the per capita State aid in the millage formula would provide for equalization for most urban libraries. This idea, suggested by Edwin Beckerman, and endorsed by the New Jersey Library Association's Library Development Committee, is a simple, but effective one. It gives extra State aid to communities which overly tax themselves for their libraries. It puts good faith on the line and says to any community which is taxing itself at 200 percent, 300 percent, 400 percent, or more of the one-third millage rate, that they have shown good library faith and earned the right to additional State aid. Beckerman's proposal is included here as Appendix C. The cost to implement this proposal today and make it available to all communities, not just the QEA districts, is less than \$1 million.⁶ It would be

of particular benefit, however, to the urban libraries. For a modest price tag, you can make a big difference by funding this innovative proposal.

I note that footnote 6 in the report, which I will not read here, indicates the communities which would benefit according to my analysis of this. It includes urban, and it also includes some suburban areas which have taxed themselves at a high rate for their libraries.

The cost to provide additional per capita State aid to these communities -- by adding four aid categories from \$1.75 to \$2.50 for millage rates from two-thirds to one and a half mills -- is modest for the impact it will have and the good faith incentive it encompasses. Thus, for very little money you could make a big difference. You are urged to adopt this proposal, in addition to recommending full funding of the library per capita State aid program. Note again that Beckerman's proposal is slightly modified here. It would be open to all communities, although it would be of particular benefit to selected urban areas.

MR. BURSTEIN: One minute, sir.

DR. O'CONNOR: The final reminder is: First, fully fund the per capita State aid program. Second, help libraries which show extraordinary good faith in supporting their library at the local level. Show communities that the State cares about those that put forth good-faith efforts to develop their libraries. Most, but not all, of these are urban libraries, as the list in footnote 6 attests. Provide incentive State aid through the modified Beckerman proposal.

Thank you for your time and attention to these important library matters.

MR. BURSTEIN: Thank you.

Stewart Hartman.

STEWART J. HARTMAN: Thank you. I would like to thank you all for the opportunity to be with you today to

express our concerns regarding funding. My name is Stu Hartman. I am a teacher at Wildwood High School; also a member of the Governor's New Jersey 2000 Advisory Committee. We had the honor of having lunch together the other day, and I got to speak to several of you. I am also a recipient of last year's Governor's Teacher Recognition Award. I am active in the local association, and I act tonight as an advocate for the students in the Wildwood School District. We have traveled far today to be here this evening, and I hope you will excuse us if we do not stay for the entire testimony tonight. We traveled far today, and we have traveled far for the last two years trying to solve the problems we face.

The Wildwood School District suffers from a statistical anomaly which made it a unique foundation aid district in that it lost all of its foundation aid at the end of QEA II. We are the only district that suffered such. There were two other districts that lost a small amount, went from a very small amount of foundation aid to zero. We are the only one that suffered a 5 percent impact on our entire budget in one fell swoop. Even the transition aid districts did not suffer like we did.

Wildwood, although it has a large summer population, has a low winter population. As you know, it is a tourist area. This skews our equivalent equalized valuation of property, so much so that strange statistics come out of these. We look like a very wealthy district property-wise. We also look like a very crime-ridden district. If you look at the exact crime rate statistics for the State of New Jersey, Wildwood has the second highest crime rate in the entire State, twice that of Newark, and three times that of Jersey City. Of course, it is ridiculous, everyone says. It can't be. We are not really crime-ridden, we just have a change in population which makes us look so. Well, we are not really wealthy

either. We have been trying to point that out for the past two years.

We are a microcosm of the urban districts. We are not a wealthy town. We have overcrowding, aging facilities, layoffs, and program cancellations, all because of our loss of aid. We actually could qualify to be a special needs district. Statistics show that we have, because of a lack of municipal aid back in 1988, when Abbott v. Burke was heard-- We were not considered to be a special needs district, even though we do have the requisite formula parts -- DFG, is it? We have A; we have-- Sixty-six percent of our elementary students come from AFDC families, and one-half of our district students come from AFDC families.

The statistics you have in front of you show the disparity within our own county, a short drive away in Upper Township. The first page shows the total school taxes and the local taxes collected in both districts. Wildwood City collects over twice the amount of taxes Upper Township collects. The next page shows the ratables, Wildwood having lower ratables by 20 percent than Upper Township. Upper Township has a median income three times that of Wildwood. The percent of persons below poverty level is an astronomical 27 percent -- the persons in our district who are below the poverty level. It is only 4.3 percent in Upper Township.

There is 10 times as much spent on AFDC per month in Wildwood as in Upper Township. The last page shows the amount of foundation aid. Over \$6 million in foundation aid goes to Upper Township, while Wildwood gets none. Wildwood has only one-third the students. We would be very happy to receive one-third of the foundation aid that Upper Township receives.

On the last page you will notice an unemployment rate of 28.1 percent. The amount of local purpose tax collected in Upper Township-- They have none. In a tourist area, there is a huge amount of municipal spending, because we have a city

that has a population -- a peak population -- of a quarter of a million in the summertime. In the wintertime, it drops to 5000 or so. We have only 735 students. If you divide that into the population to obtain property value, you come up with an enormous amount of equalized valuation, twice the State average.

Also, we have a beach and boardwalk, with the logistics: paid police, a paid Fire Department, a paid ambulance, all of which must be supported by the local budget. This falls on the citizenry of this municipality.

Remedies have been attempted. We have approached the Legislature. We have legislation that has been proposed, but it has been stalled in committee. We approached the Department of Education on several occasions, and the Governor's Office, but over these last two years little has been accomplished.

We will be available to provide further information, if need be. I know there are other districts along the Jersey Shore which suffer this way. I know that even though we receive only a very, very small amount of aid for special education students, our community, in sales tax alone, puts \$6 million into the State Treasury every year. We get very little of that back when it comes to education. This has been going on for the last two years. Of course, since we have lost all of our foundation aid, they said, "Well, next year we are going to give you a 4 percent increase in foundation aid." Well, 4 percent of zero is still zero.

We will continue to suffer unless your body is able to find a formula which will enable us to get back on the aid recipient bandwagon, as it were.

Please feel free to contact us at any time. We would be available to come up to your Wednesday meetings to help with any information possible. We will be available at any time to speak with you. I wish you the best of luck. You have a difficult job.

Thank you.

MR. BURSTEIN: Thank you, sir.

DR. GAGLIARDI: Mr. Chairman, may I ask a question?

MR. BURSTEIN: Dr. Gagliardi?

DR. GAGLIARDI: This does not have a direct impact on State aid to education, but just for information's sake, on the description of the different taxes, both going out and coming in, are there any revenues that are collected by your community in terms of--

For instance, are there badges necessary, or are the beaches free?

MR. HARTMAN: The beaches are free.

DR. GAGLIARDI: The beaches are free?

DR. GAGLIARDI: Yes. What has happened is, we are in a state of decline economically. Any kind of impact on the tourist economy would be a disaster. We expect that in another decade or so if this is unchecked, we will be similar to Asbury Park.

Also, many of the statistics that were drawn up with regard to our aid were drawn up in about 1980, and then interpolated to 1987-'88 figures. In 1980, we were at a peak in our tourist type of economy, and since then have declined. It is now 13 years later and there is a changing picture. For instance, at the time we were said not to be getting municipal aid, in the last two years we have been recipients of municipal aid, and therefore should be under Abbott v. Burke.

By the way, the Commissioner, of course, was told to reexamine the special needs districts by the court order out of Abbott v. Burke. That did not happen. We would like to see that happen, especially because of the changing face of Wildwood.

DR. GAGLIARDI: Thank you.

MR. BURSTEIN: I can tell you, sir, that when we were in Toms River, we heard much the same complaint from many of

the shore communities. We recognize this as an anomaly and a problem, and we will do what we can to try to remedy it. We thank you for your help.

MR. HARTMAN: Thank you very much.

MR. BURSTEIN: Arthur Motz.

A R T H U R M O T Z: Good evening. I am Arthur Motz, Superintendent of the aforementioned Wildwood schools.

Mr. Hartman has devoted a great deal of effort, knowledge, and his own personal time to assist his school district in the pursuit of some sort of relief. Frankly, the relief would have to be retroactive, and it does not look like it is going to be forthcoming. So we must look ahead.

What I have given to you Commissioners this evening is a cover page which indicates kind of a synthesis of what we may have been forced to learn through the experience we have gone through. Certainly, Mr. Hartman, myself, and many other people in Wildwood have learned a great deal about how State aid works; how State aid can go wrong, than we ever had dreams of or truly wanted to. So I think it is absolutely necessary that our forced learning experience points us in a direction that we might suggest the Commission give some consideration to in its final development of whatever hopeful solution you are able to come up with.

Again, I do not envy your task. It has been a long-standing problem in New Jersey, and I am glad it is being addressed. I wish you all the best.

Item 1 indicates that a district like Wildwood, with many students who need special programs, certainly has to have some sort of a balance built into any case formula. We are not a typical school district. Our costs per student will not be typical, and are not.

Secondly, the local level of taxation, which Mr. Hartman has already spelled out for you, really should be

considered if we are going to find out what a district's inhabitants can afford to pay to support their schools.

Item 3 overlaps with Item 1. AFDC counts could be a convenient way, as has been used in previous funding mechanisms, to assist us to provide for the extra needs of such students. Should there continue to be special needs districts -- and I kind of guess that there will be -- I feel that very careful study must be given as to what constitutes such a district and, indeed, what an urban district is. By some standards in some divisions of the State government, we are an urban district; in others, we are not. This is not a reasonable situation, so I think that some of these very basic terms may have to be really investigated as you proceed with your work.

Item 5: I think Mr. Hartman has gone into the types of statistical anomalies that come out of a situation such as ours. The Chairman is apparently well-aware of this elsewhere as well, for which I am thankful.

Item 6: This is kind of a unique situation for us. We are a very small high school. We have under 500 students. This, in itself, is an anomaly. It is an expensive anomaly. It is something I think the Commission has to look at in its overall plan for State funding.

There is a tradition in New Jersey not to force regionalization, but certainly in other states not too far away, other types of means have brought about regionalization through incentives. I would urge the Commission to look at this aspect.

Item 7: Whatever plan is put in, I hope there will be a cushioning impact, a phase-in series of years, because for any district to go through the sort of elevator ride that we, and many other districts, have gone through as the aftermath of QEA continues to settle, is certainly not in the best interest

of our education system as a whole, and certainly not in the interest of the communities that are impacted in this way.

Finally, an additional thought: If we are still going to see any sort of caps on educational budgeting, I would urge that any pieces of information that have been brought about about pieces of educational funding that really cannot be controlled by districts, that are not optional -- that any cap that might be necessary be noninclusive of that which people are helpless to do anything about. It would be very nice if caps would not have to be a part of your program, but if they are, please be very careful with them.

Again, I thank you for giving us your attention this evening. And again, I wish you well in your very difficult task.

MR. BURSTEIN: Thank you, Mr. Motz.

Debbie Myers, Plainfield Board of Education.

D E B B I E M. M Y E R S: Good evening, Commission members. My name is Debbie Myers. I am President of the Board for the Plainfield public school system. I would like to thank you for holding this forum this evening to discuss the significance of equal funding and the demonstrable impact it has in providing quality education.

First, let me give you some background about my community and my school system. Plainfield is an urban/suburban city with a population of 45,000 to 48,000 residents. It is centrally located, one hour from New York and about one and a half hours from Philadelphia. Homes in Plainfield are luxurious and spacious. We are a middle- to high-income community; also a community with a large number of AFCD recipients.

Our school system consists of approximately 6700 students: 82.9 percent African-American; 14.8 percent Hispanic; 1.5 percent white; 0.7 percent Asian; and 0.1 percent American Indian. We are a K-12 district. We have 15 schools:

10 elementary; 2 middle; 1 high school; 1 alternative school, named the Paul Robeson School; and 1 adult school. We have approximately 900 staff members, and over 60 acres of land. We also have a \$64 million budget that the voters supported last year. But most of all, we have an excellent school system.

The argument about equitable funding is not new to New Jersey. We have been discussing this question since 1972, starting with the Barter case. Twenty-one years later, we are still pondering over how we will fund education in New Jersey. I can safely say that if all of the students in New Jersey were of the same ethnic group, and if all of the communities in New Jersey had the same income level, this 21-year dilemma would have been answered.

However, since all of the students in New Jersey are not of one ethnic group, like in China, and since all of New Jersey communities do not possess the same income level, this 21-year dilemma will persist until we, as a State, decide that no matter what the contents of their character, or the color of their skins, every child in New Jersey deserves to have a quality and equitable education.

We in education have the responsibility of preparing students for four things. These four things are: We have a responsibility to make lifelong learners, effective citizens, good family members, and lifelong income earners. That is our goal in Plainfield.

Let me now talk to you about how the \$10 million we received from QEA impacted on the Plainfield public schools. Those dollars enabled us to reestablish, strengthen, and develop new programs. Tonight, I will highlight only some of these programs. For me to speak on all of the programs this evening-- You would be here until about midnight. The Board of Education realized that this money would not last forever. We were very happy to get this money, so what we did was-- Before we went anywhere, we sent a Mission Statement -- which I

thought my staff had included, but I will see that you get it -- and five-year goals and objective plans for improving academic performance. We did this through a collaborative effort of the entire Plainfield community.

QEA funds were utilized for providing:

1) Librarians for every elementary school to increase research skills and reinforce the new library curriculum.

2) Guidance counselors in every elementary school to help the students. We now have a K-12 guidance program, in addition to having one of the best K-6 guidance curricula in the State, just created by our elementary guidance staff.

3) A whole new language reading program which cost \$1 million and has helped us greatly to improve reading scores at all grade levels.

4) In-house staff development for teachers/staff in all content matters to improve student performance.

5) Development and implementation of a multicultural curriculum so that our students know their history in relation to European history. I mean the contributions of African-Americans, Hispanic-Americans, Asian-Americans, and American Indians.

6) A summer program that in three years has grown from 600 students to almost 2000 students, for from remediation to enrichment courses. Plainfield has demonstrated that we can conduct an extended school year. We can teach children from September through August.

7) State-of-the-art science labs in both of our middle schools.

8) Two new all-day kindergarten classes.

9) A Parent Initiative Program. We realized that the parents are the most important thing to us.

Lastly, we were able to improve, repair, and enhance our buildings. Many of our buildings are old, but are of sound structure. Through QEA funding, we have bought new doors and

windows, repaired roofs and floors, purchased much needed classroom furniture, and installed new bathrooms. I could continue to name the capital outlay improvements, but again, we would be here until 12:00. We in Plainfield believe that our students will learn much better in an atmosphere which is conducive to learning. Our children deserve it, and we, the members of the Board, will see that they have it.

But here is where Plainfield wants to go, and in order to get there we must continue to receive this funding:

1) We want a 1-15, or 1-18 class ratio in grades K-3. We are convinced, and research shows, that children learn better in smaller groups, especially in the developmental years.

2) We need state-of-the-art science labs in our high school.

3) We need year-round staff development to assist our teachers in learning new education philosophy and teaching methods that will only lead to greater student output.

4) We need facilities for an all-day kindergarten and preschool programs. This is still a requirement. By '94-'95, we have to have them. That is a State requirement, and we have to find some way to do it.

5) We need to enhance our computer technology program.

6) We need to increase our parent involvement, education, and empowerment.

As I stated earlier, we would be here all evening long if I spoke to you about why it is vitally important and imperative that you do not turn back the hands of time.

This country is looking at New Jersey and watching us to see if we are not a racist, separate but unequal State. I would hope that we can show this country that no matter what economic backgrounds our students come from, that in the State of New Jersey all students are entitled to the same access to education and the same quality of education.

I opened my statement by providing you with a historical background of the funding question. I would hope that in the year 2024 we are not still pondering the question of equitable funding. I implore you, you esteemed, brilliant group of individuals, to answer the funding questions in 1993, without providing less funding for the urban 30. You, I, and the children of the State will all be the victors.

I would like to thank you for taking the time to give me your undivided attention, and I trust that you will not let the children of New Jersey down. Thank you.

MR. BURSTEIN: Thank you. I should point out that 1993 is the year. It better be, anyway.

Jan Tolley.

J A N I C E T O L L E Y: Good evening. My name is Janice Tolley. I am a third grade teacher in the East Windsor Regional School District, and I am the President of the East Windsor Education Association. I am here today to tell you how QEA has hurt the students and staff in our district.

The funding formula for QEA is flawed. The foundation aid formula is based on an income factor and a property factor. However, school districts are not allowed to tax income. Since our district's income factor was above average, it more than offset the fact that the equalized valuation per pupil, or property factor, was well below State average.

The resulting foundation aid from this formula, even though there was a hold harmless factor called transition aid, kept our State aid well below what it would have been with full funding from the old equalization formula.

In 1991-1992, during the first year of QEA, part of the QEA was a hold harmless clause so that no district would receive less than the previous year. However, East Windsor was cut \$3.1 million from full funding in the last year under the equalization funding formula. So when QEA went into effect,

hold harmless was based on the previous year, which was a deficit of \$3.1 million. Because of that clause, East Windsor has forever lost that \$3.1 million in funding.

The East Windsor Regional School District is made up of two municipalities. The equalized school tax rate is \$2.05 in East Windsor and \$1.95 in Hightstown, both of which are very high compared to surrounding districts. If we were to compute school taxes on a \$130,000 house in our two municipalities, a taxpayer in East Windsor would pay \$2637, and a taxpayer in Hightstown would pay \$2412.

If we were to compare the school taxes of that same house to surrounding districts, a taxpayer in Princeton -- if you could find a \$130,000 house in Princeton -- would pay only \$1139, and in Hopewell, \$1471. These figures are directly related to the amount of equalized valuation behind each student. You can see by these figures that the taxpayers in our community are already paying well above their fair share of taxes and are economically stretched to the limit.

Many of our taxpayers are senior citizens on fixed incomes, or single-income families which cannot afford increased taxes to support our school system. Many of these voters live in the Borough of Hightstown. Hightstown is a beautiful little town which, like many towns, has no room for growth. Therefore, taxes cannot be reduced by new ratables. Peddie School also happens to own a great deal of land within Hightstown, and cannot be taxed. This puts an added burden on the taxpayers that they cannot afford. Our staff and Board are well-aware of the problems our taxpayers are faced with and have worked diligently to keep this year's budget the same as last year's. Even with it being the same, taxes had to be raised by 4.81 percent.

I have worked in East Windsor for 23 years and have always been very proud of the quality programs that have been offered to our students. Our district is well-known throughout

the State for its innovative programs and exceptional teaching staff. Here, teachers are allowed to incorporate their interests into the classroom to make learning come alive. We strive to be the best we can be.

We have many staff members who present workshops on both the national and State levels. We teach other educators the techniques we have mastered within our own classrooms. We have many staff members who have won local, State, and national awards. We have been considered a lighthouse district, one that has been able to offer special programs and activities that go beyond the minimum standard and provide excellence in education. We knew that we could offer these excellent programs because of the accessibility of State and local funds.

Unfortunately, that is changing due to reduced funding from the State. We are beginning to witness a leveling down of programs because of funding deficits.

In the past, East Windsor has been able to offer a variety of staff development courses to train our educators during the summer. Many of these programs were taught by our colleagues to share the excellent programs taught within our district. This past summer, very little training occurred due to decreased funding.

For many years, East Windsor has offered staff members action grants, which are funds given by the district to develop new and unique programs within a classroom. These funds allowed teachers the chance to be creative. These funds allowed East Windsor to continue to be on the cutting edge of education. Unfortunately, because of the decreased State and local funds, these programs have been scaled back.

The State of New Jersey, and the funding flaws of the Quality Education Act, have broken the law for too long by not equitably funding education in our State. Reduced funding is undoing what East Windsor has worked so long and hard to achieve: a strong, exciting curriculum for our students. Too

many students, staff members, and programs have felt the sharp edge of the knife as budgets are cut.

As a State, can we afford to play with our children's future by making more cuts and not fully funding school districts? I am not just talking about the students in East Windsor, but all of the students within our State. Sufficient funds need to be available so that all schools throughout our State can begin a leveling up process. It is imperative that all students throughout our State receive a thorough and efficient education. In the Abbott decision, the New Jersey Supreme Court provided a comprehensive definition of "thorough and efficient." The Court wrote:

"Thorough and efficient means more than teaching the skills needed to compete in the labor market, as critically important as that may be. It means being able to fulfill one's role as a citizen, a role that encompasses far more than merely registering to vote. It means the ability to participate fully in society, in the life of one's community; the ability to appreciate music, art, and literature; and the ability to share all of that with friends."

Our students deserve this. What message are we sending them when their education is not fully funded? Can we afford to leave 60 percent of the educational funding process to financially stressed taxpayers on election day? The answer is, "No." This must stop!

A new stable, equitable school financing system needs to be established within our State; a system that will ensure an equitable education for all students; one that is based on finances other than local property taxes; and one that is fully funded by the State. We cannot hope to retain public support for our school systems while continuing to rely so heavily on local property taxes for funding. By shifting the funding back to the State, the taxpayers will not be the only ones that

benefit. Our students will benefit, and isn't that what it is all about?

My expertise is in educating children. Hopefully, your expertise will be the education of the children, also. They are depending on you to make the right decision for their future.

Thank you.

MR. BURSTEIN: Thank you.

As we go through the evening, some people say we have an enormous burden and a difficult task. Others say, as Ms. Tolley just did, that the future of our children depends upon us. I can tell you, the burden is getting heavier as the evening wears on.

Suppose we move now to Lucille Alfano.

DR. GAGLIARDI: Mr. Chairman, I am surprised that the last speaker did not take credit for training the Commissioner of Education. (laughter)

L U C I L L E A L F A N O: Good evening. I am Lucille Alfano. I am President of the Neptune Township Education Association, here tonight representing the School District of Neptune Township.

Neptune Township is one of the special needs districts, along with the other 29 school districts that represent students who are in need of additional funds to service them. The Quality Education Act helped us with our students, the urban students. The students who attend the schools in Neptune Township come to the schools with a thirst for knowledge. But unfortunately, that is not all the child brings with him. He comes to school with other deprivations that affect him both socially and economically, or her.

The economic situation and the social situation are what I would like to address this evening. I will also address how the Quality Education Act, at this point, has helped us a bit with the students and their needs.

The economic situation is one of poverty for some people. Our students -- some of the students -- suffer in a migrant situation or in welfare housing. These students go from place to place. They also, sometimes, live in motels, because that is the shelter that is offered to them.

In addition to the movement because of shelter, they also, at times, are moved from place to place involving adult supervision. Sometimes it is not adult supervision, because parents have to work, or the single parent has to work. Those jobs, very often, do not coincide with school hours. The students are then either given to a guardian, or sometimes and most often, an older sibling.

I sat here this evening and I listened to the folks on behalf of the Library Association. They were wonderful. The sad part is, these particular students do not get a chance to go to the library, because they do not have the proper supervision to bring them there. I know that a particular library, no matter where, would help to service the students. These are the needs, the real needs. I know I am a little bit off the beaten track.

The second part, the socially affected child. The students, when they come to school, come to school with a lot of frustrations. The Quality Education Act has helped us in Neptune to administer a full-day kindergarten and, in some instances, that may have been a good stabilizing effect on the students. They are in one place all day, as opposed to a half-day situation, and they have one adult with them. We have noticed great results on the California Achievement Tests for these young ones.

However, the migrant situation, whether it be housing or adult supervision, is not limited to five- and six-year-olds. Children of all ages and all grade levels are affected. We are without the funds, the resources to approach all these different problems. The students come to us with

that background of failure. They come into a socially maladjusted situation, because they come with anger, and a lot of failures, especially for the older ones. When this happens, we get into a violent situation in the schools.

Neptune Township, a small school district compared to some of the larger urban districts, reported incidents to the State Department last year-- There were 90 reported incidents. This year, there have been several more such incidents, and we are only two months into the school year -- fights, weapons, arson.

I know you have heard testimony on this an awful lot, but with the help of the Quality Education funds, Neptune, like other districts, has been able to hire guidance counselors. For the very first time, we have been able to have guidance counselors in every elementary school -- through the funds.

Neptune, as well as some of the other urban districts, is attempting to come up with a concept such as the alternate school/classroom kind of concept. The money is not enough to provide real alternate schooling, but we are trying. We are attempting to take students who have a hard time in the traditional school setting and impacting on other students, and putting them in situations where they can get more of an individualized, meaningful education, and hopefully attention in meeting their needs.

The story of violence, I feel, is summed up in a quick little scenario I put in my written report to you. I was teaching an eighth grade class last year -- language art. I asked the students to write an essay. It was really a preprinted essay. I did not design this. It had to do with student responsibility, and what would you do if you had an opportunity to be in charge of the Middle School? The students were not reacting to me, and this was a very vocal group. Finally, one of the students raised her hand and she said, "Ms.

Alfano, we cannot answer that, because if the teachers were not in charge, we would be too afraid to come to school, and we would not be here."

I stood there and I looked at these students, all 29 of them, and I changed the topic, because truthfully, folks, she had said it all. That came from her heart, expressing it from all the other eighth grade students in the room.

In summing up, I would just like to say that I have had a lot of dialogue with our counterparts in the State -- urban, suburban, and rural. There are some wonderful things happening in some of the districts that do not have as many disadvantages as we do in special needs. I would only hope that in your task of looking at the funding, you would keep those districts at the level of advantage to their students, and help us to give our students the same necessities.

I thank you for this evening.

MR. BURSTEIN: Thank you very much.

Tom Favia. Mr. Favia? (no response) Tom Falocco.

T H O M A S F A L O C C O: Good evening, ladies and gentlemen. Let me take an opportunity first to introduce myself. I am Tom Falocco, President of the Plainfield Education Association. I have been a teacher in the Plainfield Public School District for 25 years. I am the Chairperson of the NJEA Urban Ed Committee. It has been my unique opportunity to speak with all of the special needs presidents of those locals and hear about the gains and the trials and tribulations that we faced since Abbott v. Burke.

I would like to spend some time this evening giving you a short history of what QEA has meant to Plainfield. You see, four years ago, the taxpayers in the City of Plainfield defeated the school budget. In order to meet the financial constraints that faced the Board of Education, the Board decided, after a very lengthy meeting, one which went to 4:00

in the morning, that there would be a reduction of more than 120 staff members.

This reduction resulted in the closing of all elementary libraries. It resulted in the expansion of class size, some as high as 40 students to a class. High school physical education classes had better than 100 students per teacher per period. The reduction in staff also caused other residual problems: Disciplinary problems increased; high absenteeism, among both students and staff; an increased dropout rate; and, ultimately, it impacted on test scores. After having had a steady improvement in test scores for two years, we began to see a drastic decline in these same scores.

By all measurable accounts, the Plainfield public school system had failed. It had failed to meet the needs of the children; it had failed to address the concerns of the taxpayers. The Plainfield public schools were in disarray.

Along comes the Quality Education Act, the Abbott v. Burke decision, and we have since seen dramatic changes in the Plainfield public schools. The 120 staff members were replaced. Additional staff members have been hired. The average class size is now under 25. We have extended our kindergarten program. We have opened an alternative school for bright, but disaffected children. Test scores have skyrocketed; the dropout rate has been reduced; and attendance problems have diminished. Thanks to a conflict resolution package that was developed by our elementary librarians -- excuse me, our elementary guidance counselors in all of our elementary buildings -- our elementary disciplinary problems are pretty much a thing of the past. Our once dark library with doors chained closed, is now open.

I think it is worth noting that Plainfield has had a long and distinguished academic history. We have the second oldest high school in the State of New Jersey. In fact, Plainfield was the first public school system in the State of

New Jersey to put a library in every elementary school. So the thought that we would close our libraries as a cost-saving device is unconscionable. Those libraries are not only open, their shelves have been restocked with up-to-date literature. Plainfield has, in fact, updated its entire language arts curriculum. It is a literature-based curriculum, a curriculum that not only increases children's reading, but also develops critical thinking skills.

Today, we see children excited about going to school. Their parents are involved and the staff has been revitalized. We have opened our doors earlier in the morning with a Breakfast Program and a before-school "Kumon Math Program." We have seen our school doors stay open late into the evening as a safe haven for after-school activities that have been developed as a result of our Quality Education funds.

We are seeing many positives in the City of Plainfield. Now, you might say: "Well, since everything has improved, then why do you need more money?" The fact of the matter is, we have only begun to scratch the surface. We have not even begun to address some of the specific needs that our school district has. An acceptable site for the alternative school is a necessity. Currently, it is being housed as part of the high school campus, in a substandard 75-year-old building.

Additionally, we need all-day kindergarten programs. We need a preschool program. Plainfield still has primarily half-day kindergartens and no preschool program at all. The districtwide mathematics curriculum review and update, currently in progress, must be completed.

I think it is worth noting that our School Board has been empathetic, not only to the needs of the students, but to the needs of the taxpayers as well. The QEA money that has come in has been used, in part, to give some tax relief to our taxpayers. As a result, what we find is that we now have a

more cooperative spirit among the taxpayers, the community, and the schools. In the past, it was often adversarial in nature. Today, it is a different story. Our community now sees more youngsters graduating from high school; more of our youngsters going to two- and four-year institutions. What we are beginning to see now is our youngsters coming back and telling us they want to come back and teach in our school system. They are beginning to have positive feelings about their school. We have academic clubs in our schools that are now asking if they can host academic competitions at the high school. In the past, they were ashamed of their school.

We are beginning now, ladies and gentlemen, not only to see what can be measured in dollars and cents, but what is perception -- the perception of success. What this Commission must look at is how it can best address the needs of the urban child in the urban school district, while not, in fact, reducing expenditures to our suburban partners. We must not level down the suburban education in order to level up urban education. In fact, we must raise each so that we can be best prepared for the 21st century.

I think it should be noted that it has taken decades of neglect for the decay to occur in our urban centers. Correcting these inadequacies cannot occur in a few short years simply by spending money. Books, desks, supplies, materials, buildings, and staff all cost money. Without continued funding, we will only revert back to where we once were. Additionally, to level down those suburban districts in an attempt to equalize funding will only result in total decay of our entire statewide education system.

I believe there are solutions, but there are no quick fixes. It is the charge of this Commission to look for these solutions, with the help and the guidance of those who are closest to the issue, groups like the New Jersey Association of

Public Schools. I believe that by following some of their recommendations you will find a blueprint for success.

I urge you, ladies and gentlemen, to review the NJAPS proposal, and to keep in mind that it is our responsibility to educate our children today, so that they can take care of us tomorrow.

Thank you.

MR. BURSTEIN: Thank you.

Kim Coleman.

K I M B. C O L E M A N, Psy.D.: Good evening. My name is Kim Coleman. I am the Superintendent of Schools of the Morris-Union Jointure Commission.

I was very interested in the speech by Neptune Township tonight, because I am a graduate of Neptune High School, and my father was an administrator/teacher and an assistant superintendent in Neptune for a period of 38 years. I am somewhat caught in a dilemma now. I did not come here to speak to the issue of Neptune, but now I have mixed emotions about that.

Nonetheless, Jointure Commissions, Educational Services Commissions, and Special Services School Districts are three primary service delivery models which exist in the State and in statute for the purpose of providing programs and services to handicapped youth. Each organizational entity is intended to realize cost-efficiencies through economies of scale. By providing regional and/or public school district collaborative programs, school districts reduce duplication of services, thus allowing for greater efficiency.

However, the State of New Jersey does not treat each organizational entity in a similar fashion when funding decisions are made. For example:

1) Jointure Commissions, unlike Special Services School Districts, do not receive categorical aid.

2) Jointure Commissions, like Special Services School Districts, administer, manage, and operate separate school district facilities to provide programs and services to meet the needs of disabled youth. It is these students for which Special Services School Districts receive categorical aid, and Jointure Commissions do not.

3) Jointure Commissions, unlike Special Services School Districts, do not receive debt service aid.

4) Jointure Commissions, unlike Special Services School Districts, do not receive at-risk aid, despite the fact that Jointure Commissions provide free and reduced lunches to students.

Again, these are a few of the examples where funding disparities exist.

The concept of voluntary collaboration between and among school districts and cost-efficiency is well-established and documented. For example, BOCES, in the State of New York, educational collaboratives in the State of Massachusetts, educational service centers in the State of Connecticut, and intermediate school districts in Pennsylvania are but a few of the models found in the Northeast. Jointure Commissions, Educational Services Commissions, and Special Services School Districts play a pivotal role in the education of disabled youth in the State of New Jersey. Therefore, an equalized funding mechanism for each of these service delivery models should be considered by the Education Funding Review Commission.

Thank you for the opportunity to present these details to you this evening. Thank you.

MR. BURSTEIN: Thanks a lot.

Ron Dolce.

R O N A L D P. D O L C E: My name is Ron Dolce. I am President of the Rahway Education Association. I have been a music teacher in Rahway for 24 years, and currently I am teaching in the high school.

The City of Rahway has a population of approximately 25,000 people. For the most part, Rahway is a residential urban community with some industrial and commercial concerns; for example, Merck Pharmaceutical Research Labs. Rahway's district factor group designation is E. The median household income in 1989 was about \$41,000, and about one-third of the houses had children. We are a diverse community which is reflected in the district's six school buildings. The 3200-student body is approximately 50 percent white, 34 percent black, and 10 percent Hispanic ranging across the K-12 district. But don't let that \$41,000 household income fool you, because one out of every four students received a free lunch last year.

While we had a passing rate of 96 percent in the reading portion of last year's HSPT, we know that with a passing percentage of 74 percent for all subjects on the HSPT, we need to improve.

Toward that end, the Board of Education has recently dedicated a greater amount of its \$26 million annual budget -- by the way, Rahway's per pupil cost of \$8,140 is below the State average -- to programs designed to increase our students' learning and simultaneously prepare them for the increasingly competitive world into which they will graduate. The long-range planning needed to provide a stable environment in which those programs can succeed is jeopardized by the constant uncertainty recently demonstrated by the State funding formula. Not only can Rahway not count on getting the full amount of State funds generated by the law, but the State educational mandates are making reliance upon property taxes as the major basis for funding schools more and more difficult each year. Consequently, if State aid is not increased and stabilized, only negative results will occur to vital educational services in Rahway.

Some of the programs needing expansion, not contraction, and which would be in jeopardy are:

1) The Preschool Program: Early childhood programs are necessary for providing a solid educational foundation. Children, especially in urban districts, need additional help.

2) The Reading Recovery Program: Reading recovery has a 90 percent success rate for students in their class's lowest 20 percent reading level. It is an early intervention program for first graders, preventing special education classifying.

3) ESL/Bilingual Programs: These students benefit from programs designed to inculcate them into the English language. Without these programs, would these students remain in school? Would they do as well?

4) The Technology Program: Rahway has embarked upon an ambitious program of making new technology a part of every school day. We are currently training all staff and introducing the equipment to our students.

5) The Effective Remedial Programs: Right now, we are engaging in an attempt to alter the manner by which our schools make decisions. We are seeking to change from the older industrial model to a more modern collaborative one. How is this possible without staff training?

These are just a few of the programs which are hanging in the balance pending your judgment. They are needed and worthy programs. Please do not fail our students.

I and the 300 members of the Rahway Education Association thank you for your consideration.

MR. BURSTEIN: Thank you, sir.

Kathleen Conroy.

KATHLEEN CONROY: Good evening. My name is Kathleen Conroy. I am President of the Elizabeth Education Association, and I have been a teacher with the Elizabeth public school system for 16 years.

Elizabeth is a city of 11.6 square miles, with a population of approximately 110,000 citizens. Elizabeth is a current-date ethnic melting pot. We have an ever-increasing immigrant population. The increase is most noted in the Hispanic population, with the other components remaining fairly stable. The average family of four has an income of only \$28,000. In the city, the residents must support local government and a school system on an average property value of \$33,000. Those averages are very low by county standards.

The school system is reflective of the community. We currently have over 15,000 students enrolled at 23 schools; 16 are elementary, 6 middle, and 1 central high school. The oldest school is the Battin building, with the original section dating back to 1913. From 1913 to 1919, 7 schools were built, and in the next 10 years, an additional 9 were constructed.

From 1930 to the present, only seven new structures have been built. From 1950 to 1965, more than half of the schools received additions to accommodate an increased student population. Our buildings through the years have been well-maintained, including asbestos abatement and fire code retrofit work.

The school system currently operates with a total budget of approximately \$150 million. This amount has increased dramatically since the Quality Education Act was adopted. Because of the added revenue, the Board of Education has been able to institute several new initiatives within the district. They have been providing computers in each elementary classroom to support our Central High-Tech Computer Training Center.

Elizabeth is accepting provisional teachers and is providing additional training, as well as mentoring resource teachers on the elementary and secondary levels. We are also instituting many new after-school programs as part of our

Educational Improvement Plan, in order to create demonstratively effective programs to assist our students. We have created homework clubs, computer clubs, peer leadership groups, academic learning centers, youth service clubs, and elementary school bands and choruses, just to name a few. If within the next six months you are going to see "Joseph and the Amazing Technicolor Dreamcoat," you will see a chorus from one Elizabeth elementary school performing on the Broadway stage.

Even though we have made great strides in improving education, we still have far to go. Our Board has made two land purchases recently, yet it is unclear how soon they will be able to actually commit to building on these properties. We have a warehouse which is growing more inadequate each day. We must pass up many opportunities to purchase and receive items at a lower volume cost, because we simply do not have the space to warehouse it.

We still suffer with many teaching stations being less than optimal. Imagine teaching reading on a stage while a gym class is going on; using an auditorium for instruction when there is no surface to write on and no blackboards for information or notes; or using a cafeteria for instruction with a study hall at the other end and noise of food preparation in the background.

I mentioned that computers are being placed in all the elementary classrooms. The dream, however, is to support the Central High-Tech Center with computer labs in each school. Presently, only about one-third of the schools have those home base labs.

Since QEA was adopted, we have had approximately 200 teaching positions added within the district. If we were assured of adequate and increased funding, the Board could build the buildings to create the much needed classroom space, hire the teachers and other staff, and purchase the materials

necessary to provide the kind of education that every child deserves.

If Elizabeth could better predict the inflow of revenue from the State, we could make better and longer range plans for the future.

I thank you for this opportunity to speak this evening.

MR. BURSTEIN: Thank you.

Edward Kooy. Edward Kooy? (no response) Michael Cohan.

M I C H A E L C O H A N: Good evening. My name is Michael Cohan. I work in the Union Township public schools, where I have taught for 16 years. I currently teach industrial arts at Kawameeh Middle School. Prior to the 1991-'92 school year, I taught vocational offset printing at Union High School. I am also the President of the Union Township Education Association, a position I have held since May of 1984.

I am here to speak to you about a success story in a New Jersey public school district; a district where the high school graduation rate exceeds 98 percent; where the daily student attendance rate exceeds 94 percent and staff attendance exceeds 96 percent; a district which has seen results on standardized tests show regular growth; and where students typically achieve at two grade levels above their current grade on the California Achievement Test.

It is a place where programs like pre-kindergarten and full-day kindergarten, often included in plans for school reform and improvement, already exist. We have less professional staff per 1000 students -- just over 75 -- than any other district in the county, but still see over 55 percent of every class attend a four-year college following graduation. In 1991, we spent less per student than 90 percent of the K-12 districts in the State, less than every other district in Union County, and less than all but one of the special needs school districts.

Yes, our district, Union Township, is a success story -- or so it would appear. Unfortunately, the data which I have just noted is only part of the story of our school district. While we do have innovative programs, and we have been able to maintain a cost-effective operation, we have been placed under increasing pressure. Our programs and cost-effectiveness over the past three years have been diminished due to the uncertainty of the resources which have been available from State school aid.

Each year, as our Board of Education meets to review the budget requests from the administration in attempts to plan for the next school year, they are faced with the ultimate unknown of the New Jersey State school aid process. Each year, we hear the Governor's Budget Message, with commitments to funding which are then subject to the political pressures and competing interests which are a part of the legislative budget-making process.

This is our reality: School funding must compete with every other demand for State resources. In virtually every year, we are forced to wait until the final hours of the legislative year and the final adoption of the budget before we know for certain how much State aid will be appropriated to our district.

This type of uncertainty has caused significant changes in our district. Some of these changes may not be noticed by teachers and students, but most have had a direct impact on our ability to maintain our district, and will continue to cause changes to our schools and our ability to meet the needs of our students.

Union is a middle-class town of just over 50,000 people; however, only 22 percent of the households in our town have children who attend our schools. This is true despite the reality that our enrollment has grown by almost 500 students in the last two years. The taxpayers in our community have shown

sporadic support for our schools, usually showing support in direct proportion to the size of the proposed tax increase which is placed before them in the annual budget referendum.

The higher the proposed increase, the greater the likelihood that the 78 percent of the households without a direct link to the schools will turn out to vote no on the only part of their tax bill over which they have any control. This 78 percent of our community is either hostile or, at best, disinterested in the impact of failed budget referendums on our school programs.

During the '80s, we were regularly successful in having our school budgets approved by the voters. However, this was during a period of prosperity. Once the downturn in the overall economy and the negative impact of uncertain State school aid began to have an influence on our budgeting and planning process, we lost five budgets in a row. We have been fortunate to see the last two budgets gain the approval of the voters, but this has not been without significant cost.

During the past three years -- since the adoption of the Quality Education Act -- we have had to sacrifice programs, innovation, and improvements. Indeed, without the lease/purchase funding opportunity provided through the Union County Improvement Authority during the current school year, we would have gone through our seventh consecutive school year without any significant expenditures for improvements to, or maintenance of, our physical plant.

In the last three budget years, we have seen the elimination of several important programs which formerly served a variety of needs for our students. In 1989-'90, we had eight vocational education programs, along with Cooperative Industrial Education, to help students who did not intend to pursue college prepare for employment following graduation. In the current school year, we are down to five vocational programs and no CIE. Although students have the

opportunity to come here to attend the County Vocational School, few choose to do so by comparison to the number of students who were enrolled in those courses when they were offered at Union High School.

College bound students have been impacted also, with a greatly diminished ability to offer courses like advanced physics. Our Board of Education has been forced to spend limited resources on only the most necessary programs. We are unable to offer programs which are now considered a "frill," merely because only a few students will be enrolled in them.

I would like to make note of some of the specifics of the budget and State school aid reality for Union's schools:

1) In the past three school years, we received just over \$1 million in so-called "desegregation aid." Our school district has expended many hundreds of thousands of dollars over the past 25 years to assure that our schools are fully integrated. We bus over 1000 students and offer a number of programs which exceed the minimum required to meet the needs of our community. Each of the last two years, there has been a risk that this \$1 million would not be appropriated. Each year, we have "dodged the bullet," if you will, and have received these funds. Call this aid whatever you want, but if we lose the \$1 million, we will lose staff, programs, and quality.

2) Over the past five budget years -- 1989-'90 to 1993-'94 -- while our total budget has increased over \$14 million, or 37 percent, and the local tax levy has increased over \$10.7 million, or 39 percent, our total State aid has increased by only 0.28 percent in real dollars.

These are audited figures which have been certified to the Department of Education in our annual audit report. They paint a very bleak picture when viewed in the context of the demographic and political realities of our community.

I would like to point out that I have not mentioned the demands of the special education program in Union, which are considerable and growing at a much greater rate than the rest of our budget, but these programs are mandated and cannot be shortchanged. Although the district is reimbursed by the State for many of these expenditures, the reimbursement is not made in the current year -- the year when the funds are spent -- and this, too, has an impact on other programs.

In conclusion, I would like to say that it is my fervent hope that this Commission will recommend significant increases in State school aid; increases tied to the real needs of real school districts, and increases to meet the special needs of the special needs school districts, for they surely must receive the funds necessary to enable them to provide programs for their students equal to any other school district in the State. But I hope you can see, and will agree, that there is a real need to provide State school aid to other school districts as well, to enable them to maintain all of the programs which they currently have without having to resort to significant property tax increases which will surely be rejected by disgruntled, disinterested, and hostile voters.

The Constitution of this State has made public education a State responsibility. The funding mechanism to enable us to provide this public education in a thorough and efficient manner ought to be a burden borne primarily by the State government, not by the local property taxpayer.

Thank you for the opportunity to address you this evening.

MR. BURSTEIN: Thank you, Mr. Cohan.

Deborah DiColo.

D E B O R A H D i C O L O: Good evening, everyone. Last, but not least, me.

MR. BURSTEIN: Oh, you are not last.

MS. DiCOLO: Oh, I'm not?

MR. BURSTEIN: And not least.

MS. DiCOLO: Good.

My name is Deborah DiColo. I am Vice President of the West Windsor-Plainsboro Education Association. I am also a teacher of physical education and health at the West Windsor-Plainsboro High School. I have taught there for 10 years, and I taught two years in another district in the State of New Jersey.

In preparation for this presentation, our Superintendent, Business Administrator, high school Principal, teachers, and supervisors were interviewed in reference to their interpretation of how QEA and QEA II affected the programs and the classrooms in our district.

For background information, I would like to give you a brief understanding of our district. We presently are comprised of one high school, grades 9-12; one middle school, grades 6-8; one upper elementary school, grades 4-6; and three elementary schools, K-3. We have our sixth grade housed in two buildings because of the number of students we have. Our enrollment figures are ever changing. At present, we have 6146 students as of October 15, and that number normally changes on a monthly basis.

We are unique as a regional district, in that we are located in two counties, Mercer and Middlesex. We are also unique in that we have passed our school budgets for the past three years by close margins. We recently passed a \$53 million building referendum by a 2/1 margin. We recently received the Blue Ribbon School Award, and had representatives at the Rose Garden with President Clinton. And the Chinese Program won a \$55,000 grant from the Defense Department to further our educational programs.

Exactly how we have fared under QEA II is misinterpreted. Since we have been considered a J district factor grouping, our funding has been affected. According to

the paperwork, our State aid has increased over the last three years. However, the "increase" is at less than 2 percent, with an increase of 7 percent in student population. Do you see the disparity?

According to QEA II, if our student population had not increased, we would have received a decrease in State aid. Ladies and gentlemen, I think you will agree that QEA II, in actuality, decreased the moneys to our district. The net effect was a decrease in funding per pupil.

According to our records, our district budget is \$53 million. Foundation aid accounts for \$2 million, and categorical aid accounts for \$4 million.

Our per pupil expenditure has been \$8647 on average for the last three years. Our spending has increased by approximately 1.65 percent each year, which is less than half the cost-of-living increase. Therefore, the local property owners are responsible for 90 percent of the school budget, and the State only pays for approximately 10 percent.

As if that were not enough, the little aid we do get has caused quite a problem for the last three years. The amount of aid projected by the State has been changed, not once, not twice, but sometimes three times after public hearings have begun. School budget voting has been delayed weeks, sometimes a month. Again, this affects the local property owner, not just in the pocketbook, but in their trust.

We all know the importance of establishing trust and the difficulty of repairing damage once that trust has been violated.

We are relying on the property taxpayers to fund this district. Those taxpayers consist of senior citizens on fixed incomes and young people trying to build stability as home owners. It is not a question of whether these people value education, but rather, can they afford the value of education?

The answer too often in West Windsor-Plainsboro is, "No." The QEA must go.

Our Board of Education is very concerned about increased financial pressure on taxpayers. As a matter of fact, that is their number one concern at this stage of the game. Our per pupil spending is the lowest in our district factor grouping, and on a year-to-year basis, our needs are not met. Our classrooms are overcrowded; textbooks are over 10 years old; we have inadequate support staff; major purchases are eliminated; and we cannot address the instruction and capital improvement needs.

Property owners cannot afford to support schools on a level that enables us to continue providing excellence in education.

We are beginning to see signs of stress on our human resources -- our teachers. Our high school teachers may have a 150-200 student load per day. Teachers feel responsible for their students and try to individualize, knowing that for some it is the only attention they get all day. To do that, teachers must have time to plan, but instead, often find themselves on a line six people deep to use a copying machine that frequently breaks down and cannot be replaced. Dreams of planning can go up in smoke, and increasingly teachers despair that the job cannot be done.

The movement toward site-based management includes teachers in decision making. But is there money for this training? There is rarely money to be used as a means to an end.

We do not need politically expedient answers to educational problems. Expedient answers do not support excellence in education. Therefore, we challenge this Commission to fund our schools equitably -- with fairness to all students -- including those in West Windsor-Plainsboro. Our future depends on it.

I want to elaborate just a bit on some of the items that have been affected by the budget in the last three years. In the last three years, the West Windsor-Plainsboro Education Association has had to be extremely diligent at Board meetings. If our presence is not known or visible, we can often lose programs at a meeting. Then, after we become diligent again, they come back, or the questions that need to be answered can be answered, and the necessary parts of the programs remain intact.

We had difficulty with multicultural studies for a long time. It was necessary for us to incorporate that as part of our curriculum, but because of budget cuts it was always pushed off to the side until it became a situation in the district that would no longer be tolerated. Because of that, because parents had to get upset, because we had to have situations in the building where students became violent, the problem was addressed. We now have multicultural studies. We have an excellent amount of resources and teaching materials for the teachers who are teaching those courses. But of course, it is robbing Peter to pay Paul.

Our curriculum work is designed on basically a five-year cycle. The continuous up-to-date cycle lately has been severely interrupted. There is also a possibility of no longer being able to utilize the county AVA supplies. When one of the chemistry teachers heard about this, she was a little upset. She said, "You know, they don't want us to be lecture teachers; they want us to be visual, especially for the kids who are visual learners. So I wonder if they really want me to bring radioactive isotopes into these classrooms." Therefore, the videos that are available through the AVA Commission are not used to fill in time in a classroom. They are necessary and they are needed.

In our advanced chemistry classes, they are basically five or six people deep at laboratory tables, because they

cannot get the supplies. If they order the supplies, the budget is brought back, "Cut it back." If you need 12, you get 2.

We have an open space building at the high school. Open space means we teach in areas very similar to this with no walls. It was okay when the school was designed, because we had 15 to 17 students per class. But now the average class size is 35, so it makes it a little difficult, especially in advanced trigonometry.

I hope you will take some of these things to mind. I understand how difficult it is for people in other areas to teach also, but I believe that in order for West Windsor-Plainsboro to maintain, it would be nice if we could also receive the funds necessary, and hopefully bring other districts up to where we are so we can all move forward together.

Thank you very much.

MR. BURSTEIN: Thank you.

Brenda Considine and Peter Buchsbaum. If you want to come up in harmony, fine. Introduce yourself, Peter.

P E T E R B U C H S B A U M, ESQ.: I am Peter Buchsbaum. I am the Government Affairs Committee Chair for The New Jersey ARC, formerly the Association for Retarded Citizens. With me is Brenda Considine, who is our Government Affairs Director.

I would like to thank the Commission for its patience and attention. I have endured sitting here listening to all of the presentations. It is an interesting experience.

I would like to begin with just a couple of brief personal notes. When I was a young lawyer in my first job, I was fortunate enough to work for Chief Justice Weintraub, who was then Chief Justice of the New Jersey Court. We had a case in front of us in 1971 called West Morris v. Sills, which dealt with school busing. In the course of this case, he was speculating what would happen if the imperatives of home rule

clashed with the need for uniform State funding of education. He dropped a little footnote saying, "We make a decision on what would happen in that case."

Well, we are all here 23 years later -- practically a quarter of a century later -- still wondering what to do with that footnote. So in a sense, for me personally, and also since I worked for Governor Cahill's Tax Policy Committee right after finishing my clerkship -- to me personally, Robinson v. Cahill and Abbott v. Burke and this whole issue have been part of my consciousness my entire adult life.

But the other strand of my life that is important here is what happened three years after this decision came down. When my son was born in 1974 -- my oldest son -- we did not know it at the time, but it became evident over the years that he had severe developmental disabilities, which have required him to be placed within the special education system. We have benefited from that system over the years, but we have also seen that there are issues and problems in that system.

What I bring to you tonight is a combination of the interests I have had as a lawyer over the years and my interests as a parent in seeing that the Quality Education system that has been developed, and that this Commission is reviewing, services the needs of children like my son.

We have developed several areas of concern which ARC has put together. They begin on page 2 of our written statement. I will summarize them.

The first one is accountability. Even though we as parents are frequently told, "Why is all this money going into special education?"-- I am running for office locally, and I heard this at one of my own "coffees." The fact is, there is no guarantee that the money that is generated because numerically there is a special ed child, is actually used for that special ed child. It seems a basic kind of accountability

that if the count is there, the money has to be allocated that way, but that is not, in fact, the case.

With this and the other issues -- I should just say a brief aside -- there is a lot of money going to special education, or at least being generated in categorical aid. It is not the position of ARC at this point that we need to enhance that pot. We are concerned, first off, as I mentioned, with this accountability issue, to make sure the money goes where it is intended because that is the category.

The second thing we want to bring up is the "bounty" system. In effect, as a reward for classifying children-- You get extra school aid if you classify. It may not be a coincidence that New Jersey's rate of classification is 16 percent, compared to a national average of 12 percent. Although in a sense -- in a narrow sense -- that benefits parents like me, in a broader sense it doesn't. We don't want classification where it is not necessary. We want kids to get the right education, not a classified education.

There is also the disturbing fact that the rate of classification varies so widely among New Jersey municipalities. We mention here that it goes from 31 percent to 4 percent. Unfortunately, in many of the special needs districts, because of personnel difficulties and the sheer inability to deal with the flow of paperwork, the greater classification is probably less than what it should be. So if a bounty is occurring, it is not occurring in those districts which actually could use the money the most.

The third issue is the uneven playing field. You get more aid depending on what box you are put into, as we mention here in the statement: John is classified as "educable mentally retarded," and you get \$3100 in categorical aid. If he goes to a separate class operated by his district or a neighboring district, or a private school, that comes to \$4200; in a special services school district, \$9600. You are not

looking at the student; you are putting the student in a box and then deciding on the aid. School administrators, like everybody else, are human, and there has to be a factor that says, "Well, let's get the box that helps us financially the most."

That ties into our fourth issue, one of the key items -- items is too weak a word -- the key thrusts of the disabilities community now is inclusion. This is the notion that, where possible, people with disabilities should be included in the mainstream of their peers, in the classrooms, and in the ordinary teaching system.

Our particular categorical aid programs have a disincentive to use that approach. There is no categorical aid for a child who is kept in the regular classroom with some supports.

Now, we can debate the merits of inclusion as a panacea, or as a partial solution, but clearly the disincentive to inclusion is flat-out wrong. It should be funded at least as much as categorical aid to kids who are placed by themselves with other special ed students.

Finally, related services: There is a growing need as we get, hopefully, more towards inclusion for attention to occupational therapy, speech therapy, and physical therapy in the school districts. This requires additional training. It is not necessarily a matter of additional money, but it is a matter of additional training and additional sensitivity. That is something else that this Commission should address.

I think all the points we raised can be summed up in one concept: We want the system to center on the child, not on the box in which it placed the child. Decide what the children need and fund it appropriately. Don't decide that Johnny has an EMR label so we give me "X" dollars. Johnny has needs EMR, XYZ, or ABC. That is what should be the key, and that is where

the incentive should be. That is what we ask this Commission to consider as it goes about its work.

I thank you very much for your time.

MR. BURSTEIN: Thank you, Peter. Is Ms. Considine going to make a separate presentation? (negative response)
Thank you.

Kabili Tayari.

K A B I L I T A Y A R I: Good evening, members of the Commission and the public. My name is Kabili Tayari, and I am the Education Committee Chairman and the Second Vice President of the New Jersey State Conference of the NAACP Branches.

First, allow me to let you know how the New Jersey NAACP and the African-American community of New Jersey were informed about these hearings. The Office of Legislative Services did not contact African-American organizations in the State, and I doubt very seriously if any organization of color in the State was contacted to appear before the Commission or to remit position papers to the Commission.

At the regular scheduled monthly New Jersey Black Issues Convention's Board of Directors' meeting held Saturday, October 16, 1993, a member of the Board of Directors -- who is a Board of Education member -- informed us that he had received information from the New Jersey School Boards Association that these hearings were occurring.

This is a grave concern for the following reasons:

1) The majority of the 1.1 million students in New Jersey's public school system are in the 30 poorest school districts in the State.

2) The largest majority in the 30 poorest school districts is African-American; the second largest majority is Latino, or Spanish speaking.

Based upon these two reasons, it is germane that the Education Funding Review Commission schedule a fifth hearing in Camden, East Orange, Asbury Park, Plainfield, Passaic, Hoboken,

Perth Amboy, Union City, New Brunswick, Montclair, Orange, Red Bank, or Long Branch where there is accessible transportation by train, bus, or car.

Secondly, it is imperative that this Commission uphold the decision made by the New Jersey Supreme Court in Abbott v. Burke, which mandated both educational equity and educational parity. New Jersey needs a statewide school finance system that will provide funding to ensure both equity and parity.

Chapter 212 -- created after the Robinson v. Cahill decision -- and QEA I and QEA II -- both created after the Abbott v. Burke decision -- implemented inequitable funding and no parity for everyone except the wealthy communities of Alpine, Deal, and Princeton.

Chapter 212 unconstitutionally and illegally provided districts such as Alpine, Deal, and Princeton with a supplement known as minimum aid from 1975 to 1990, which totaled \$6 billion.

QEA I and QEA II unconstitutionally and illegally provided districts such as Alpine, Deal, and Princeton with a supplement known as transition aid, and QEA II provided additional property tax relief to these districts at the expense of not providing quality education.

In QEA II, the allocations were in the following percentages:

A) Districts such as Manville and Edison received 55 percent of the QEA II moneys. They were known as foundation districts.

B) Districts such as Roosevelt and Cherry Hill received 15 percent of the QEA moneys. These districts were known as foundation aid/transition aid districts.

C) And this is the trip: Districts such as Alpine, Deal, and Princeton -- where the per capita income average is \$400,000 -- received 25 percent of the QEA II moneys in what is

called transition aid, which was defined as being illegal because it was just another avenue for minimum aid.

D) The 30 poorest school districts, such as Hoboken, Plainfield, Pleasantville, Camden, Passaic, Bridgeton, and others received, collectively, only a pitiful 5 percent of all of the QEA II moneys.

The Commission must do as the Court mandated, which is to implement equity and parity in New Jersey for all youth, especially in the 30 poorest school districts where the majority of New Jersey's 1.1 million students attend public school.

Recommendations to the Commission are:

1) Establish an equitable foundation aid formula for all school districts which is based upon a funding amount per student actually enrolled during each school year.

2) Eliminate 15-month reimbursements to districts for transportation and special education costs incurred from the previous school year. As some of you know who sit here -- you education professionals -- a district puts out capital costs for transportation, special ed, and some other costs, and has to wait until 15 months later to be reimbursed that money. That puts the district at a deficit.

3) Establish a base funding amount to each school district for each student enrolled in:

- a) special education,
- b) compensatory education,
- c) bilingual education,
- d) vocational education, and
- e) at-risk programs.

4) Create a funding formula which expands categorical aid to include upgrading computer technology, providing library services, and upgrading vocational/technological classes. We seriously ask you to look into things like the schools' opportunities to work at these things, and some other things

that are being developed on the national level, and also the Workforce Development Partnership Program which exists here in the State of New Jersey.

5) Develop a structure for eliminating 611 school districts and implement regionalization, which is badly needed. I was glad to hear even in Burlington there are other school districts which are not majority African-American and Latino, which are also calling for regionalization.

6) Develop a tax abatement formula for corporations, industries, and businesses which provides investment in local education; i.e., you need to establish a formula that if these multinational corporations are going to receive these huge amounts of tax abatements, then why not contribute, or donate copier machines to each school in a district. I mean, you need to set up some kind of formula for financial and in-kind services from these corporations.

7) Eliminate the inequitable property tax system of funding education and develop an equitable funding system derived from sales tax, income tax, cigarette tax, gasoline tax, liquor tax, and, of course, the casino profits. Let me be specific here also. A district like Alpine pays about -- off the top of my head -- a maximum of 63 cents per \$100 of property value. Yet, you heard other districts here tonight, as well as in Burlington -- and I am sure in Toms River -- tell you what they are paying.

Let me tell you what Newark, New Jersey pays: \$21.99 per \$100. Let me tell you what Camden pays: \$13.68 per \$100. Let me tell you what Linden, New Jersey pays: \$3.82 per \$100, only because Exxon, the Port Authority, and Merck own most of the properties in Linden, New Jersey. Otherwise, those taxpayers would be taking a whipping.

8) Immediately eliminate minimum aid and transition aid, which are unconstitutional.

At the first meeting of the Commission, on April 23, 1993, Governor Florio stated, referring to the Commission: "Its primary objective is to develop a funding mechanism to provide an equitable educational opportunity to all school children, one that will also move the State into the next century."

A final statement: The meager 5 percent of QEA II moneys to the 30 poorest school districts did not create the leveling down of quality education in New Jersey. That was created by a lack of universal parity and inequitable funding received by the wealthiest school districts in the State, like Alpine.

I thank you.

MR. BURSTEIN: Thank you, sir.

Robert Ruezinsky.

R O B E R T R. R U E Z I N S K Y: Good evening. I am Bob Ruezinsky. I wear many hats. Probably the two that I am wearing now as I testify are those of President of the Woodbridge Public Library Trustees and President of the New Jersey State Library Trustee Association.

The one thing that everyone can agree on is that change is happening, and it is happening fast. Schools can no longer be expected to teach students all they will need to know for the rest of their lives. Graduates of our public schools will need to retrain themselves for second, third, and who knows how many careers before they are able to retire. Learning truly has become a lifelong process.

If one considers the explosive needs for retraining and lifelong education, one also has to ask where this training and education will take place. I respectfully suggest the most logical place is in the public library.

Unfortunately, the funding of public libraries has not kept pace with the rest of public education, even though the

libraries are, in fact, part of the New Jersey Department of Education. In the early 1970s, State aid as a percentage of total annual budgets for public libraries was about two-thirds of that given to public schools. That same figure for 1992 showed that libraries received only one-ninth of the money given to public schools.

This problem is compounded by other cuts in State aid to the municipalities we serve. As a result, the municipalities have had to cut library budgets at a time when the libraries already have experienced losses in State, regional, and county aid. This is all happening when libraries should be growing in their ability to serve the citizens of the State with expanded, technologically enhanced services like CD-Rom, on-line catalogs, and checkout services, several formats of video information and remote access to library collections via modems from home or workplace computers.

We live in exciting, yet demanding times and the obvious solution to many of our problems is a fairly funded public library system. It has been suggested by the Per Capita State Aid Study Committee, after hearing testimony throughout the State, that an amount equal to 1 percent of the new school funding formula be allocated to public libraries. I agree.

Thank you for your consideration of this matter. I wish you Godspeed in the heavy task you have before you. Thank you.

MR. BURSTEIN: Thank you very much, sir.

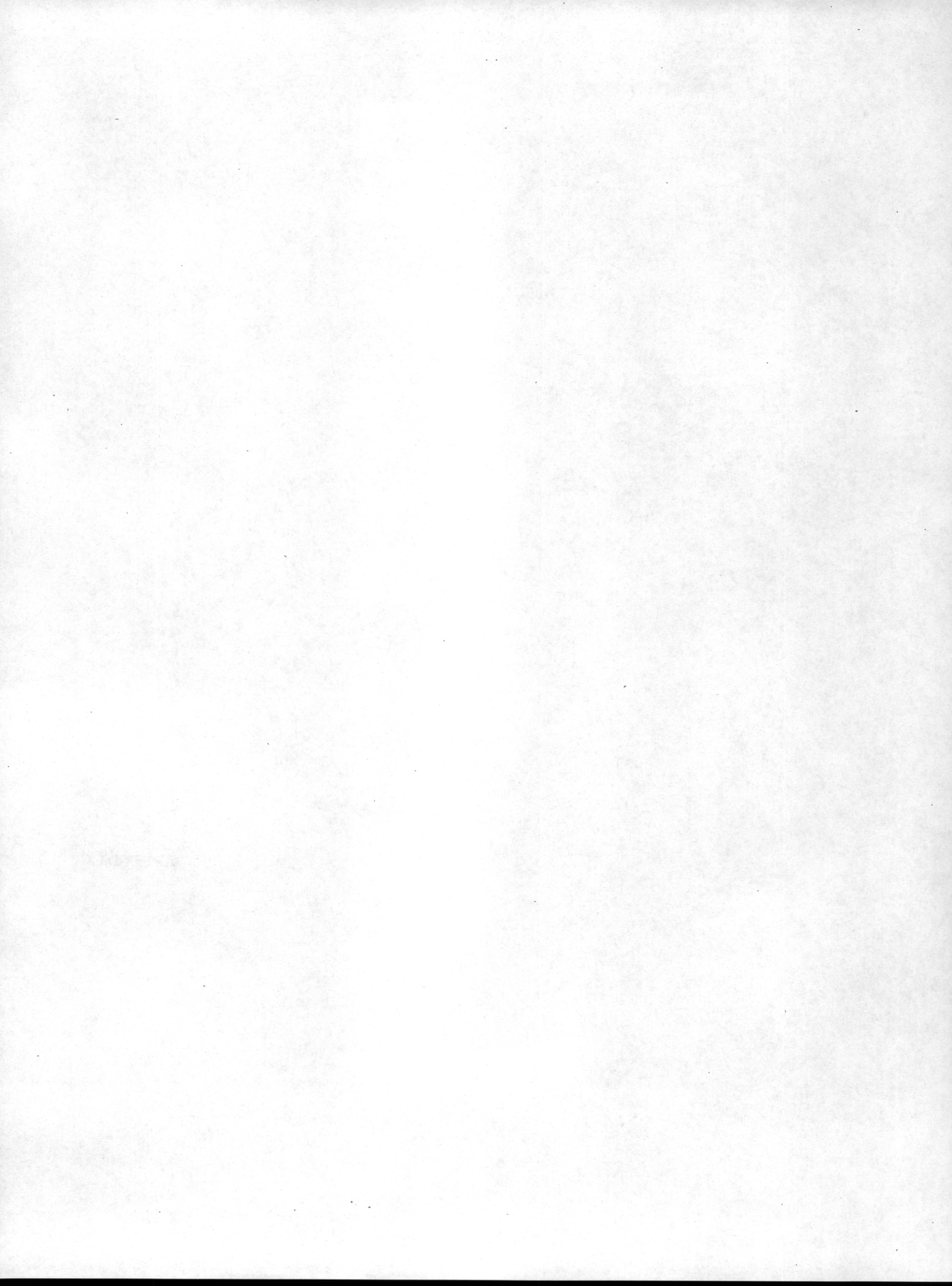
That concludes the speakers for the evening. I congratulate the remnants of this audience who have stayed with us all the way through.

The next public hearing will be held on Wednesday morning in Atlantic City, for anyone who wishes, as a groupie, to follow us down there. We will have a regular business session of the Commission in the afternoon in Atlantic City.

Thank you all for coming.

(HEARING CONCLUDED)

APPENDIX



Testimony before the Education Funding Review Commission

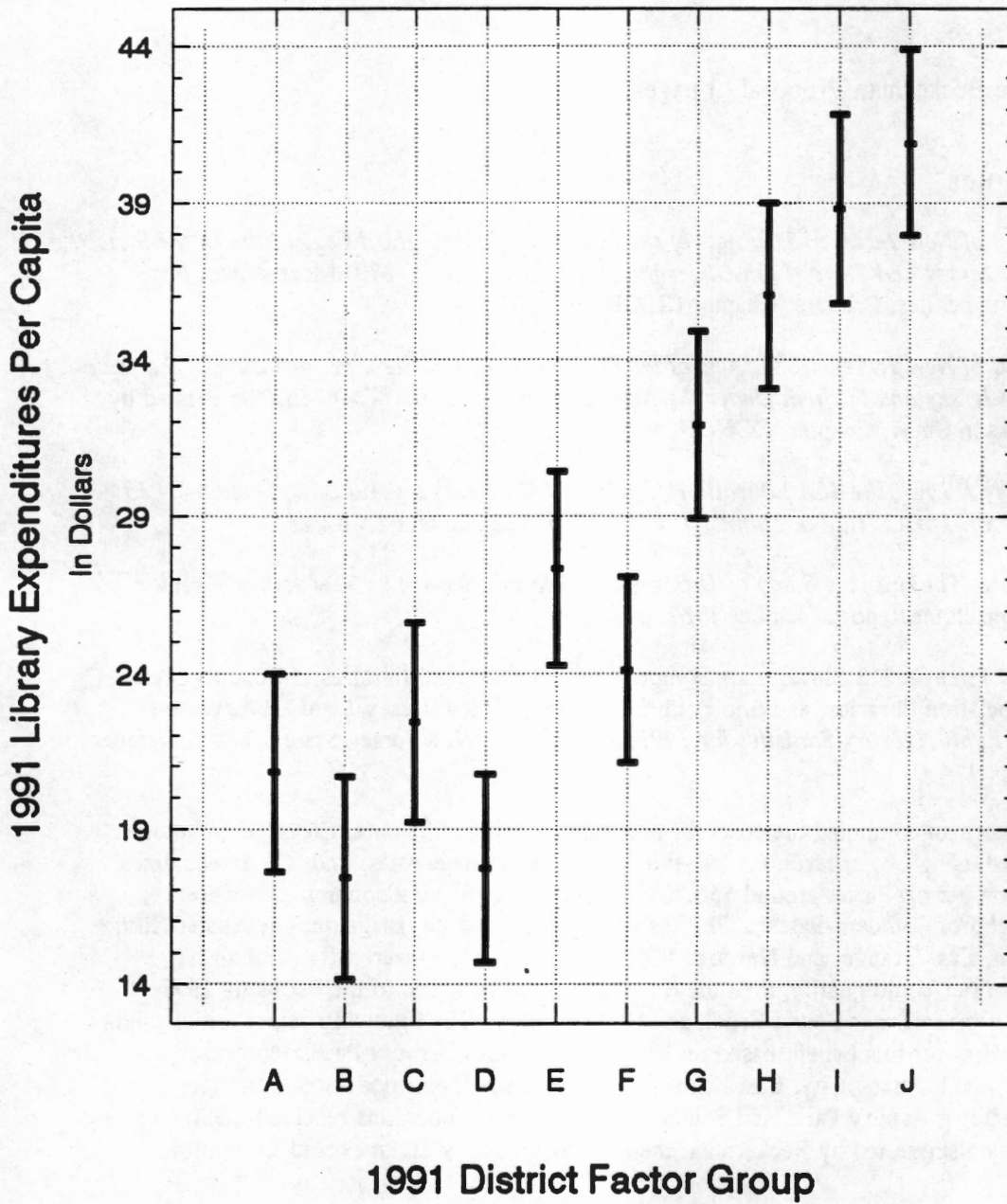
Appendices

- A. Relationship Among Library Expenditures Per Capita and District Factor Groups. 1 page.
- B. Regression of Circulation Per Capita on Expenditures Per Capita; 1991 Data. 1 page.
- C. The Beckerman Proposal. 3 pages.

Endnotes

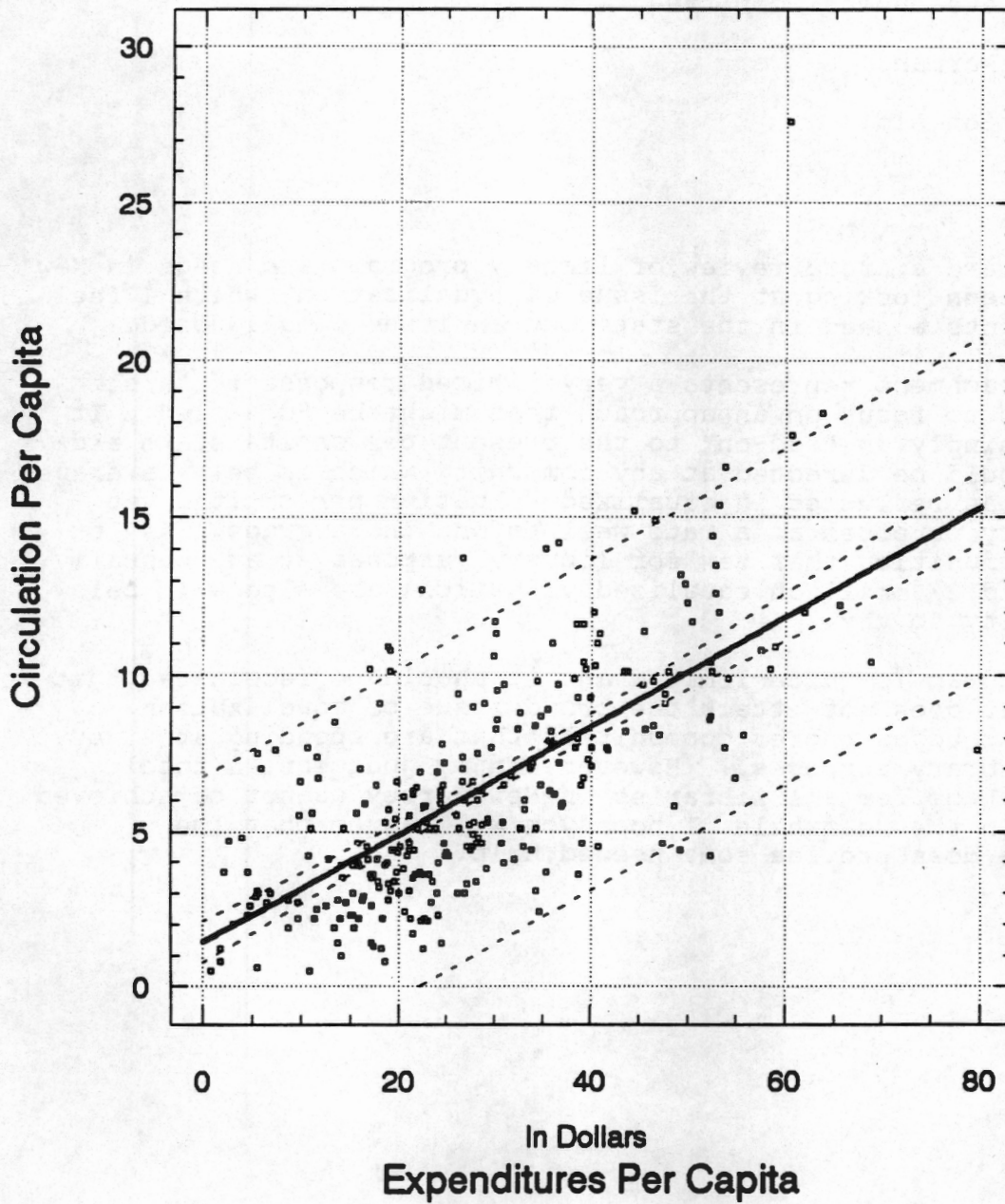
1. *Laws of New Jersey, 1879; Acts of the One Hundred and Third Legislature of the State of New Jersey and Thirty-Fifth Under the New Constitution.* (1879) Morristown, NJ: Vance and Stiles, Printers, Chapter CLXIII, 262-265.
2. *Laws of New Jersey, 1884: Acts of the One Hundred and Eighth Legislature of the State of New Jersey and Fortieth Under the New Constitution.* (1884) Camden, NJ: Printed by Sinnickson Chew, Chapter LXXVIII, 111.
3. See *N.J.S.A. Title 18A Education. Chapter 74 State Library Aid Law, Section 1 - 13.* Also see *N.J.A.C. Title 6, Subtitle J, Chapter 68, Subchapters 2.1-2.13.*
4. Alrutz, Thomas J. *A Study of Urban Public Library Service in New Jersey.* Trenton, NJ: Consultant Report, October 1987, page 14.
5. New Jersey's 313 libraries are comprise of 229 municipal libraries, 14 county libraries, 64 association libraries, and 6 joint libraries. Source: New Jersey State Library. *New Jersey Public Library Statistics for 1991.* Trenton, NJ: New Jersey State Library, October 1992, p. 1.
6. Beckerman computed the costs for his proposal using 1988 data. Eleven communities qualified using two criteria: (1) two-third and above millage rates; and, (2) an equalized valuation per capita set around \$56,000. The eleven qualifying communities were: Willingboro, Camden, Passaic, Phillipsburg, Salem, Orange, Brigeton, Gloucester City, Trenton, East Orange, and Newark. If the second restriction were lifted and all communities could qualify, then the following would be added to the list using 1991 Public Library Data: Bound Brook and Highland Park. The following communities might also qualify for this benefit based on last year's statistics: Asbury Park, Montclair, Collingwood, Jersey City, East Brunswick, Irvington, Maplewood, South Orange, Woodbridge, Asbury Park, and Salem. If all of these communities received the higher per capita rate suggested by Beckerman, the total cost would still not exceed \$1 million.

Relationships among Library Expenditures Per Capita and District Factor Groups



Plot shows range of means for each group

Regression of Circulation Per Capita on Expenditures Per Capita; 1991 Data



Dots depict 312 NJ Public Libraries
As expenditures increase, circulations increase

① 1.

M E M O R A N D U M

TO: Library Development Committee

FROM: Edwin Beckerman

RE: Equalization Aid

DATE: 1/25/90

As LDC moves toward a broad review of library programs and needs in New Jersey, I have been looking at the issue of equalization, which I feel not only represents a need in the state but an issue long ignored.

The enclosed attachment represents a very limited response to this issue, and tries to focus on an approach that might be "do-able". It provides quite simply an "add-on" to the present per capita state aid program which would be directed at any community which is below average in taxing power as reflected in equalized valuation per capita, yet taxes for library purposes at a rate well beyond the average. As it happens, all communities that tax for library purposes at an unusually high rate (beyond 2/3 mill on equalized valuation) are also well below average in ability to tax.

The attached program is quite limited and it should be recognized that this is true. It does not attack the broad issue of equalization because it only touches poorer communities that are spending at a very high rate for library purposes.. However, in my judgment, a total equalization package for all libraries in New Jersey cannot be achieved at this time. In the meanwhile, I hope you will agree that the attached package does provide some needed help.

EX

APPENDIX

FAIR PROGRAM

(Fair Access to Information Resources)

<u>Aid</u>	<u>Municipal Tax Rate for Public Libraries</u>
\$.50	less than 1/5 mill
\$.75	more than 1/5 mill, less than 1/4 mill
\$ 1.00	more than 1/4 mill, less than 1/3 mill
\$ 1.25	more than 1/3 mill, less than 1/2 mill
\$ 1.50	more than 1/2 mill

Average per capita valuation - New Jersey - 1988 - \$ 56,343.00
 To the above aid formula add the following for all communities with an
 equalized valuation per capita less than \$ 56,343.00:

\$ 1.75	more than 2/3 mill, less than 3/4 mill
\$ 2.00	more than 3/4 mill, less than 1 mill
\$ 2.25	more than 1 mill, less than 1 1/2 mill
\$ 2.50	more than 1 1/2 mill

Effect of Equalization Formula had it been implemented in 1988

<u>Munic.</u>	<u>Millage Rate of Taxation</u>	<u>Eq. Val. * Per Cap</u>	<u>Additional ** Aid</u>
Willingboro	0.717	\$ 22,785.00	\$ 9,642.50
Camden	0.741	\$ 9,384.00	\$ 20,474.00
Passaic	0.741	\$ 21,310.00	\$ 13,314.25
Phillipsburg	0.785	\$ 29,220.00	\$ 7,859.00
Salem	0.853	\$ 13,315.00	\$ 3,433.50
Orange	0.881	\$ 17,215.00	\$ 15,661.50
Bridgeton	0.885	\$ 13,044.00	\$ 9,372.00
Gloucester City	0.978	\$ 19,087.00	\$ 6,334.50
Trenton	1.107	\$ 15,529.00	\$ 68,242.50
East Orange	1.674	\$ 13,481.00	\$ 77,204.00
Newark	1.831	\$ 14,254.00	\$ 313,639.00
			<hr/>
			\$ 545,176.25

*All New Jersey communities with appropriation rates in excess of 2/3 mill had equalized valuation rates below average.

**Additional equalization aid would be premised on the local community appropriating in a given year, no less than the average of the past three years.

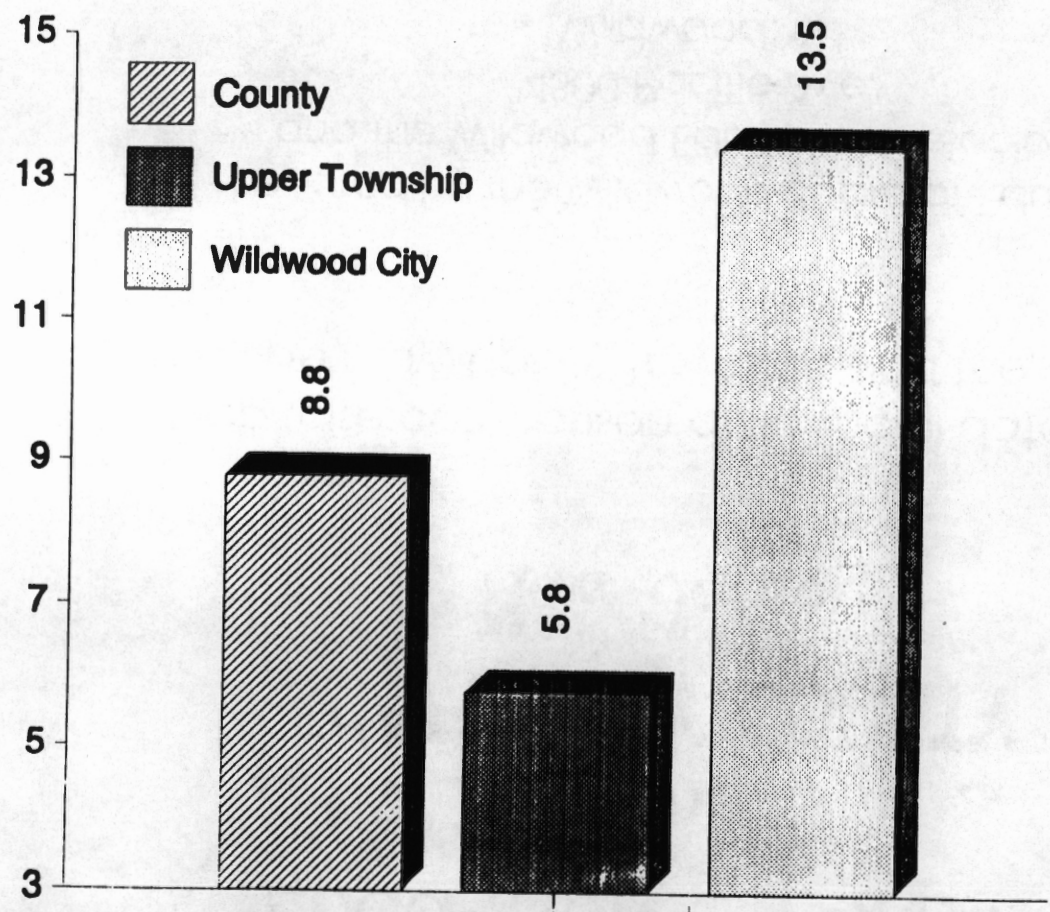
EDUCATIONAL FUNDING
in
CAPE MAY COUNTY
New Jersey

XL
A concise comparison of financial data for the
County of Cape May, Upper Township and the City of Wildwood.

Prepared by the Wildwood Board of Education
and the Wildwood Education Association
4300 Pacific Ave.
Wildwood, NJ

(second printing - Oct. 1993)

Cape May County, NJ Comparison of Financial Data



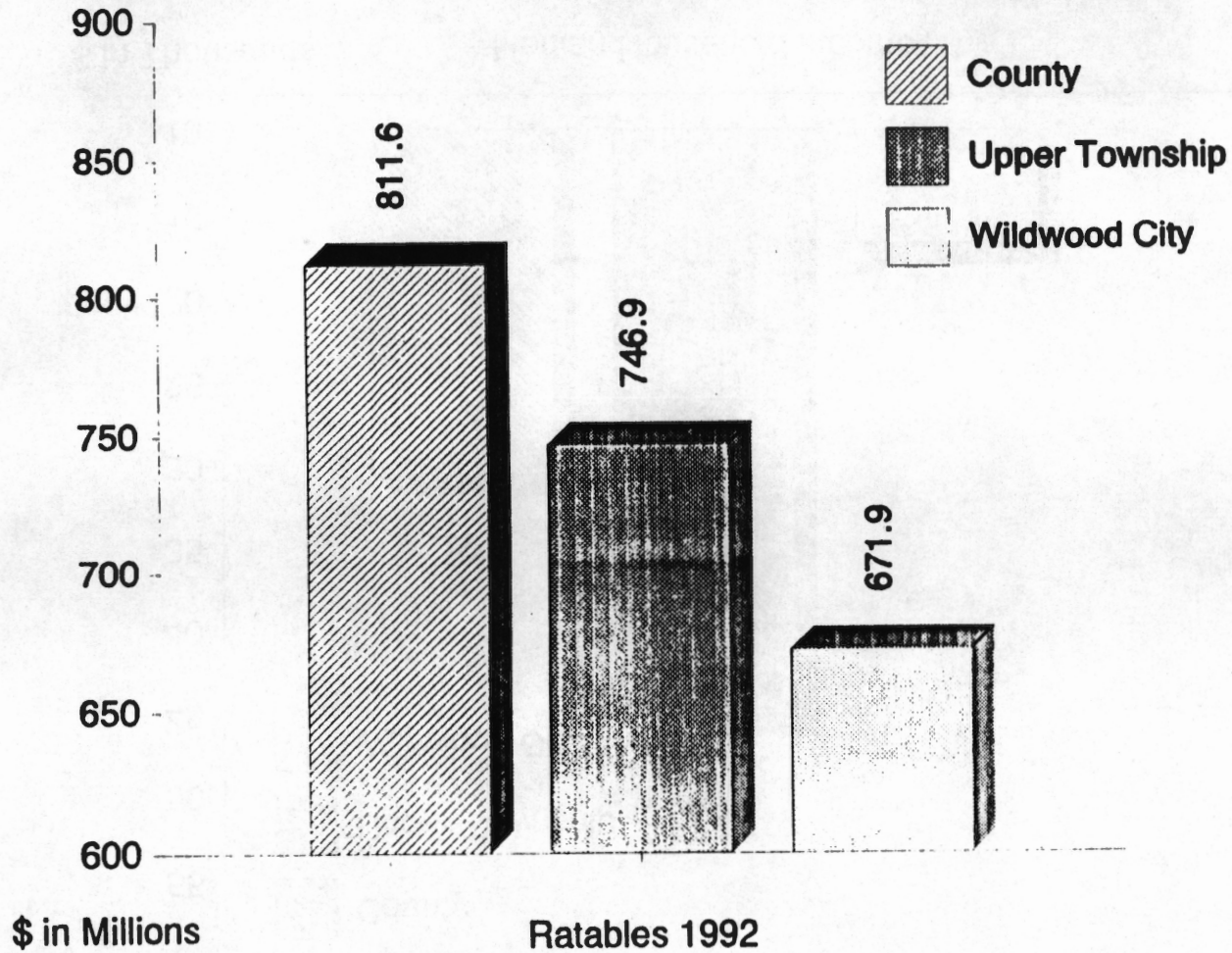
\$ in Millions

Total School & Local Taxes

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Cape May County, NJ

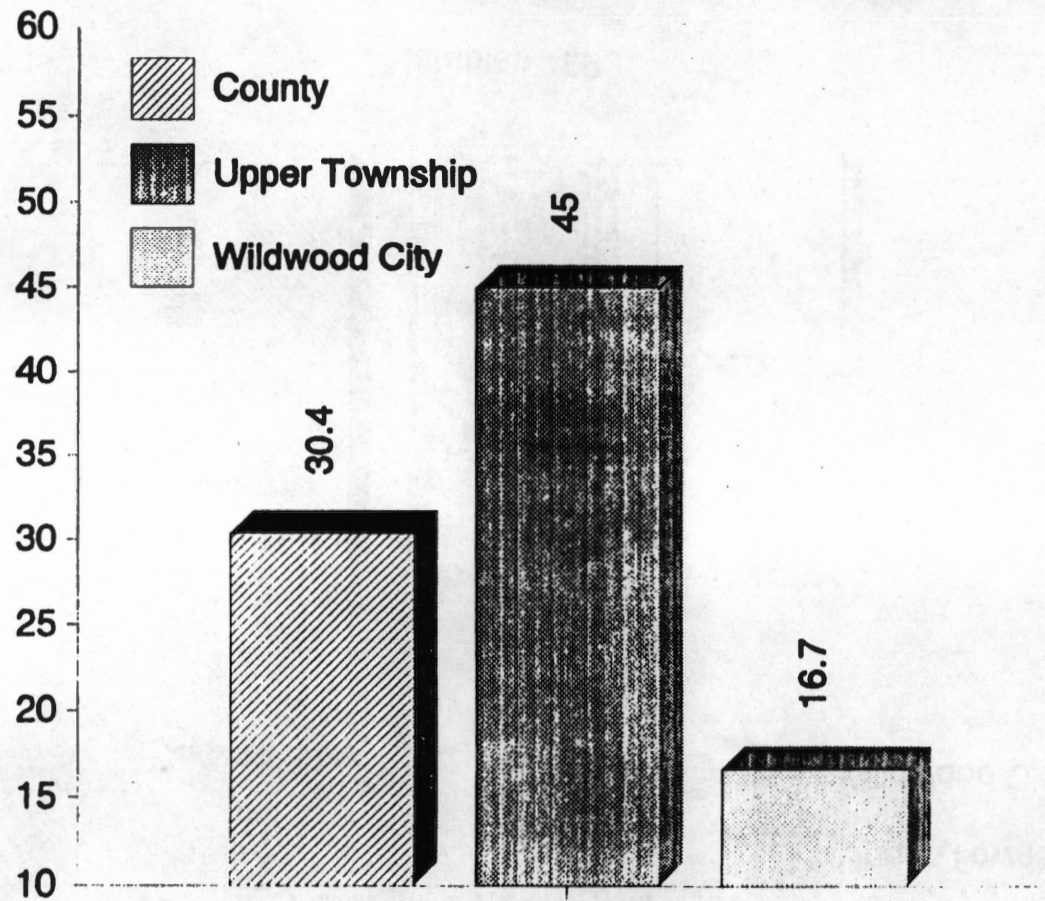
Comparison of Financial Data



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Cape May County, NJ

Comparison of Financial Data

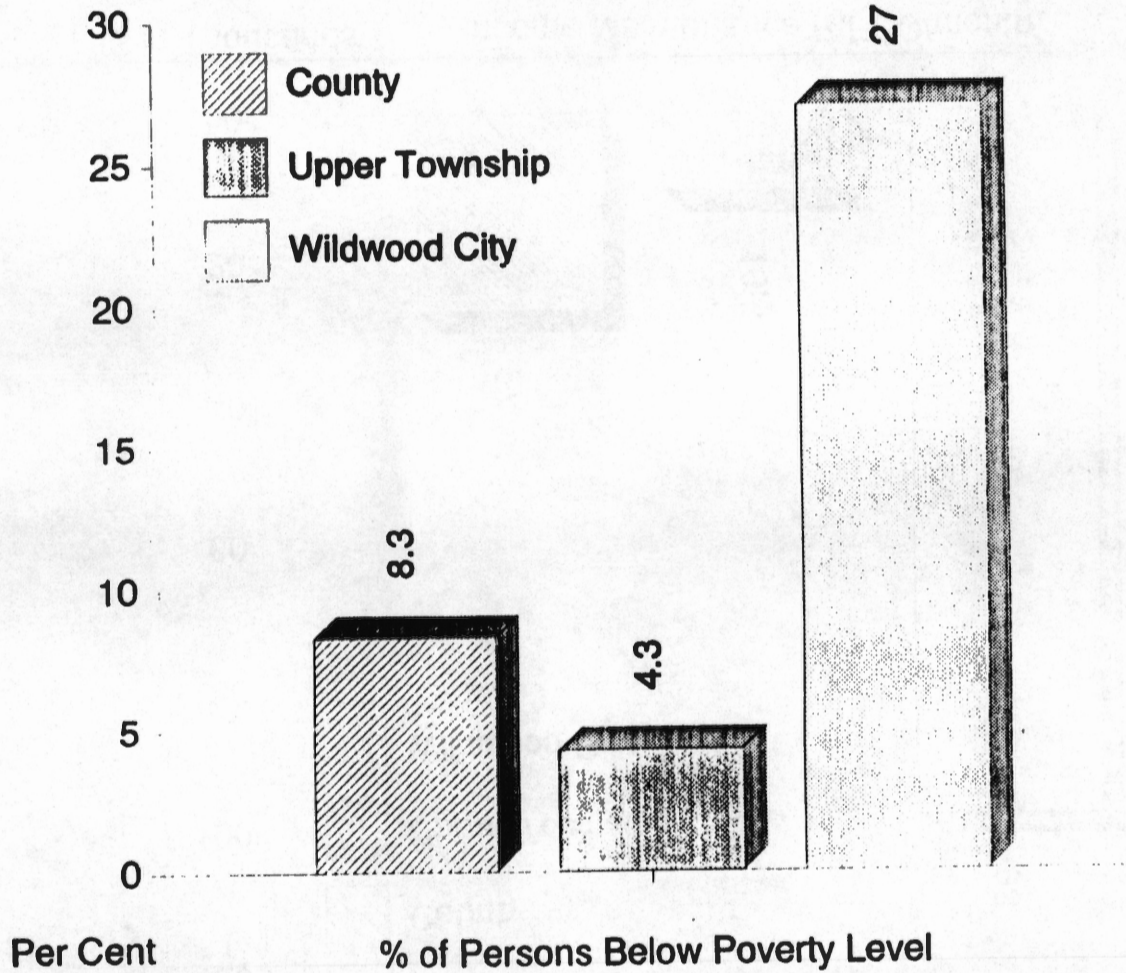


\$ in Thousands

Median Household Income

Cape May County, NJ

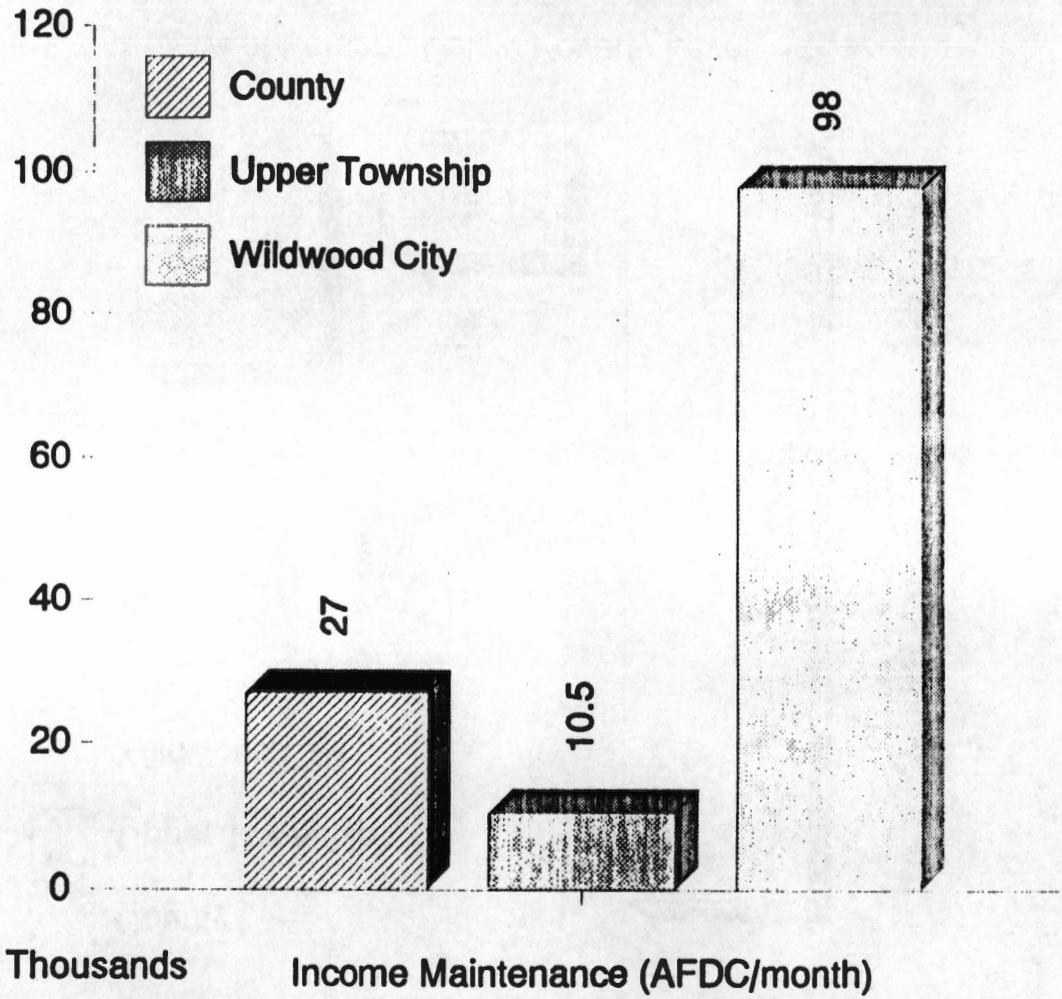
Comparison of Financial Data



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Cape May County, NJ

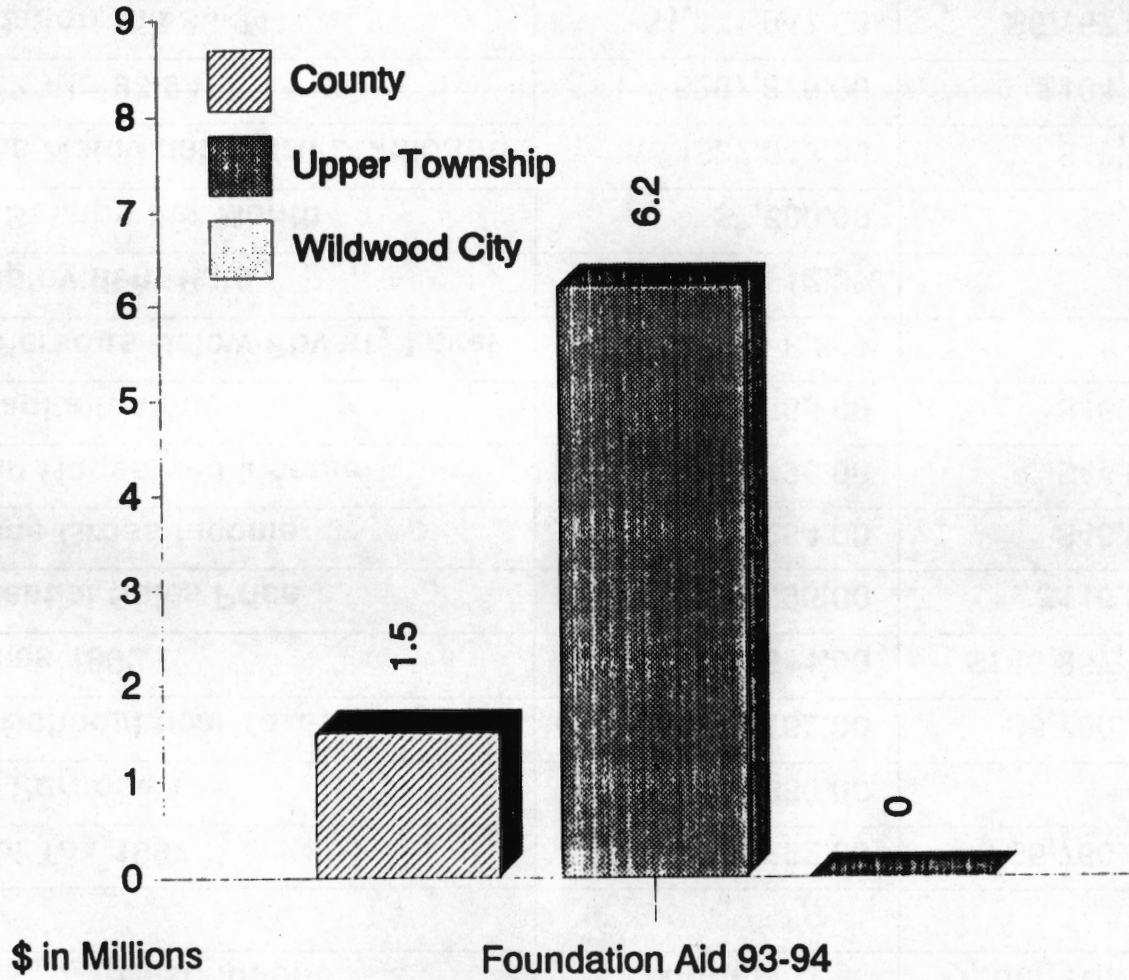
Comparison of Financial Data



12X

Cape May County, NJ

Comparison of Financial Data



13X

**CAPE MAY COUNTY, NJ
Comparison of Financial Data**

Description	County	Upper Township	Wildwood City
School Tax 1992	\$4,225,292.00	\$5,760,353.00	\$5,204,160.00
Local Purpose Tax	\$4,549,860.00	0	\$8,322,497.00
Total School/Local Taxes	\$8,775,152.00	\$5,760,353.00	\$13,526,657.00
Ratables 1992	\$811,569,611.00	\$746,857,717.00	\$671,852,725.00
Residential Sales Price	\$147,595.00	\$116,542.00	\$78,563.00
Average Gross Income	\$33,254.00	\$45,979.00	\$21,617.00
Median Household Income	\$30,435.00	\$44,962.00	\$16,775.00
Per Capita Income	\$15,536.00	\$16,081.00	\$9,862.00
% of Persons Below Poverty Level	8.30%	4.30%	27.00%
Unemployment Rate	12.3%	8.0%	28.10%
Food Stamps Per Month	\$7,600.00	\$4,192.00	\$22,812.00
Income Maintenance (AFDC/month)	\$27,043.00	\$10,549.00	\$98,089.00
At Risk Aid 93-94	\$207,870.00	\$104,141.00	\$560,987.00
Foundation Aid 93-94	\$1,471,847.00	\$6,167,896.00	0

X 71

Wildwood Public Schools

4300 Pacific Avenue

Wildwood, New Jersey 08260

Arthur Motz

Telephone: (609) 522-4157

Superintendent of Schools

October 25, 1993

Education Funding Review Commission
New Jersey State Legislature
Legislative Office Building, CN-068
Trenton, New Jersey 08625-0068

Dear Commission Members:

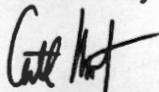
The attached background data outlines the frustration and the sense of being inequitably treated that the Wildwood Schools bear as a result of our on-going encounter with the Q.E.A.

On the basis of our experience, we encourage you to incorporate the following principles into your final proposal:

1. Aid levels should reflect the district's number of special needs students.
2. Aid should be impacted by the district's total local level of taxation.
3. AFDC counts must influence state funding efforts to the district.
4. Careful examination of the determining factors for identifying future "Special Needs Districts" and clarification as to how the label "urban" is applied to school districts are needed.
5. Consideration of the unique economic/demographic characteristics of seasonal resort communities such as Wildwood that receive a detrimental impact on interpreted equalized valuation figures.
6. Emphasis on significant incentives for districts to regionalize voluntarily.
7. Consideration of maintaining the general concept of safe-harmless protection.

Through our funding adversity, we have been forced to become attentive to a few of the many dimensions of the intricacies of school funding in New Jersey. Hence we are truly respectful of the task the Commission has assumed. We thank you and wish you well.

Sincerely yours,



Arthur Motz
Superintendent

Wildwood Public Schools

4300 Pacific Avenue

Wildwood, New Jersey 08260

Arthur Motz

Telephone: (609) 522-4157

Superintendent of Schools

October 14, 1993

Robert H. Davis, Assistant Commissioner
Division of Financial Services
New Jersey Department of Education
CN 500
Trenton, New Jersey 08625-0500

Dear Mr. Davis:

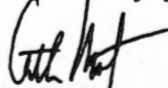
Upon receiving our state aid figures for the 1992-93 school year, we were shocked to find that the \$618,120.00 in Foundation Aid that we had received the previous year was now reduced to \$0. Detailed investigation revealed that a cut-off point built into the Q.E.A. mechanism had caused our loss and that we are one of three districts in the state to have lost all Foundation Aid. (The other two districts had clearly mitigating circumstances attached to their adjustments, each of which was much smaller than ours.)

The impact of a loss of state aid equivalent to 5% of our total budget is devastating to our small district (under 1000 students K-12) that is classified by the state as DFG Type A and has 568 "At Risk" students. As we are mandated to provide increasing numbers of intensive individualized instructional programs, this sudden funding collapse has caused us to lose 15% of our staff as well as losing headway in efforts to solve our critical facilities problem that necessitates us jamming grades 5-12 into a building that dates from 1916. By many standards, we are a "Special Needs" district; we certainly should not have lost more aid than any other community in Cape May County.

The current state of the economy in the City of Wildwood is faltering and characterized by failed businesses, uncollectible taxes, and negative business development. The city tax rate is the highest in the county, and needs for all sectors of municipal services are increasing with local support of the schools being crushed in this financial squeeze. A recent attempt to regionalize Wildwood's schools with neighboring districts failed, largely because outsiders wanted no part in assuming Wildwood's burden.

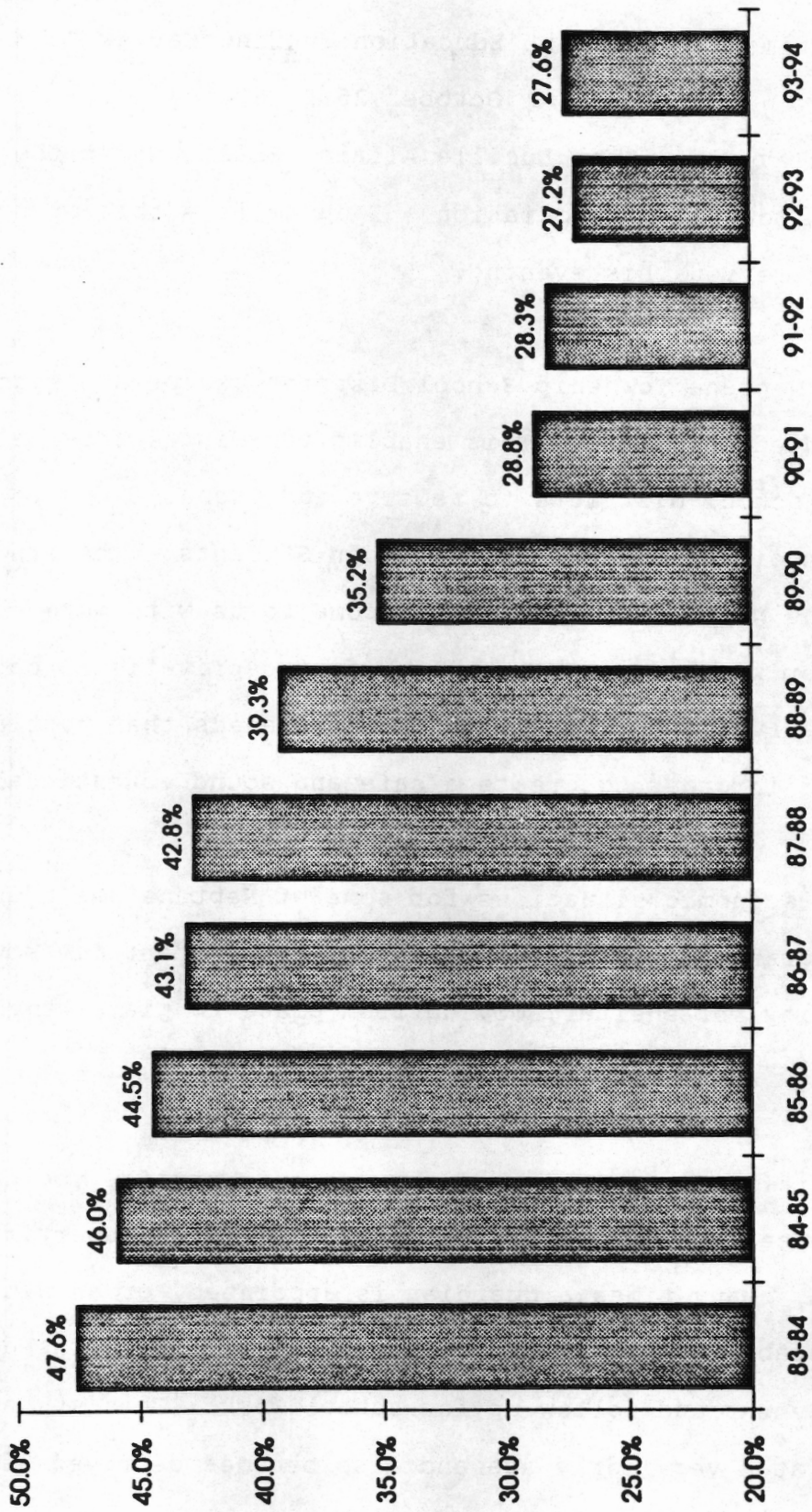
As each budget year passes, the cumulative effect of our loss becomes increasingly oppressive as "Foundation Aid Districts" receive modest increases on their original allocations and we watch our shortfall ascend into the millions. "Safe Harmless" seems to be a touchstone principle with virtually all past and present school funding processes. We seek a remedy that would apply this significant aspect of educational finance in New Jersey to the Wildwood Schools.

Sincerely yours,



Arthur Motz
Superintendent

Percent of Revenue From State Aid



17X

Testimony Before the Education Funding Review Commissioner

October 25, 1993

Good evening, I am Lucille Alfano, President of the Neptune Township Education Association. I appreciate this opportunity to speak before you this evening.

The Neptune Township School District has been designated as a Special Needs District. This enabled our district as well as the other 29 school districts to receive additional funds to help address the needs of our students - the Urban Students. The students that attend the Neptune Public Schools come to us with more than just a thirst for knowledge. Many suffer from deprivations, both economically and socially. It is these needs that must also be addressed in order to create a safe and sound educational environment.

The economic situations for some of Neptune's students are that of a migrant or welfare condition. This student lives with instability for shelter, moving from place to place which may include a motel.

Additionally, because of the economic strife, the parents or parent, needing to work various jobs, must seek supervision for their children. Many times a guardian is appointed, or an older sibling. This unstable home situation does not allow for the needed reinforcement and follow-up for school work. This student learns failure at a very early age and also becomes deprived of a basic education foundation.

Monies received as a result of the Quality Education Act, enables Neptune Township to provide a full-day kindergarten program. This helped to bring about some stability for the very young person. California Achievement Test scores have improved for students at this level. However, the factors attributed to the economic situation affects many students, of all grade and age levels. The older they are, the graver the situation becomes for the school system.

Terms applied to students who find it difficult to succeed in a traditional school setting are "disaffected" and "at-risk." These students, carrying with them the failure, anger and even learning disabilities, often exhibit behaviors within the school setting that is detrimental not only to them, but to their peers. For school year 1992-93, Neptune Township reported to the State a total of 90 student incidents which included various types of assaults, possession of weapons and arson. Based on this report, there was an average of more than two incidents a week. Just two months into this school year, there have been substantial numbers of student fights and student possession of weapons. To share with you some of the students' feelings about this, I offer the following. Last year, I conducted a writing lesson with eighth grade students. They were to write an essay about how they (the student) would run the Middle School if they were in charge. During the discussion a student spoke-up and said that it would be impossible to do. She said that if the teachers were not here in charge, a lot of kids would be too afraid to come to school.

Neptune Township has utilized QEA Funds to hire a guidance counselor for each elementary school. An Alternative School - classroom concept has been implemented in both the middle and high schools. It is just the beginning, but not merely enough to make the schools a safe place to be.

Neptune, as well as all the other Special Needs Districts look toward those districts who have wonderful educational opportunities for their students, such as fully staffed libraries in all schools, science labs, and yes, even windows that open and roofs and ceilings that do not leak. In unison we look to this commission and the State of New Jersey to encourage those districts to continue the educational advantages and assist us in enabling our students to partake of the same necessities.



985 Livingston Avenue
North Brunswick, NJ 08902
(908) 246-2525 FAX (908) 214-1834

FRED R. PATTERSON
President

PAUL A. POTITO
Executive Director

September 1993

**Summary of Concerns with The Current Formula for
State Funding of Special Education Programs and Services
in the State of New Jersey**

INTRODUCTION:

In the last two years, state funding for special education has increased by nearly 90%, while quality, accessibility and range of services have changed little. Currently, there are nearly 612 million dollars in state aid spent on special education services.

The Arc of New Jersey believes that there is an adequate level of funding currently allocated in New Jersey for special education. We are not advocating more money at this time. We are advocating a simpler and more fair system with more accountability, both in terms of dollars and in terms of student outcome.

Dollars to educate a child with a disability come to a district from a number of sources. The first is local district share. Whether or not a child has a disability, the local district is expected to provide a certain level of per pupil funding. This amount ranges by district. The second source of funding to educate a child with a disability is state aid, which districts currently receive for every pupil. This amount also varies by district. In addition to these two funding sources which exist for all children, children who are classified as educationally handicapped also generate state categorical aid. The specific dollar amount is determined by multiplying a weighted "factor, which is based on average excess costs, by a constant, currently around 6,500 dollars. This product determines the amount categorical special education aid a district receives for a particular child. In addition to state aid, districts receive a certain amount of federal aid for every child with a disability they educate.

The sum of these amounts represents the total funds a particular district has available to educate a particular child with a disability. To suggest that categorical aid dollars are the ONLY dollars available to a district to educate a child with a disability is incorrect and overlooks other sources.

If a child's program costs are higher, the district is required to make up the difference. If a child's program costs are less than the total funds available, the district may redirect the aid as they see fit. It does NOT have to be spent on a particular child, or on special education in general. It is estimated that about half of the state's school districts "make" money (that is, they collect more than they spend) on special education.

SUMMARY OF AREAS OF CONCERN

The Arc of New Jersey has a number of concerns with the current mechanism used by the state of New Jersey to fund special education programs and services provided to children with disabilities.

ISSUE # 1: ACCOUNTABILITY:

Although categorical aid for special education is generated by districts on the basis of "pupil count", there is no accountability mechanism to demonstrate that districts actually spend the aid on a the child who generated it. This system requires districts to spend money "counting" pupils in order to get state aid, but does not require them to demonstrate that the dollars they collected were used for the purposes they were intended for.

The public impression is that special education costs are skyrocketing. In fact, state aid to districts for special education has skyrocketed in the last two years, but we know little about how that aid was actually spent. There are published reports of local districts using special education dollars like a "slush fund" to hire football coaches and purchase uniforms.

ISSUE #2 The "BOUNTY" SYSTEM

Special education aid to local districts is generated on the basis of the number of pupils classified. The more children identified and placed, the more aid that a district receives. The national average for state rates of classification has hovered around 12% since the passage of the IDEA, the Federal Law which promises a free and appropriate public education to all pupils with disabilities. Yet the classification rate in New Jersey is over 16%. And, there is a great degree of variance in classification rates among districts; some districts classify as many as 31% of their students as disabled, while other districts classify as few as 4%. Interestingly, many of the "special needs" districts classify children at a rate far below the state and national

average. The Arc is concerned that many children may be unnecessary "labeled" in order to generate an un-dedicated source of state aid. Other districts which lack the resources to evaluate and classify pupils may be missing children who are disabled, and therefore, missing an opportunity to generate aid which could help those pupils.

ISSUE #3: THE UNEVEN PLAYING FIELD:

A child who is classified "trainable mentally retarded" could generate different amounts of state aid, depending on where the district placed him. For example, if "John" is classified as "educable mentally retarded" and placed in a resource center program in the local district, he will generate a weighted factor of .45 or about 3,150 dollars in state categorical aid. If "John" is sent to a separate class operated by his own district, a neighboring district, jointure commission or private school, he will generate .60 in state aid or about 4,200 dollars. If he is sent to a special services school district, he generates 1.38 weight factor, or about 9,660 dollars.

Placement decisions are not insulated from fiscal considerations because the state aid formula favors certain placements. There is an incentive to place youngsters in programs which generate more state aid, and which cost districts less.

The Arc believes that there should not be a financial incentive for placing a child in a particular program.

ISSUE #4 : THERE IS NO STATE AID FOR A FEDERALLY REQUIRED PLACEMENT OPTION: REGULAR CLASS WITH SUPPORT SERVICES.

The Federal law requires that ONE placement option which must be considered for all students with disabilities is a regular classroom with all necessary supports and services. In fact, this is supposed to be the first placement considered for every child. In New Jersey, however, districts can get state categorical aid ONLY when they place a child with a disability in a separate special education class designed for similarly disabled youngsters. If a district and a child's parents determine that a regular classroom with all necessary supports is the most appropriate placement and represents the least restrictive environment, the district must pay the entire cost of providing those supports, without the benefit of state categorical aid. As a result, some districts elect to place children in more expensive, segregated special education classes so that they can get state categorical aid to off-set their costs for educating that child. Even though the total program cost may be higher, the cost to the district is

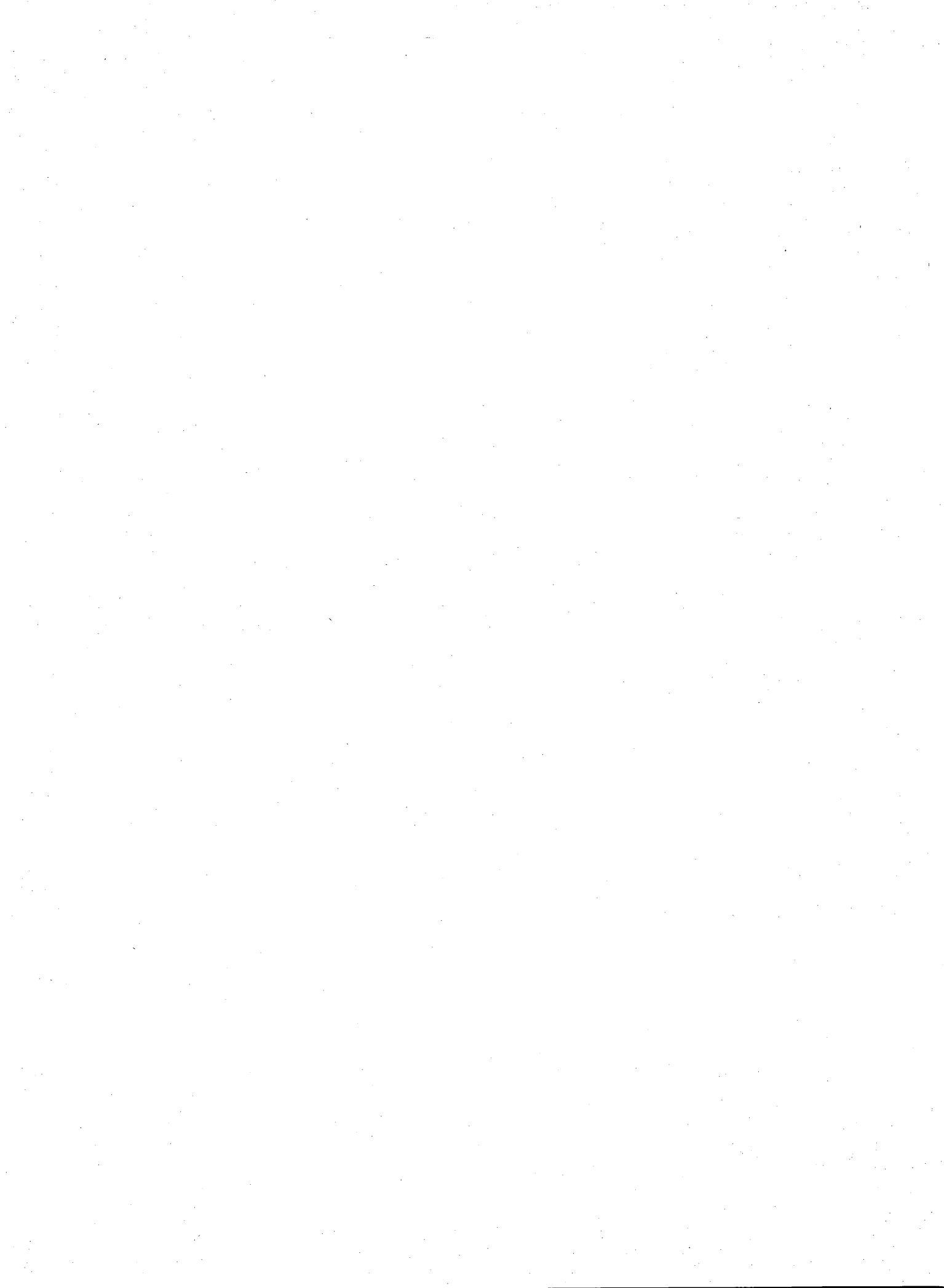
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lessened by the availability of state aid.

The Arc believes that state aid **MUST** be available to districts for all federally required placement options, including regular classrooms.

ISSUE #5: RELATED SERVICES

Costs for services such as occupational therapy, speech therapy and physical therapy are escalating. Some see the need for a new categorical factor to off-set the districts costs of providing necessary related services. The Arc, however, recognizes that unless the "pie" gets larger, creating new categories can only result in cuts in existing categories. New categories are not the answer. We believe there is a need to address the problem at it's source: expand the pool of qualified personnel to provide these related services to children with disabilities. More personnel will create a more competitive market place and will drive rates down.



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