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# *Committee Meeting*

of

## JOINT COMMITTEE ON THE PUBLIC SCHOOLS

*"Kris Kolluri, CEO of the Schools Development Authority, will give an overview of construction projects for calendar year 2009; and presentation by Alan Mallach"*

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**LOCATION:** International High School  
Paterson, New Jersey

**DATE:** February 11, 2009  
1:00 p.m.

**MEMBERS OF JOINT COMMITTEE PRESENT:**

Senator Ronald L. Rice, Co-Chair  
Assemblywoman Joan M. Voss, Co-Chair  
Senator Dana L. Redd  
Senator M. Teresa Ruiz  
Assemblywoman Mila M. Jasey  
Assemblyman Joseph Vas



**ALSO PRESENT:**

Senator John A. Girgenti  
Assemblywoman Eleise Evans  
Assemblywoman Nellie Pou

Melanie Schulz  
*Executive Director*

Sharon Benesta  
*Chief of Staff*

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

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**SENATOR RONALD L. RICE (Co-Chair):** Okay. We're going to get started. I'll introduce the members, or have the members introduce themselves, of the Joint Committee on the Public Schools and my other colleagues as they come in.

But I know that Senator Girgenti is going to have to leave. And we're in his district. We want to give him an opportunity to say hello and to greet everyone here.

So, Senator, why don't you say whatever you need to say?

**SENATOR GIRGENTI:** Thank you very much, Mr. Chairman.

Good afternoon, Senator Rice, Assemblywoman Voss; my legislative colleagues, Assemblywoman Evans, Assemblywoman Pou; and members of the Joint Committee, and all those who are in attendance.

Welcome to the 35th Legislative District and our state-of-the-art International High School. And anybody who took this tour would see what a facility it is. It's an outstanding facility.

I'm pleased that the members of the Joint Committee selected this site in Paterson. I know that this school is a result of the original legislation we put forth years ago that enabled facilities of this scale to be constructed throughout the state. This stands as a testament to the manifest improvements that school construction can make for communities and the indispensable investment it embodies for our children's future.

Now, as we enter a new frontier in school construction with the Schools Development Authority, the SDA, I'm (indiscernible) that the new funding initiative we have set forth will be the impetus for more positive change.

It was in June of 2008 that the New Jersey Legislature passed landmark legislation that infused \$2.9 billion into the State SDA, formerly Abbott districts. I was the Senate sponsor, along with Senator Rice, on this salient measure, and along with my colleagues in the Assembly who are here today, joining many of our colleagues in expressing, emphatically, the gravity of having satisfactory educational facilities for our children, many of whom were suffering because they had to learn in a closet or a hallway with barely enough time to eat lunch. And many of the buildings even had facilities where we could not believe. It was like from the late 1900s, really.

Once this piece of legislation was signed into law, Paterson was eligible for immediate school construction funding that has since been dispersed by the SDA. I want to commend the CEO and President (*sic*) -- I know he's going to talk -- Kris Kolluri on his straightforward approach to expanding school construction and modernization in our state. For as long as I've known him, Kris' reputation has been emblematic of action, response, and follow through. He's the ideal individual to lead this Authority. I'm certainly glad that I get to work with him in his current capacity. I had the pleasure of working closely with Kris on a number of transportation issues affecting our district when he was Commissioner of Transportation. I know that Kris will use his transportation background and acumen to advance the school infrastructure in New Jersey and, moreover, will provide effective, prudent leadership that will set a positive course for the education of our children.

It is my hope that with the Commissioner of Education, with the assistance of Kris Kolluri, coupled with the support of the Paterson community, we can trail blaze the path back to local control for our district.

I remain optimistic that one day all the children of Paterson and children throughout our state will be attending schools that provide the learning environment that this facility does.

Because of a previously scheduled commitment, I will only be able to be present for a brief period of time. I know that this meeting is being recorded and transcribed. I look forward to receiving a copy whenever it becomes available.

Again, I want to tell you, Mr. Chairman, thank you very much for your kindness in allowing me to speak first. I know that we've worked together on a lot of this legislation, as well as the other individuals in this room. And as I said when I walked through the building, I think that it makes you feel good that you see a facility like this and you know that we're moving in a positive direction, especially, as you saw as I did, with the parental involvement, which is so important. We saw that here today, and that's really a main part of getting a success story here -- is having parents involved to make sure we keep the kids out of gangs, keep them out of problems that are going on, and make them be proud of a facility such as this.

Thank you, again, very much.

SENATOR RICE: Thank you, Senator.

What we're going to do is, we still have a couple of members that will be here. And the meeting is going to be chaired by my Co-Chairperson, Assemblywoman Joan Voss. But I want to say to you that I'm happy to be here. And I just want to thank the delegation from this area of the district, which includes Paterson -- and that's Senator Girgenti, and Assemblywoman Nellie Pou, and Assemblywoman Elise Evans -- for their

tenure and stewardship in government. And we work so well together because we recognize that we represent very diverse communities with a lot of problems. And it's not easy, sometimes, when we collectively get together and have conversations with the Governor and, sometimes, our colleagues. It becomes an education process within itself.

And so with that, I'm going to just silence myself and just have Assemblywoman Nellie Pou speak to you, and then we'll go right down the line to each of the legislators. This way, they introduce themselves. You'll know who they are. And then Assemblywoman Voss is going to chair the meeting, and we'll get started.

Thank you very much.

ASSEMBLYWOMAN POU: Thank you very much, Senator Rice.

Good afternoon, ladies and gentlemen.

And also, I'd like to recognize my colleague, the Co-Chair of the Joint Committee on the Public Schools, Assemblywoman Joan Voss, who I know, between the leadership of this Committee, certainly takes on a number of very important issues, issues that clearly-- As I see people still coming into the room -- it's quite important for all of us to become informed, engaged, and be very much a part of the process.

I'd like to echo much of what has already been said by my distinguished colleague, Senator Girgenti, who has certainly spoken about not only our involvement and the importance of school construction, but also making sure that we are here to provide the kind of service and the school facilities that we certainly deserve. And every child throughout the State of New Jersey deserves a public facility that is able to provide them

with the learning environment that is so necessary and important in today's society and in today's educational needs.

I'd like to, once again, also thank and welcome the Executive Director (*sic*) who is here today to serve as the new director of the Schools Development Authority, as it's now called.

Kris Kolluri and I have had a good working relationship in the past in his former capacity as the Commissioner of the Department of Transportation, as well. But I know most recently we had an opportunity to speak to him on what is important to us personally here, specifically in the 35th Legislative District.

Senator Rice, thank you very much for considering and looking at International High School, here in our great City of Paterson, for hosting this very important Committee. And I look forward to the comments and the information that's going to be presented to us today.

Thank you, again, ladies and gentlemen.

**ASSEMBLYWOMAN JOAN M. VOSS, (Co-Chair):** Joe.

ASSEMBLYMAN VAS: Thank you, Madam Chairwoman and Chairman, and certainly to our host colleagues, Senator Girgenti, and Assemblywomen Pou and Evans.

Ladies and gentlemen, thank you for joining us today. I'm equally as energetic and really impressed with the mission at hand. Public education and the former Schools Construction Corporation gave New Jersey an unfortunate black eye because of the perceived amount of waste that was associated with the initial round of investment in New Jersey. Many people believed that after investing \$8.6 billion the job was done. I think we all can agree that in education, particularly as it relates to schools

construction and the new SDA, I think it gives a new definition to the term that the more we do, the more we need to do. And I'm very, very pleased and look forward to the opportunity of working with Kris Kolluri as the new CEO and President of the School Development Authority, recognizing the fact that he is someone who knows how to get things done. With the new round of investment dollars that are available, particularly for the SDA districts of \$2.9 billion -- but also the additional billion dollars for other school districts throughout the state -- I think we have to make sure we invest our dollars wisely; that we try to leverage the best return on our investments, as we do with all dollars, particularly as we find ourselves in the midst of uncharted waters. And these economic times that we're facing today are unique. And I think we're finding out, even as it relates to the national effort by our new President Obama, it's really questionable whether or not we can spend our way out of this recession. And what we really need to do is give our constituents, and the residents of New Jersey in particular, something to look forward to. The way we perceive what is going on is going to have a very immediate effect on how quickly we're able to get out of these difficult economic times, including what we do in public education, with young people who are more engaged now in politics and in government. It's no longer not cool to be involved in the life of a community. President Obama has inspired a whole new generation of young people who now believe that their involvement can make a difference. And so what we do, as it relates to school construction, the quality of education in New Jersey -- the progress that we make is going to energize a new generation of people in New Jersey who can definitely carry the ball forward, even beyond what we ever expected.

So I look forward to the dialogue today to hear from Mr. Kolluri about how we're going to invest those dollars and what we can do -- not just members of this Committee, but members of the Legislature. Because there has to be a partnership between the Executive and the Legislative Branch as these things move forward. I look forward to that opportunity as well.

ASSEMBLYWOMAN VOSS: Assemblywoman Evans.

ASSEMBLYWOMAN EVANS: Thank you, Assemblywoman Voss.

Good afternoon, everyone. (audience responds)

I am so honored to be sitting before you today as your State legislator. And Assemblywoman Pou has articulated well the work that's being done in Trenton on your behalf. A new school, a new, bright, clean, school facility -- environment -- promotes education, learning, pride in yourself, pride in your community, respect for yourself, respect for your community and property, respect for your peers; and prepares you for the future. And you can feel good about where you come from and who you are. And we're proud that we're able to get some small portion to come to Paterson. There's much, much more yet to be done, and we understand that.

But at this time, I want to recognize-- We have some Council people in the room. We have Councilman Ken Morris, at-large, and Councilman Jeffrey Jones. (applause) I don't know if there are any more Council people in the room. And we have our School Board members. Dr. Hodges is our President. You will be hearing from him. (applause) We have Ms. Willa Mae Taylor, who is one of our long-time educators and

Principal of our school before her retirement. (applause) We have Mr. Errol Kerr, who is the Vice Chair of the Board. We have Ms. Waheedah Muhammad; we have Mr. T.J. Best.

Any other School Board members? (no response) I'm trying to see. But because of my senior years -- and I mean senior like I'm in the 12th grade (laughter). I don't have my glasses, and I was given this task. So I can't see. So if I'm missing any elected official, would you just kind of wave your hand?

ASSEMBLYWOMAN POU: I think you're good.

ASSEMBLYWOMAN EVANS: I covered everyone.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Ken Morris.

ASSEMBLYWOMAN POU: She mentioned him.

ASSEMBLYWOMAN EVANS: I mentioned Ken Morris.

Ladies and gentlemen, this is a privilege for Paterson, and this is an opportunity for the Joint Committee, State legislators to hear from the Paterson community. And I know we have some parents in the room. Wave your hands, parents. (applause) We're certainly very excited to have you here. And I see-- We have one of our Assistant Superintendents, Dr. Fulmore; and Mrs. Jackie Jones. (applause)

I can't see behind the map, Dr. Fulmore. Who are you pointing to?

**A S S T. S U P T. J O S E P H F U L M O R E S R., Ed.D.:** Mr. Sevano.

ASSEMBLYWOMAN EVANS: Mr. Sevano.

Oh, I'm sorry, another Assistant Superintendent.

Any other of our-- Because we'll be hearing from our superintendent.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Eileen Shafer.

ASSEMBLYWOMAN EVANS: Eileen Shafer, where are you? (applause)

I want to tell you, it's dark in this International High School. I can't see.

Kris, we need some lights in here. Can you fix that? (laughter)

And Councilman Andre Sayegh just walked in -- am I right -- from the Sixth Ward.

And we want you to listen, to ask questions, and talk about your Paterson community, what you would like to have here. And certainly we have a lot of people who will come before this mike and articulate your needs.

Parents, we need you to speak out. We have Mr. Kemper McDowell, who is our Director of Parent Resource Center. Raise your hand Mr. McDowell. (applause)

And we have Dr. Leslie Agard-Jones, who heads up our Superintendent Search Committee, who is the Chair of that. (applause)

Is there anyone else I'm missing, so that I don't get in any trouble?

UNIDENTIFIED SPEAKER FROM AUDIENCE: (indiscernible)

ASSEMBLYWOMAN EVANS: Superintendent who?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Dr. Dennis Clancy, our State District Superintendent.

ASSEMBLYWOMAN EVANS: Who is he? (laughter)

Oh, you mean this young chap right here.

Dr. Clancy will be speaking to you in a few here, because he's on the program to bring welcome.

But certainly we appreciate you, Dr. Clancy, coming in again and moving forward with our educational issues to provide quality for our children. We've had so many opportunities to meet with you. And we know where your heart is, and you're working hard to make it better for our Paterson students. And I want to personally say, on behalf of the State Legislature -- all of us -- to say thank you and thank you for -- this is your second time -- we hope that this is your last time. Not that we wouldn't appreciate to have you back. But we just hope that this will be your last time that you have to pinch-hit for us. And we want to say thank you, because sometimes people come to pinch-hit, and they don't do a very good job at it, because it's like, "It doesn't matter whether I hit or not, because I don't have to." And you recognize the fact that it's about educating children, and you do have to hit the ball. So we want to thank you. (applause)

And the baddest kid in the room, who causes all the problems in Paterson -- our Paterson Education President, little Peter Tirri. Stand up, Peter. Peter has been the President for the Paterson teachers' education, because it's more than teachers now for a very long time. And under his leadership -- he is still fighting for quality education; a good, clean working environment for teachers. If their environment is clean and spacious, and

they have what they need, they can do a better job of educating our children. We do not want our children going from the school house to the jail house. We want our children to leave these doors well educated, and to come back and be productive citizens of the United States.

Thank you. (applause)

ASSEMBLYWOMAN VOSS: Thank you, Assemblywoman Evans.

Assemblywoman Jasey.

ASSEMBLYWOMAN JASEY: Good afternoon.

SENATOR RICE: Good afternoon.

ASSEMBLYWOMAN JASEY: I think that my colleague, Assemblywoman Evans, covered just about everything that I might want to say.

It's my pleasure to be here this afternoon to hear from parents especially. I'm really happy that the parents are here. I had an opportunity to say hello to you earlier. Again, I extend a welcome and implore you to not only stay involved but to get more of your parents involved.

I'm looking forward to the presentation. I'm intensely interested in what's happening in education around the state. And therefore I'm honored and pleased to be on this Joint Committee, because we have been on the road visiting schools and programs throughout the state. And it certainly serves to educate us further and helps inform our decisions in Trenton. So I look forward to an informative afternoon.

Thank you. (applause)

ASSEMBLYWOMAN VOSS: Thank you, Assemblywoman Jasey.

And Senator Ruiz.

SENATOR RUIZ: Good afternoon, everyone.

I want to say thank you to all of you for welcoming me. I hail from the City of Newark. And I just want to say what greatness to walk into this new facility and see that we're offering excellence for our children. But then again, we're reminded of the failures, where we're at with our other school facilities throughout the State of New Jersey. So as part of this board, what I look forward to in the next year, and currently, is to ensure that we continue on a roadmap of building facilities that are adequate for excellence in education.

And specifically to the parents who are here, I want to say thank you for being involved, and thank you for all that you do, and for being really a link in the support network for our children. Government can't do it alone, the schools can't do it alone. And so there has to be a collective effort on all fronts.

So thank you for having me today. (applause)

ASSEMBLYWOMAN VOSS: Thank you, Senator Ruiz.

And Senator Redd.

SENATOR REDD: Good afternoon.

Thank you, Madam Chair, Mr. Chairman.

I am here from South Jersey, from the 5th Legislative District, City of Camden. And let me say how wonderful this beautiful high school is. What a wonderful facility to walk into this afternoon. (applause)

And just reading your mission statement, and your view in terms of preparing our children for the global economy, let me just tell each and every leader here in Paterson that you're on the right track with

facilities such as the International High School. It certainly speaks to a 21st century facility that we should be building up and down the State of New Jersey for our young people so that they are prepared to become the world leaders of tomorrow. So, again, I'm looking forward to the wonderful debate and hearing from the public today, especially our parents. I'm always glad to see the community engaged, because you are the voices that we need to hear from so that we can actively represent you in Trenton and in other places.

Again, thank you for this opportunity to be here.

And to my Senator Girgenti, it's a pleasure to be in your district, sir. (applause)

ASSEMBLYWOMAN VOSS: Thank you, Senator Redd.

I cannot tell you how happy I am to be here today. Education is my passion. I've spent 41 years as an educator. And I'm fortunate enough to be in Trenton to be on the Joint Committee, and the Committee on Education, and the Higher Education. So education is my life.

And this school really does such a wonderful job. I cannot commend the Superintendent and Principal-- And I have spoken many times with Dr. Hodges. And I know what the people of Paterson are thinking. And I hope that I will be able to facilitate the things that you are interested in.

This school is optimum, as far as I'm concerned. I've written articles on education. Five hundred or so children in a school is the best possible number to give every kid a thorough and efficient education. The classrooms are wonderful. I'm one of these people who does not believe that education is a one-size-fits-all situation. We have to look at the needs

of all of our children and address all of the different learning styles. And as I walked around the school today and I saw the labs, and I saw the computers, and I spoke to the kids-- Kids are really the most important thing. And I had an opportunity to speak to several of the young people. And they're just so thrilled, and I'm so thrilled, that they know where they want to go, they know that this is the school that's going to get them to where they want to go. And it's such a pleasure to see kids really enjoying school.

Paterson is a wonderful place. And as I've said, I've spoken with Dr. Hodges. And anything I can do to make life better for the children, for the people, is very important. This school certainly speaks to diversity. And this is something that we really want to address. As Assemblywoman Jasey said, we are fortunate that we've gone all over the state. We've seen the very, very best of schools and the very worst of schools. At least I certainly would classify this among the very best.

To our commissioner (*sic*) Kolluri, I hope -- my one dream -- and as we were walking through the school, I said, "School should be open many, many hours a day, not just from 8:00 in the morning until 3:15." But in the economy that we're dealing with today, many people have to be retrained. You cannot expect an education you received 15 or 20 years ago to be adequate for the needs of today. And with the job market being what it is, many people need to hone skills or develop new skills.

I was in this wonderful library, and I said, "How long is the library open at the end of the day?" And the librarian said, "Well, we close around 3:15, 3:20, something like that." And I said, "Wouldn't it be wonderful if we could have more people working in the school so that the

library could be open for the children after school, and maybe have adult classes so that we could use the school to a greater extent and really help people?” Learning is a life-long situation, as I’m sure you all know. That’s why you’re here, because you know how important it is. And so I just hope that I have scattered a few grains of food for thought. And I know that all of you who are going to come up and testify will probably echo many of my thoughts and, hopefully, reinforce them as I will reinforce you.

Thank you very much. (applause)

Dr. Dennis Clancy, would you please come up and address the assemblage?

**INTERIM SUPT. DENNIS J. CLANCY, Ed.D.:** If I may, because Robina heads a school, so I’d like her to go first.

**ASSEMBLYWOMAN VOSS:** Whatever is your pleasure.

**ROBINA PURYEAR - CASTRO:** Good afternoon, ladies and gentlemen.

I am Robina Puryear-Castro, Principal of International High School, here in Paterson. It is with great pleasure that I welcome all of you here to our home today. And I trust that our young people who escorted you on your tours did an excellent job. We are very proud of them.

And once again, welcome to International. And I trust that you will have a most productive and informative afternoon. Thank you for being with us. (applause)

**INTERIM SUPERINTENDENT CLANCY:** Thank you.

I’d like to take this opportunity to welcome the Joint Legislative Committee on the Public Schools to Paterson and, more specifically, to the new International High School.

SENATOR RICE: Excuse me. Is your mike on? Is the green light on?

INTERIM SUPERINTENDENT CLANCY: I'm sorry?

SENATOR RICE: Is your mike on? The green one -- the big one, the long one.

INTERIM SUPERINTENDENT CLANCY: Oh, this is on.

SENATOR RICE: Pull it in front of you and speak into it.

INTERIM SUPERINTENDENT CLANCY: Okay?

SENATOR RICE: Very good.

INTERIM SUPERINTENDENT CLANCY: Thank you. I'm sorry.

Some day they'll straighten me out.

In way of personal introduction, I completed my dissertation in 1985 at Teachers College, Columbia University, on Thorough and Efficient Education in New Jersey. I participated in State monitoring and school evaluation in Newark and Paterson back in the early 1900s. (laughter) It seems like that. And I served as Interim State District Superintendent for the City of Paterson in 2004-2005, and now I'm back again in 2008-2009.

I retired after 30 years of administrative experience in Montclair, East Brunswick, Denville, Franklin Township, and the Morris School District. It is this wealth of experience that leads me to address the committee on one of the most essential elements of providing a thorough and efficient education: that is the provision of a positive learning environment in adequate and safe school facilities.

The Paterson School District is the third largest school district in New Jersey and one of its most diverse, with a student population of

27,000 of which 59 percent are Hispanic, 33 percent are African-American, 5 percent are white, and 3 percent are Asian. Nearly 50 percent of our students speak a primary language other than English, with a total of 37 different languages spoken in our schools. A State-operated Abbott district for 18 years, Paterson is also one of the poorest communities in the state, with approximately 88 percent of the students qualifying for free and reduced lunch.

The Paterson School District has been struggling with inadequate school facilities and enrollment imbalance for many years. Nine school buildings were built over 90 years ago. Three previous facility plans filed with the State Department of Education since 1960 have recommended that Schools 3, 11, 14, 16, 17, and 19 be replaced. Unfortunately, over the years, sites for new buildings to serve new communities have not taken place, and the quality of work and responsiveness of the State construction agencies to the needs of the Paterson School District have been inadequate.

Since the Abbott decision assigned responsibility for providing additional school facilities directly to the State of New Jersey, Paterson has received one new elementary school, Roberto Clemente, in 2005; one high school academy, which was PANTHER, in 2005; and this building, the not-yet-completed International High School. This building was not completed in time to relocate students from other schools, so it is currently underutilized. And we agree with you. We think it's a wonderful facility. Unfortunately, the smoke evacuation system was incorrectly designed and has not yet been completed. The new school cannot be used without a fire watch at the cost of about \$1,400 per day to the State.

In 2005, the District moved the students from School 24 into New Roberto Clemente, while School 24 was being renovated. Unfortunately, the SCC was disbanded, and School 24 sat vacant for three years with no work being done.

In 2008, the District was forced to close School 16 as an elementary school, because it could not meet code requirements. And we moved these students into the not-yet-completed 24. While the SCC built an addition, unfortunately we ignored unsafe entryways with damaged stairs. Old, cracked, slate blackboards remained untouched until we complained. And then they were spackled and covered by a plastic film as white boards. The smoke evacuation system at School 24 was also incorrectly designed, and the students are still prohibited from using the second and third floors of the new addition. The staff parking remains unpaved, and work on an outdoor play area has not yet gone to bid. The newly renovated school cannot be used without a fire watch, again, at a cost of about \$1,400 to the State.

No work has begun on the funded renovations, scheduled in 2005, of an abandoned medical clinic on Madison Avenue into an early childhood center. Considering the closure of School 16 and the loss of the second and third floors of School 24, the Paterson School District has actually experienced a decrease in classroom space at the elementary level.

The current round of funding for school construction has identified four projects: construction of a new school on Marshall Street, which was deferred from the prior cycle; additions and renovations to School 25, which was deferred from the prior cycle; construction of a larger

replacement school for School 16; and construction of a larger replacement building for School 3.

Unfortunately, the SDA does not purchase school sites for identified future projects, and cost estimates and construction timelines are developed without considering swing space. Completion of the new Marshall Street School is scheduled for 2012, after which it must serve as swing space for the year-long renovation of School 25. Both Schools 16 and 3 require land acquisition and will take a minimum of three years to complete construction. Consequently, the Paterson School District will not gain any additional elementary classroom space until the year 2014.

Currently, the Paterson School District has no preschool facilities and relies totally on community providers. Many elementary schools lack sufficient space to serve the students of their designated attendance areas. So the district has been forced to use temporary trailer units, and students are reassigned to other facilities for specific grades or until they matriculate to the next level. Some students in Paterson attend as many as three different elementary schools before they enter the middle school. Some parents have children in more than four different schools at the same time.

Many old elementary schools house fewer than 200 students and lack libraries, small group instruction rooms, laboratories and studios, gymnasiums, and cafeteria space. Four of our highest performing elementary schools house between 900 and 1,200 students each, far in excess of the building capacity. Most schools lack outdoor play fields and parking for staff and parents.

Ten of 49 school facilities, and four administration facilities, are leased. The District currently leases classroom space for 1,400 students at an annual cost of \$2.8 million. We spend over \$700,000 a year for parking. High school career academies are spread over a dozen sites, increasing administrative and operational expenses. Each day, hundreds of students must be escorted and/or transported to other facilities for physical education, library, and cafeteria. None of these additional expenses are addressed in the new State Funding Reform Act.

Beyond facilities, the Paterson School District is in need of educational improvement. While the District has made a concerted effort to decrease class size and provide additional instructional support for students, there is simply no way the District can meet State class size guidelines, and the lack of small group instruction rooms limits academic support services. Overcrowding limits inclusion and mainstream opportunities for students with special educational needs. The lack of classrooms for self-contained special ed classes has increased the number of students who are now transported out of the district at a much greater cost.

The District has established elementary magnet and specialized high school career academies as alternatives to the traditional educational program. Many of these programs have been successful, but parent and student demand for enrollment in stronger-performing schools, smaller learning communities, and newer facilities far exceed the number of available spaces. Seven hundred students have signed up for this school for next year, and there's 120 spaces. Consequently, the District has established an Office of School Choice to monitor and balance school

enrollment, and implement a fair and consistent registration process for parents.

As a State-operated Abbott district, the Paterson School District needs your help. The Legislature and the State Department of Education must recognize that appropriate and safe school facilities are essential elements of a positive learning environment and an effective instructional program. The State Schools Development Authority must look beyond efficient design and value engineering to emerging district needs, deliverability of facilities, energy efficiency, and long-term maintenance. The DCA and SDA need to work together so schools can be built on schedule. Without adequate classroom space, the Paterson School District cannot provide a thorough and efficient education for the children in Paterson.

Thank you. (applause)

SENATOR RICE: Thank you very much for your presentation.

I know you have to leave, so I want to make a couple of comments. And the comments are going out to everyone who is assembled here. Many of you I know, and many of you know me, and you know how I am. When it comes to speaking to people, I just try to be honest and address the realities.

Number one, I remind members of my caucus, meaning the Senate; and members of the Legislative Black Caucus, of which I'm Chair; and members of the Joint Committee, who are present today, where I'm Co-Chair; and community people in the district I represent; and where I travel throughout the state: Unfortunately, we can no longer argue, in New Jersey

and the Legislature, the need for more money for parity. We've argued that case, the Court supported us, and we're receiving it.

I also remind people that we can no longer argue the case for school construction money. We can argue and fight the battle for the amount of dollars we need, and we can continue to come into the districts as per the Supreme Court mandate. And therefore, as your elected representative at the State level, we have to argue accountability for those who we represent back in the districts. That means accountability from the parents of these children, accountability from teachers and administrators of the school systems, and accountability from local government. And the reason I'm saying that is because what I found going up and down the state is that we need to build these schools. And time, to me, is of the essence. But sometimes those of us at the local level, collectively -- meaning citizens, meaning local governments, school board people -- are barriers to us moving from Point A to Point B.

What I'm saying to you, as one of the Co-Chairs and as one who has to vote on these projects, coming out of the City of Newark I understand the problem particularly in Paterson, and Newark, and Jersey City -- the takeover districts, which even compounds our problems at the State level.

I'm saying to you that we have a new executive director, president, CEO -- whatever they call him these days -- of the Schools Development Authority. This Committee has spent a lot of time on hearings up and down the state, working with our colleagues and the Governor. We listened to the taxpayers, and voters, and interest groups to make sure that we do all we can to tighten up the accountability and to

maintain the process of integrity so that the public who are against us building new schools will at least have a comfort level that we're going to monitor our dollars and we're going to spend those dollars wisely and for the betterment of educating our children.

And so what I want to say to the CEO of the SDA when he comes up is, we will have the discussions about how we expedite the process, remove the barriers to getting these schools that are sorely needed in Paterson -- not just the new construction, but those areas of school construction where we say we're going to address the health and safety issues -- and those areas where we're not building new schools, but we said that we would upgrade those schools. We have to have ways and means.

To local government here and to my colleagues, without offending anyone -- to school board people and parents -- as Co-Chair of this Committee, and as a Senator, during tough times I've argued the case. I need to say to you that everybody should be involved with the process.

But there comes a point in time, Kris, where when everybody becomes a barrier to the process, I'm going to hold you accountable as the SDA to make decisions and build schools. And so we can do this together as legislators, and local government, and school board people, and members, or we can allow one or two people -- half of the folks who think that it should be this way versus this way -- continue to create that divide, though maybe they're not right, But someplace along the line, State government -- who is ultimately responsible for the health, safety, and welfare of these children and their education, as well as the community -- are going to have to make decisions. Which means that you may decide to run us out of office, or you may decide to keep us in office. But to me, leadership -- in

my position as leadership, of my colleagues position -- because it's the same Constitution that gets us there -- and the history that I come from -- and representing we're a very diverse community here of a very large minority population. And so my history, during Black History Month, reminds me, as Dr. King said, that this is the time for leadership to step up and meet the challenge. This is what is going to determine whether we're true leaders or whether we're just folks elected. When we're able to say to you, "Enough is enough. We're going to put these shovels in the ground tomorrow--"

So I'm saying that here for those who have traveled from my district, I'm saying to those who live in this district who don't elect me, and I'm saying it hopefully not to offend my colleagues representing the district-- Twenty-six years in government, 23 chairing this Committee and doing other things, I'm tired of the slow process; and the only loser in this process (applause) are the taxpayers. We have to flip these bills -- we think we can't get it right -- and to be quite frank, the children, most importantly. And the bottom line is, when you look like me, or speak the language of a Nellie Pou and others, people like to think that we can't do anything right, and that's not true. And we're not going to be tarnished that way anymore. (applause) I'm holding our people accountable for getting this done.

So I wanted to at least put that on record before you leave.

And, Kris-- We'll have those conversations with him as to how to get it done. (applause)

ASSEMBLYWOMAN VOSS: I want to thank you, Dr. Clancy, for giving us a very cogent, factual report. I was underlining things as you spoke. And I think that one of the things we really need to do is--

I worked in a suburban district for 41 years, so I had no knowledge of what it was like in the Abbott districts. And I certainly have gotten a tremendous education in the last six years. And I think that maybe one of the things we need to do is to get some of our legislators who are not on the Committee -- the Joint Committee -- or who are not really involved in education to come and see some of the horrors that you have described in the city. (applause)

Recently, Joe Cryan and I went to a school. And if anyone were to walk into the school and see the conditions where these little babies are trying to learn. One bathroom that leaked into the facility that was used as a kitchen, children eating in a room with bars on the windows that doubled as a gymnasium, a cafeteria, and a study hall. This can not be. And I think that too many people in the State are not cognizant of the conditions that many of our children have to suffer under. And the most important thing that we have are our children. And the most important thing we can give them are the tools so that they can have a better quality of life. And believe me, if I could drag some of our legislators down into the Abbott districts to see what's going on, their eyes would be opened. (applause)

Thank you very much.

DR. CLANCY: Senator Rice, I-- Just in--

SENATOR RICE: Yes, I'm sorry.

DR. CLANCY: I'm going to stay around, because if there are any questions or issues-- And we have a map over there if there are any issues that people have concern -- we can surely answer any questions members of the panel would have.

SENATOR RICE: Okay. Thank you.

I just want to acknowledge, if I can, Madam Chairwoman, the President, and long-time friend who I graduated from high school with, James Harris, President of the State NAACP. (applause)

ASSEMBLYWOMAN VOSS: I'd like to introduce--

SENATOR RUIZ: Chair.

ASSEMBLYWOMAN VOSS: Oh, I'm sorry.

SENATOR RUIZ: Chairwoman, Mr. Chairman, thank you.

I just can't sit and not say anything. Because the level of frustration in your presentation is something that we all echo in our urban core centers. And what I will remind, to this panel, is that these are State-operated. (applause) And it is a disgrace at this point that we still continue to-- I'm saying, there isn't a quick fix to this. But I hope the Department of Education is sitting out there -- because I don't see anyone as of yet -- and taking full, detailed notes of what's happening. (applause)

Senator Rice and I fought the good fight on the floor, and we challenged individuals: "I will take you on a bus on a day that's only 80 degrees outside so you can come into a school in the City of Newark that was built when Abraham Lincoln was President of the United States. And if you don't want to vote for our children, then we have an issue as elected officials."

But I will tell you, there is a greater thing at hand here. And as components of this Legislature, we have to hold who's accountable, accountable. (applause)

ASSEMBLYWOMAN VOSS: Now I'd like to introduce Dr. Jonathan Hodges, President of the Paterson School Board. Dr. Hodges and I have commiserated with one another many, many times. (laughter)

Dr. Hodges.

**J O N A T H A N H O D G E S, M.D.:** Welcome to the Paterson School District and to International High School.

This beautiful structure is the last new school built in our city -- the New Roberto Clemente being the other one. We are relieved to announce that the State is finally moving forward with four other projects: the Marshal-Hazel Elementary School, School 3, School 16, and the renovation of School 25. Regrettably, these projects run contrary to what the District initially requested and, more importantly, what our children actually need.

The current Interim State District Superintendent studied the facilities situation in our city upon his arrival and came to a similar conclusion as the last State District Superintendent, that being: The needs of our children would be better served by building schools faster, cheaper, and where they are most needed. His judgement was reflected in his request to change the awarded projects, which were not exactly the ones that the District identified in its priority list, but they were the ones that the State Department of Education picked. The four projects chosen by the State are being built, I'm sure coincidentally, in the Mayor's redevelopment zones, especially School 3. But more on that in a minute.

The school projects now being pursued are all within two square miles of each other. The Marshal-Hazel School will give us roughly 600 new seats, School 16 will provide 300 to 400 new seats, School 3 will add some 200 to 300 new seats, possibly, and the School 25 renovation will primarily expand existing facilities. And you can see -- well you can't really make it out there on the map. I'm sorry.

This will ultimately result in positive impact in the same area of the city with this significant infusion of new classrooms. Unfortunately, in the northern part of the city, School 27 has almost 1,000 students in a school built for 600 to 700, School 5 has 1,100 students in a building built for around 700, and School 18 had to be drastically reduced because the Mayor's fire department was threatening to shut it down because of overcrowding back when he was busy shutting down schools.

In this latest round, we wanted to build two new schools on land that the SDA owned, relieving the crowding in these schools and getting us new buildings at the current Don Bosco and School 20 sites. We asserted that you could build these two schools faster and cheaper than under the State's proposed plan for the one school at the Mayor's School 3 site. But then Mr. Kolluri and his staff came and said that the SDA would not deviate from its state one-for-one school project exchange policy, even if the exchange would yield faster and cheaper projects. They said the funds aren't set in stone. Additionally, they told us that they estimated the new elementary school, even a stripped down model, would cost \$53.8 million. Now, mind you, the New Roberto Clemente was originally estimated at \$25 million and came in around \$35 million four years ago when we were at the height of the building boom. And this building, a high school, came in last October, before the recession, before the loss of the housing and construction markets, at around \$45 million. And in neither case did we own the land.

But they wanted us to believe that it would now cost \$53.8 million to build an elementary school when construction companies are begging for work and material costs are crashing due to lack of work. The

SDA also owns the land and the buildings in both of these cases. This stretches my meager skills of credulity. Given the SDA's dubious estimates, we consequently agreed to move forward with the State's proposed projects as further delay would only worsen the conditions. And it seemed unlikely that the politics of the situation would allow us to do what we needed to do for our children -- not the financial realities, but the political ones.

Four years ago, Dr. Clancy, the then Interim State Superintendent, was called to a meeting in the Governor's Office to discuss facilities. He invited me as Board President and Facilities Chair to accompany him. At that meeting, attended by this City's Mayor and Assemblywoman Nellie Pou, the then head of the Schools Construction Corporation, Jack Spencer, announced that unless the Mayor agreed to the location, he would not build a school in Paterson.

I asked him if he meant to suggest that if the School District determined that a school site was educationally necessary, and the Mayor and his developers disagreed, that he wouldn't build the school. He said yes. The Mayor then lectured me as to the preeminence of his master redevelopment plan. Mr. Spencer's position, however, was later publicly retracted after I collaborated with local citizens to publicize this situation. But now the Mayor wants the School 3 site. The District prefers other sites, and we are going to end up doing what the State Superintendent -- who's the State's employee, because Dr. Clancy works for the State -- thinks is not in the best interest of Paterson's children. Something is very wrong with this.

In conclusion, I mentioned in my testimony in Jersey City that I needed the Legislature to consider three key suggestions: an ombudsman

for the DCA, to help move school projects through the DCA process -- this, in my opinion, would speed up project completions and save millions of dollars by cutting construction delays; mixed-use legislation allowing school districts to partner with private companies to build buildings together, share costs and resultant spaces; flexibility in allowing districts to determine what buildings they need and where they need to put them.

I want, today, to add three more suggestions: Let us build our own buildings. You can have your SDA monitor the money. But we want to be responsible for the workmanship, for ensuring that the buildings get built properly. Indeed, the SCC and the Governor's Inspector General determined that the SCC was spending 45 percent more to build schools than the school districts themselves.

This building is the rose of our new schools. And like a rose, it has thorns. We suffer from heating problems in this building periodically. The lockers arrived late, there were water leaks, and even as we speak, you, the taxpayers, are paying \$1,400 a day for three fire marshals to monitor the building because it's designed without a proper smoke evacuation system, some \$250,000 for the school year. And you see with the lights--

New Roberto Clemente was built four years ago with problematic electronic controls that used MS-DOS, a computer operating system that was obsolete in 1990. Microsoft Windows replaced it. School 24, a renovation, opened in September without a paved parking lot. The Governor came and couldn't park there. He still can't. It's gym, without proper wall padding, and two whole floors of the building that we can't use six months later -- we're paying fire marshals there too.

Let us run the projects ourselves, because these are our children. And the people who live here may have a greater incentive to build decent schools for their children. If you don't believe we have the expertise, then help us build that capacity. Because if you can't afford to do it right the first time, how can you afford to do it over? (applause)

Solar energy should be capitalized on at every opportunity. PSEG has recently announced a multimillion dollar effort to use solar energy. We should be doing the exact same thing. Every new building should be built with solar cells on their roofs, and we should be selling the excess energy back to PSEG and other utilities, reaping the energy savings for the taxpayer. Additionally, it is an educational opportunity that we can use to springboard our children into future jobs and businesses. It's an investment upfront that will pay huge dividends down the road.

Lastly, I beg you to take the politics out of the school building site location process. (applause) While I understand the need to get mayors and city councils on board, ultimately the location of these schools should be the province of school districts. They should certainly consult with municipal governments, but developers should not be determining where children go to school. This building sits next to a curve in a main highway because the politicians decided to put it here, not the educators. This is wrong and something that you have the power to correct.

Thank you for your kind attention. (applause)

ASSEMBLYWOMAN VOSS: Thank you, Dr. Hodges. You know that I agree completely with what you are saying.

SENATOR RICE: Doctor, we've had conversations before. Let me concur with you, because I may be in Paterson, but I come from

Newark. And I spent 16 years on the City Council, I was Deputy Mayor for 23 -- government. And you're right, developers shouldn't determine anything. What they should do is determine contractors working with us and build a project that's quality, on time, within budget.

Local government, oftentimes itself, can be a barrier. And sometimes it's not local government, it's the school board themselves. And we know that land assemblage is very, very critical to building schools. But we also understand that in some areas of our state we are limited in space, but we need new schools. And so the whole concept of mixed use and other types of private/public partnerships-- In theory, it's a good concept. It does not work every place. In some instances, it will save you money, and time, and minimize the risk to State government and to others. In other instances, you don't really save anything, but you can take advantage of the space, whether it's air space or the square footage that you have.

And so I don't want to dictate to local government, but local government should have a long-range master plan. If they have a master plan, it should be adopted. It should also have some flexibility in it because there are always shifts in communities. That's why we do a census every year. The demographics shift, you have the makeup shift.

We're talking now about stimulus packages, which is going to be a debatable issue, particularly if there's no minority and women participation. They need to be stimulated too. But the point is that that is supposed to go for infrastructure, roadways, and bridges. And the whole State plan may redirect bridges from roadways. I don't know what that means in terms of where we are going. And so they have to be-- But it cannot be that local government, and State government, and the boards of

education -- and even parents and special interests -- continue to bicker on the location, whether there's a curve here versus no curve there. Ultimately, someone has to say, "Whether you like it or not, it's going at the curve," or, "Whether you like it or not, it's going over here." And I think that's where the State's going to have to bite the bullet. We can't say, "Well, if we don't have the agreement of everybody locally" -- I'm not saying everybody. I'm talking about the public now. They want schools. But if the mayor doesn't agree, or if the council doesn't agree, or the school board doesn't agree, or the superintendent doesn't agree, eventually you're going to have to say, "Fine. I'm sorry we can't get you guys to agree. But we're taking charge here. Here is what we're going to do. You can march, you can demonstrate, but just get out of the way, because the bulldozer is coming and the shovel is going in the ground for these kids."

Now, if leadership can't take those kinds of positions, then shame on us. And I'm telling you, as long as I'm in the Senate -- and they've tried to run me out before -- as long as I'm there, I'm going to argue this case. I don't have any problem leaving my district. That's my job. I'm a State Senator, not district Senator -- going to a district and telling people what's going to happen, lobby the support for it, and make it happen. Taxpayers now want things done. They want it done where it's efficient, they want it done where there's quality in the work and we're getting the best bang for our dollar.

So I'm just being for real as the Co-Chair of this Committee. I can't change. And so I hear you, but I'm tired of hearing the same thing over and over, up and down the state in our districts -- particularly Abbott districts -- "Well, we can't get together." And this is a State-operated

district. And the thing is that we work hard to get it out of there. And we went backwards in Paterson. A little bit more progress in Newark and Jersey City. We went backward because there is too much transitioning. We can't keep a superintendent in place over here. The local politics--

Look, I know the area, okay? So the thing is, we're going to make decisions in some kind of way. It's going to be upon Kris. But you have to give Kris the opportunity, because he just came in. He knows his work. I've worked with him in the past. And hopefully we'll back him up on the things he's going to need after he hears from everybody.

But I really hope that your staff, Kris, who are here, are taking good notes and you're getting copies of all these concerns. Because we don't need to revisit them again at these meetings. Because I've heard these concerns before. But no one is listening to us.

Thank you.

ASSEMBLYWOMAN VOSS: Commissioner Kris Kolluri.

I don't know. Kris, would you be willing to answer some questions after you make your presentation?

**K R I S K O L L U R I:** Absolutely.

ASSEMBLYWOMAN VOSS: Okay. Thank you very much.

Thank you for your time.

Let me-- While Dr. Clancy and Dr. Hodges were speaking -- eloquently I might add -- I took some notes. And with your permission, I'd like to respond to some of their concerns before you ask questions, if that's okay.

But let me frame the discussions this morning.

But first let me--

SENATOR RICE: Excuse me, Kris.

I hate to do this, Madam Chairwoman.

Senator, thank you very much.

Senator Girgenti has to leave. He told me-- He promised me he'd be here. I knew there was a conflict in his schedule.

And I'm just glad you stayed that long.

Thank you, Senator. (applause)

MR. KOLLURI: Thank you, Chairman Rice and Assemblywoman Voss.

As Senator Girgenti is leaving, let me thank him, Assemblywoman Evans, Assemblywoman Pou, for their commitment to the 35th Legislative District and to move the schools construction program forward. This is not a unilateral task. It is a task of the people sitting at the dais, the person sitting in front of you, and the people behind me, especially the parents and children of this School District.

I am particularly pleased to be here at the International School. As a person who immigrated from another country 22 years ago, it is nice to be at a school called the International School. It certainly makes me feel at home. And I speak to you not just as the CEO of the Schools Development Authority, but as a product of the public education system in New Jersey and a person -- a father -- who has two daughters who go to the public education system in New Jersey.

So this isn't, ladies and gentlemen, an abstract or academic discussion for me. This is as real as it gets.

Let me say this: There is not another person in this state who cares more about school construction than Governor Corzine. All of you,

with his help, passed a \$2.9 billion school construction budget just for the SDA districts, and another billion dollars for the regular operating districts. This year alone, with 28 active projects that are currently going on, we will spend \$900 million in seeing them through construction. On top of that, we're going to spend \$1.4 billion in projects that have a cumulative value of \$1.4 billion -- it's 29 new projects that will start this year, including two in Paterson.

That's -- the cash value of that-- I mean, the cash outlay of that program is about \$300 million. That's the actual amount of money that will go onto the streets, if you will, for the year. This is before a single penny of Federal stimulus money comes into the State of New Jersey.

Now, the news there is not as good as I would hope to report. The House included a \$14 billion commitment for school construction; the Senate drafted language at \$16 billion. And the Senate, in their final vote, struck every penny of school construction. They took it all.

Now, New Jersey then stands to lose almost \$300 million if that plan stands. I take some comfort in the fact that Governor Corzine and President Elect -- President Obama, I should say, who as recently as Monday night said that he is committed to making sure that we put school construction money back into the budget. I don't know what the final form will take. But if the money comes, you should rest assured -- and I want to thank Dr. Clancy and his staff, and all your districts who helped us develop a list of projects which are shovel ready, should that money come. And through the Chair, I'll make the list available to you so that you can approve it, and better, to make sure that you concur with the school districts that that is a priority for the district.

These are important matters. And I want to spend a minute talking about not just what we're spending it on, but how we're spending it. People here talked about controls, lack of controls, delays in projects. These are not esoteric subjects. The frustration you hear from Dr. Clancy and Dr. Hodges, and their parents sitting behind me, are real. And I get it. I've been on this job for 60 days. If any one of you know how I worked at the Department of Transportation -- I don't sit back and let problems solve themselves. I fold up my shirtsleeves to get to work. And I think Senator Redd will concur more than anybody else -- and I know Senator Ruiz will concur -- that that is how I intend to solve problems.

Dr. Clancy and Dr. Hodges, as I said before, were eloquent in their criticisms. But I just wish, in the interest of fairness, you would have also said what I've done with you for the last three weeks. I wish that's what you had done as well, and you didn't do it. So let me do that for you.

Three weeks ago, Senator Girgenti held a meeting in his office. Assemblywoman Evans was there, Assemblywoman Pou was there, Mayor Torres was there, Dr. Hodges was there, Dr. Clancy was there. And the subject of the discussion was the four schools that are being considered for construction. I didn't want to have a discussion with each party separately. I didn't want to have a discussion with the Mayor alone. I wanted to talk with all of them together. And on January 27, at 2:00 in the afternoon, in Senator Girgenti's office, that's exactly what I did.

My question was pretty straightforward: Senator Rice's mandates just a few seconds ago was, let's move these projects forward. I said, "Are we in agreement, ladies and gentlemen, that these are the four projects that you agree on?" There was excellent discussion and a lot of

disagreement. But at the end of the day, every single person in that room said, "Those four projects are the projects that we're going to move on."

It is not up to me to sit here and say why those projects were picked. That is a discussion, ladies and gentlemen, with all due respect, I shouldn't be having with you. You knew, in June of 2008, when the Legislature voted, what those 52 projects were. Here we are in February, still arguing about what those projects should be. That is not an appropriate approach to construction.

I wish we would leave the political issues aside, which are beyond my intellectual capacity, I will admit. I don't understand politics, but I understand what needs to happen with children.

You just said you care about children, you care about school construction. And I'm telling you, again, loud and clear, we all agreed the four projects that are in the capital program are the programs that are going to go forward. I hope that we don't defer from that.

Second, the issues you raise about School 24 are profoundly disturbing to me. They are. And you should be outraged. I've been on this job for 70 days, and let me tell you what I've done on them. I promised Dr. Clancy in that meeting on January 27 that I will call him every week -- and ladies and gentlemen, I've called him every weeks since I've been here. I've called him on Wednesday, last Wednesday I called him, I called him this morning at 10:30. I gave him an update -- not just, "Well, we're working on it. We'll be back to you." I gave him a specific detailed update on exactly what's happening on the playground, on the fire evacuation system, and as he says, the yet-to-be-completed International High School. The last

I saw, there are kids in here. And, yes, wasting \$1,400 is not acceptable. But I am saying to you that this is not something I take lightly.

And I'm going to make available to you, through the Committee -- just like I sent a fax to Senator Girgenti, Assemblywoman Pou, and Assemblywoman Evans, and Dr. Clancy last night -- a detailed list of what I'm doing to fix it -- not people at the SDA, but me. You should hold me accountable. You are right. But what I ask for in return is a fair attribution of effort. If I fail, I'll be the first person to take the blame for it. But in the absence of it, if you want to move projects forward, work with me and let me help you fix the problems. And if I can't fix the problems, I'll be the first person to tell you I can't fix it. But we need to move past this, "They're not doing anything. They only do what is wrong." Because that doesn't capture the essence of what we're trying to do, not alone, but together.

So I respectfully ask you, Dr. Clancy, and I respectfully ask you, Dr. Hodges, to work with me, not alone and not in a separate room, but together. That is my only request. And at the end of the day, when I'm done, you should ask me to give you a report card on every single project. If I failed, you should hold me accountable.

I'm happy to take questions. (applause)

ASSEMBLYWOMAN VOSS: Thank you.

Does anyone have a question that they would like to direct to the commissioner?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Comment more than a question.

ASSEMBLYWOMAN VOSS: Yes.

UNIDENTIFIED SPEAKER FROM AUDIENCE:  
(indiscernible)

SENATOR RICE: Excuse me, Councilman, you have to come up here to the mike, according to staff.

And while he's coming up, let me say this to the CEO, Kris.

Kris--

MR. KOLLURI: Yes, sir.

SENATOR RICE: Let me say this to you and to the public: I'm being honest, \$3.9 billion passed the Senate and the Assembly. It was signed by the Governor. And let me be quite frank about it. Let me talk from an ethnic perspective. That happened because the Legislative Black Caucus members and Latino Caucus members worked with our colleagues saying we would not vote a budget unless we get \$3.9 billion to get these projects in the ground. Because the Governor is yielding to those who wanted a referendum. And to be quite frank, we knew that would have been problematic, because number one, we had lost two years plus already on projects that are ready to go.

And so for the Clancys, and the Hodges, and others: We don't have the luxury of not coming to the middle on this. And we may come to the table, and you may still disagree, and others.

But once again, Kris, as SDA, ultimately decisions are going to have to be made. And there are some of us who are going to support those decisions as long as we know schools are going in the ground and kids are going to have opportunities.

And I just want to be honest, because it was embarrassing for us, to some degree, to stand, but we stood our ground. And we do that

periodically. We will stand our ground now, as Chair -- and I'm speaking from a different group, the Legislative Black Caucus, and Nellie Pou as Chairwoman of the Legislative Latino Caucus -- about participation locally. So we will stand up, and we will educate our colleagues. And some of our colleagues just work with us anyway. They don't need educating.

But it's embarrassing, when we come back into our districts -- particularly the Abbott districts and the takeover districts -- and we still have grassroots bickering because we can't eventually say, "Well, you know what? I still think it should go left, but what's more important is getting the school up if it makes sense -- it's not detrimental. If it makes sense, let's just get it done." Because we're not going to be able to cover these rolls again. The \$3.9 billion is only the beginning of what we needed three or four years ago. We still have to go back for the next wave of things that are being processed now to get to the stage of the shovel.

Do you understand where I'm coming from?

And that's why it's important. So I just wanted to at least put that on the record. This meeting is supposed to be about listening and getting things done. But to me, it's about education too, because some people don't get all the information at these meetings. And I'm taking the time to do that, and I'm always going to do that.

I'm sorry, Councilman.

**COUNCILMAN JEFFREY JONES:** Thank you.

My name is Jeffrey Jones. I'm City Councilman for the City of Paterson.

I just want to say this: I have some experience in the budgetary process, with respect to education. I worked for the Department of

Education for a number of years, managing the budget and the accounts for various districts throughout the state. So I have that experience.

I also bring academic experience. I'm an adjunct professor at William Paterson for a number of years in political science, as well as criminal justice and criminology at Passaic County Community College. And as an elected official, I bring legislative experience. And obviously a resident -- family, friends, so forth and so on.

With respect to Mr. Kolluri's last comment -- not so much the context, but the last comment -- we have, in the City of Paterson, had folks present, similiarly, a charge that "I am here to help. Hold me accountable based on the work that I do. And if in the end--" whatever it might come out to be. Now, of course, you can say that.

But the problem is, the end has come so often, and we've been short so long, that it is tough to say, "We're willing, openly, to give you this." Now, you came, you were chosen, you were selected, you were recognized by members of the dais as a man of your word and are substantive. So I guess the best we can do is hope that that's true. No offense.

MR. KOLLURI: That's okay.

Councilman Jones, let me say this to you. You don't have to wait until the end. I asked you to measure me as we go through the projects.

COUNCILMAN JONES: Fair enough.

I wrote in the back things like *shackles* -- terms like *shackles*, I wrote *synergy*. And I wrote these words because, as I was thinking about my participation in this process of education -- particularly building school

facilities that will help yield a fruit that one day will sit where you sit -- I thought about the different forms of what a shackle has been. Traditionally, we've talked about the wrist and the ankle shackles. But we have now seen a mental shackle. And it's been hard to break that shackle.

As the Senator from Newark has stated time and time again -- and I've been to many of the hearings as an employee of the Paterson Education Fund, who has been an advocate statewide for the need for transparency.

I'm not going to go on the record and say that the Governor has demonstrated, to my degree, that he's been fair and upfront with us. I'm not going to say that. The indications have been that he's been contrary to that. I think his heart and his mind want to be, but politics does get in the way, and it does augment one's direction.

I will say that shackles are designed purposely to control, and contain, manipulate, and predetermine a movement or lack thereof. So when our kids-- When our parents come out, out of local bickering and/or frustration, it's because we trust in, myself included, those who we select, and not (indiscernible) present company; we trust in that they will carry the message. But then when the result comes back differently, you have to wonder what the message was that was delivered.

In terms of quick fixes, Senator Ruiz, I'm in agreement with you. There's no such thing as a quick fix. But one of the first steps toward a quick fix is conversation, is that two-way dialogue; not that I'm spoken to solely, but that I talk -- not that you haven't. I appreciate that. I think all too often that is not really what the plan is about. It's a plan about us being here. The record reflects that, "There was a meeting held, things were

stated, documents were served, let's move on with our agenda." That is the concern.

With respect to synergy -- and I'll close, because I came to say, with respect to that comment, what my concern was -- that synergy -- synergy should be synchronized energy. That's a little play on words for me. But it should be synchronized energy -- your willingness as our State representatives to understand, from input through our local elected officials, that we have a desire for some change. And we have records to demonstrate that we have gotten less than what we've invested. We have records that demonstrate that we've had multiple superintendents here who, in fact, were employees of the State. You can draw the conclusion by that. But as long as they work for the State of New Jersey, in an educational capacity, any failures belong to the State.

I would then say, and I'll close, this: that everyone of these young people who are currently in the process, who have graduated, who have returned from prison, who are wondering what their next steps are -- they don't get a say in this. They really don't get a say in this. There are parents who aren't as comfortable coming to schools because in their pasts, perhaps, they were not welcomed. So we have a whole legacy and history of disconnect with people who should be involved, want to be involved, and don't know how to be involved.

So, Mr. Kolluri, you stepped to the plate in the last 60 to 70 days to take this charge. I can only speak for myself. My colleagues are in the back. I will stand next to you, I will stand with you, but I will definitely tell you what I don't like and what I won't accept. And I understand our Mayor -- Dr. Hodges was very clear -- he has a certain focus. I don't think

he quite gets that community is about people too. And because he can't get that, that is part of our problem. So I hope that you will help us help him. And I hope that you'll help us.

SENATOR RICE: Let me--

COUNCILMAN JONES: And that's all I have to say.  
(applause)

SENATOR RICE: Councilman, let me say this to you. I believe the implication of the questioning was -- was to you, Kris -- is that based on your statement, are you really going to be accountable, and you should be held-- And your answer was yes.

Let me also indicate to you, Councilman, that whether -- and certainly elected officials at all levels are our colleagues, and we respect them for "the areas they represent." It doesn't mean we agree with everybody. But understand that people on this Committee, and the representatives from this district -- because I've worked with them for a number of years -- I go back 30-plus with Assemblywoman Elease Evans. I was here with (indiscernible) and all of them, so I do understand. And we understand community. So where there are shortfalls, in terms of elected officials in any of the cities throughout the state not understanding community from somebody's perspective, please understand that at least these members -- and I can't speak for all of my colleagues -- we do, and Kris does.

And the final thing is that when you say that the Governor, at least in your opinion, is really the opposite of what he says -- he's contrary to all of this -- let me concur with you that he's contrary to all of the takeover districts, more so than all of the Abbott districts. Okay?

(applause) But that's all right, because we're going to hold him accountable. And I can assure you that this Committee, and members of our minority caucuses as well, have held him accountable, and we're going to continue to do that. He's catching on. So just give him an opportunity and give us an opportunity to continue to coalesce around those issues.

Thank you very much.

COUNCILMAN JONES: Thank you, sir. (applause)

ASSEMBLYWOMAN VOSS: We have many, many people who wish to speak. So if you have questions, would you please keep them as succinct as possible? And I know that Assemblywoman Evans would like to say something.

ASSEMBLYWOMAN EVANS: I'd just like to respond, because we have a lot of issues in the community that we, as a community, need to deal with. And we asked the Committee to come to Paterson to talk about the situation with the school construction and what we need to be doing.

I as a new legislator-- When I got involved, this project was already on the table. And we met with Dr. Hodges, and I met with people from the community. We talked about it. I don't know how much the parents were involved, if the parents were ever invited to the table to talk about what projects went on the table. The professionals certainly created the list. Dr. Clancy indicated to me on his return that things have changed, people have moved, the City has transitioned people from one point to the other.

But my point is, all that Councilman Jones talked about-- We, as a community, should be meeting and should be addressing those issues to

bring about the change that we need -- and these people up here can't come to Paterson and do that for us. That's our job. And we need to be working together as a community. The community should have been involved in where these projects were going to be, where the schools were going to be built. And now that they're putting the shovel in the ground, we're saying we don't want them there. And we were supporting that.

When we met in Senator Girgenti's office on the 27th, and the commissioner came here-- We met. I listened. He directly asked the President of the School Board -- we talked about the projects, we looked at the money. And when Dr. Hodges said, "I defer to the Superintendent," I am certainly not going to tell the School Board President and the Superintendent -- because I feel that's political interference -- where you should move. I agreed with what they had on the paper. I agreed that it needed to be switched around.

But that day, when you put the question to us, and we sat here-- And the end result: when we walked out of that room was, it was business as usual. I felt, as a State legislator, as a taxpayer, the way we're doing it with School 3 was wasting a lot of dollars. But we're about to put the shovel in the ground now, and we're still saying, "No, don't put the shovel here." This should have been taken care of. This should have been dealt with. And I'm saying, for the day -- not necessarily in your defense -- but you are telling exactly what was said to you that day when we had the meeting in Senator Girgenti's office. And I'm saying to the School Board -- all of the School Board members -- to the parents, to everyone out there, now that this is done-- And that day was the day for us to say, "No, this is not what we want. Go back and come back with something else."

Now, I deferred, and I trusted the professional people and the President of the School Board to direct us in what they wanted. Because I listened to Dr. Hodges, I listened to Dr. Clancy. And we met and talked about it. What they had on the table made more sense. We'd get classrooms much faster.

Now, I don't know who was supposed to sit in that room that day and change that decision. I didn't think it should have been the politicians. We were there to support what Dr. Clancy and Dr. Hodges wanted. And what I heard when I left that room -- and now today we're here, I don't want us to get into another scrapping. And if that's the case, then we need to, as State legislators that represent this district, in a private setting, go back to the room with you. Because now-- That day you were told to move forward with what was on the table.

Am I right, Dr. Hodges?

So I'm just saying that for this meeting today -- so that we can move on and not get tied down -- what you all have recommended, that I agree with wholeheartedly -- the State Legislature agrees -- but now we, in fact-- And now I am confused, and I don't know where we're supposed to be going. And I don't think all of that can be done here this day or in this Committee, because we have a lot of people who need to speak and a lot of stuff that needs to be addressed.

DR. HODGES: My point simply was, moving forward in future projects-- We have 10 more projects that have to be determined. And what I said-- My opening statements were that I'm happy that we're moving forward. My closing statements were that we have future projects, and I'm begging you to craft a process that will give the districts the

preeminence in making these decisions so that we don't have these arguments. That's the point I'm trying to make. There shouldn't be this kind of debate, because there should be input from the municipal government. But ultimately we, as school members and as a superintendent of schools, have to determine what the educational needs of children are. And all I'm asking for you to do is to ensure that everybody knows that the school districts are the ones, moving forward, who determine the location of schools. That's it.

ASSEMBLYWOMAN EVANS: Okay. So School 3 and all that stuff is-- Okay. I just want to understand. I don't want anybody to say that the State legislators -- that we met and we -- end of this. We want to be clear. Because we thought we were in support of what you all wanted. Thank you.

ASSEMBLYWOMAN VOSS: Thank you.

I know there are many people who wish to speak, and I know that commissioner Kolluri has another engagement that he needs to go to.

So thank you very much. I appreciate you coming today.

MR. KOLLURI: Thank you so much. And I look forward to working with the Joint Committee on Paterson and the other 30 SDA districts.

Thank you. (applause)

ASSEMBLYWOMAN VOSS: Thank you.

Now I'd like to introduce Mr. Alan Mallach, who is a Senior Fellow at the Brookings Institution and a Visiting Scholar at the Federal Reserve Bank of Philadelphia. And I am very intrigued by the title: "Better Schools for our Communities: Creating Public Benefits through Public-

Private Initiatives and Mixed Use School Development Projects.” I love the title, and I can’t wait to hear your presentation.

**IRENE STERLING:** Thank you very much.

My name is Irene Sterling. I’m President of the Paterson Education Fund, one of the group of not-for-profit organizations here in Paterson who have been working on school construction issues.

I want to simply frame Alan’s remarks today. I hope that Sharon has passed out to you this graph, which shows you a potential timeline of school construction in Paterson. It shows the four projects that were approved in the 2005 facility plan. There were 14 that were approved ultimately. Four are now approved for construction. That leaves 10 to go. And if you look down the chart you’ll see Schools A through J. Those are the 10 schools we need to build. If we do not start those schools before 2015, you see that it will take us through 2020 to build the schools that we agreed we needed in 2005. And we laid this out this way so you could see. This is the track that we’re on, the scale at which we’ve been building, which is totally inadequate.

And one of the responses that the not-for-profit community had was that -- a way to jump start this, make it faster, make it cheaper would be to go to private/public partnerships. And we asked Alan to research that for us, and here he is.

**ALAN MALLACH:** Thank you, Irene.

And thank you, members of the Assembly and the Senate, for giving me an opportunity to speak.

And I should say, even though my resume -- my current work seems a little rarified, I did spend nine years as the Director of Housing and

Economic Development in Trenton, and have spent almost all of my adult life working in New Jersey -- working in cities, working for nonprofits, developing housing, trying to make New Jersey and its cities better places.

So I'd like to talk about how New Jersey can build its schools that it needs faster, for less money, and better than what we've been doing since 2000, when the Legislature passed the Educational Facilities Act. And it's spelled out in detail in this report, and I'm going to try to summarize it very briefly for the Committee.

Basically, what we need to focus on, and what I recommend that we look at, are two approaches. One is what I call *public-private initiatives*, where the State or school district partners with private developers to develop public schools. And the second is mixed-use projects. A school can be both or it could be one or the other. But the two approaches are critical.

I'd like to start with public-private initiatives. The first thing is they can be built faster. And it is no offense to the Schools Construction Corporation, or the Schools Development Authority, or anybody else. The public construction process is a slower process than the private construction process, even with all of the checks, and balances, and monitoring you need to make sure that the State's money is well-spent.

Number two: You can save money. This is partly because usually, but not always, the actual construction cost is less. But even if it isn't, you're saving money on interest, because it happens faster. You could use things like-- For example, there is a-- I'm sure some of you are familiar with what's known as the *Historic Tax Credit*, where if the State were to-- Let's say the State wants to rehab a historic school building or a building

that's eligible as a historic school building. If the State, instead of doing it as a public project, sold that building to a developer, who then leased it back to the school district, that developer could cover 15 to 18 percent of the cost of that project with no cost to the State by getting historic tax credits for that project.

There are other types of tax credits -- there are leasebacks. In Nova Scotia, where they had a program where they hired developers to build schools and then lease them back, they set it up so that once the school was completed, the developer had the right to rent out the space in the school evenings and weekends when the school district didn't need it. And in return for that right, the developer routinely knocked 15 percent off the cost of building the school. Now, look at this auditorium. This auditorium could be a profit center, and it could save money for the public sector.

Number three: It reduces the public risk. When the State builds a school, the State has to put all of the money out. The State is on the hook from Day 1 for acquisition, for predevelopment costs, for construction, for overruns -- and there are always overruns because the public -- let's face it, the public bid process -- the way the State does construction almost guarantees that you'll have change orders and cost overruns. If you do it through a public-private partnership, the private developer can be on the hook, as much or more than the State, and the State's money comes in down the road instead of being put at risk up front. So that's one side.

The second part of it is that if you do mixed-use facilities, combining schools with other things-- And this is not-- What I find is--

Sometimes when I talk to people in New Jersey about this, they look at me like, “Hey, that is really seriously weird stuff.” It’s not.

I went to school in New Haven. And I remember back in 1963, the city and the school district partnered to build a school which had-- It’s a school, it’s a senior citizens center, it’s a public library, it’s shared recreation space. That was 46 years ago. New York City got a school for free -- got an entire public school for free by selling the air rights to a private developer who, in return for being able to build a luxury condo -- this is on the Upper East Side of Manhattan. In return for being able to build a luxury condo on top of the school, they threw in the cost of the school for nothing. So there are incredible opportunities.

And I mentioned there are four types of situations. First, it is hard to find land and buildings for schools in a lot of our cities. Our cities are pretty built up. And we all know some of the sagas of the Schools Construction Corporation and the SDA acquiring sites -- the difficulty and the tens if not hundreds of families who had to be moved. So you can use what land is there more efficiently.

Another thing in this New York example-- You can sometimes save a lot of money. Now, it’s not true everywhere. But if you look-- Let’s say you wanted to build a school in Hoboken or possibly downtown New Brunswick. If you gave a developer the right to put a high-rise apartment building, a condo, on top of that building, that school, he would certainly throw in a significant chunk of the school cost in return for that.

Third: Sometimes you can add facilities. The New Haven case is wonderful, because having a public library, and a health center, and

recreation facilities for the community in the same building as the school-- I mean, that is a win-win for everybody. And it adds to the education.

Now, I would never suggest that one do a mixed-use school in a situation that is not educationally sound. I mean, that's got to be the starting point. And every project has to be evaluated. But I think you'll find hundreds of examples where you can get better educational opportunities, and better opportunities for the community, and save public money in the bargain by doing mixed-use schools.

So I think those are two approaches that I'd really urge the Legislature to consider. And I'd like to just end by making a few points about what needs to be done. Because clearly there's some real obstacles. I mean, after all, if this makes so much sense, why isn't it happening? And it's not just because people are reluctant. It's one thing-- There are a lot of legal constraints. It is incredibly difficult, if not all but impossible, to build mixed-use schools and do public-private partnerships under the rules that exist today under the Educational Facilities Construction Financing Act and the rules governing educational buildings. So we need to remove those constraints and provide a clear framework so that the SDA and local school districts can do these projects and also provide -- make sure that we build in the safeguards so that these opportunities are not abused.

I don't want to underestimate that. There are plenty of developers who, given a clear hand and not watched carefully, will try to take advantage of public money not for the public benefit. So there have to be safeguards built in. But there's plenty of experience around the country on how to do that.

Second: Once we decide we're going to do this, we need to come up with clear rules to make sure that local approvals and State approvals mesh, and we don't get duplications, and we don't get situations where it's not clear who is responsible for improving a mixed-use project, who's responsible for inspecting it during construction, and things like that. So we have to lay out a very clear process to make sure that there's no duplication and that these things move smoothly.

And then finally, because mixed-use schools, public-private partnerships involve everybody, we need to build in a planning process where the school district, the parents, the local governments, and the citizens of the neighborhoods where the schools are built are all a part of the process.

So I certainly urge the Legislature to think about these ideas. And I believe if this is pursued, we can in fact build not just in Paterson, but all over New Jersey, better schools faster, for less money.

Thank you. (applause)

ASSEMBLYWOMAN VOSS: Thank you, Mr. Mallach.

You have spoken what I have been speaking about for the last I don't know how many years, because I think this is where we can do the greatest good for our communities and get the biggest bang for our buck. And as I said, I think schools should be open 24 hours a day. And I like this-- I never thought of the air rights above. But that's great, considering the congestion in many of our cities. So I think that I'm very happy with your reports.

So thank you.

MR. MALLACH: Thank you.

ASSEMBLYWOMAN VOSS: Nellie, I'm sorry.

ASSEMBLYWOMAN POU: No, that's quite all right, thank you.

I just want to make -- reflect on some of the comments that the gentleman just shared with members of this Committee. It's my understanding, when the original demise or break up of the Schools Construction Corporation took place and the development of the legislation for the Schools Development Authority was created, a great deal of the components that you've just referenced are very much a part of that particular piece of legislation. It does, in fact, include the opportunity for -- or at least a provision for someone to take advantage of the public and private partnership opportunities. It also talks about the -- and the form of the mixed-use school development programs. It does not address the Historic Tax Credit, to my recollection. And, of course, this goes back a couple of years, in terms of when it actually all took place.

But I remember-- Some of what you've just shared here is part of that SDA mandate as we sit today. There is also a very clear -- and it's so delineated in their -- in the bill -- or in the piece of legislation -- the cooperation and involvement of the community, the collaboration of working with municipal governing bodies in terms of all parties coming together in agreement -- municipal governing bodies, mayors of these towns, school districts by way of the school president and many of the members of the school district -- the elected school district; as well as making sure that those communities that are vested in the surrounding areas -- and that community involvement is very much a part of it, linked to that local master plan that has been so--

So a lot of what you've talked about or shared is already very much either a part of or leads for the opportunity to engage in that type of a setup within the current SDA law.

Thank you.

MR. MALLACH: I think one thing I just mentioned is -- the old phrase, the devil is in the details. And I think what you'll find is that despite the intent, there are a lot of very specific things that have to be, I would suggest, explicitly permitted and explicitly referenced in the legislation if you're going to get the SDA, or the Department of Education, or the Attorney General's Office to basically sign off on them.

I think we have a problem that the basic, if you will, stance of these agencies is kind of, "If it doesn't explicitly say you can do *X* and *Y*, we're going to take the position that we can't do *X* and *Y*, even though there may be general language saying the intent is to permit *X* and *Y*," if you see the distinction I'm trying to make.

ASSEMBLYWOMAN POU: I fully understand.

And again, through you, Madam Chair and through the Chairman, I completely understand. And while I don't disagree with you, it's very difficult to have that very specific detail from *A* through *Z*, as you pointed out, in a piece of legislation. And although much can certainly be addressed in that area, a lot of it is deferred through -- and particularly in this case, the SDA is working in conjunction with the EDA in looking to ensure that a lot of these very specific criteria and guidelines that you're talking about are properly addressed through the regulation end of it. And that has begun to take place, and that is -- not begun, but that's also part of what currently governs the SDA. So I just think that I want to make it

clear to the public that a lot of what you've talked about is, indeed, very much a part of this new mandate for the SDA, which did not exist in the past. And it's also trying to give back to the local school district the opportunity to be able to build and govern their own school construction -- something that had not been part of the SCC law. And so we fully agree and understand. And that's why this new direction is -- the new mandate for SDA is certainly addressing that.

MR. MALLACH: Thank you.

ASSEMBLYWOMAN VOSS: Thank you very much.

SENATOR RICE: Madam Chairwoman, just a quick comment.

I'm looking at your timeframes, and I agree with the Assemblywoman. We've placed a lot of flexibility out there. But I do think where part of the problem is -- and we maybe need to go back and revisit it -- is the stick. I just believe that reasonable minds can agree and disagree. Ultimately they wind up in court. We don't need that scenario. We need to have a stick to say, "Look, where things are reasonable and rational on behalf of school construction, location, sites, rules, etc., we're going to have that discussion. But this is the window. If we can't get through this discussion, this reasonable timeframe -- and all the plans and different scenarios make sense -- then we're going to make a decision as the State that something is going to happen." Because unless we close the window -- now it may be a public-private partnership, it may be a mixed use, it may be the way we're doing things, but you need the cooperation of local governments and local school boards.

Our rules at the State are like this, and there are some areas where we never preempt anybody, so there are still conflicting rules

possibly. And we have to pay attention to master plans. But there comes a point in time where you start here -- that you have to end here with the conversation. Because I believe the courts, who have actually mandated that we build these schools, will give deference to us on anything that makes good sense, that's cost-efficient, and that's going to get these kids into quality school structures.

And so that's the place we may have to revisit -- is, where is the stick and how much time do we need to have all of these discussions with all of the participants -- meaning communities, local and special interests, local government, county government, State, and whoever else wants to be there -- before we ultimately make a decision.

MR. MALLACH: Senator, I agree with you completely. I think it's important to have the discussions. But ultimately, the buck stops somewhere. And the buck, in this case, stops with the State or with the school district. And so that decision does have to be made.

ASSEMBLYWOMAN VOSS: Thank you very much for your presentation.

MR. MALLACH: Thank you.

ASSEMBLYWOMAN VOSS: Thank you.

I'd like to call Irene Sterling, the Paterson Education Fund.

MS. STERLING: Thank you.

I made my remarks in introducing Alan Mallach, who put that together on behalf of the group of not-for-profits, which included Habitat for Humanity as the lead partner, the New Jersey Community Development Corporation, St. Joseph's Hospital, and the Paterson Education Fund.

I'd like to give some time right now to Councilman Ken Morris, who also represents St. Joseph's Hospital, who has some other notions about how we can make the land-use issues work to our benefit.

Ken.

**COUNCILMAN KEN MORRIS JR.:** Thank you, Irene.

Good afternoon to the Committee.

As Irene had pointed out, I'm Councilman Ken Morris. I have served as the President of the City Council for three consecutive years, and I currently serve as the Chair of the Community and Development Committee, as well as the Chair of the Finance Committee. And in that role, I am often faced with a very difficult decision. That decision is as to whether -- how we bring ratables into the City of Paterson, while at the same time making sure that there's enough land available to build new schools given the fact that Paterson is only 8.25 square miles, and we're very limited on the amount of land that we have available.

So oftentimes the City is faced with whether or not -- if we have large areas of land that are assembled, do we begin to go out and solicit for-profit developers to develop on that land to bring in those much needed ratables, or do we begin to set that land aside for school construction? And I tell you, it's a very difficult choice, as you might imagine.

So what I'm proposing is a form of land banking, if you will. Oftentimes, what the City needs is the tax revenue from that property. And if the District, or in this case the State, were willing to pay the tax revenue, based on the assessment of that land, on a yearly basis up until such time that they're willing to build the school, the City, in essence, will get the tax

revenue it needs, while the District is able to more or less land bank the land until such time they are ready. When they're ready to build the school, the City will then, in turn, sell that land to the District at 85 percent of its current market value.

Now, what this does essentially is that 85 percent of the current market value -- the District is able to purchase land at a discounted rate if they act expeditiously. And it's a very simple formula.

By way of example, if you had a piece of land that was assessed at \$1.2 million based on the City's current tax rate of 1.9 percent, the District would pay the City \$22,800 a year. However, if they were able to build on that land within a one-year period, they essentially would get a 15 percent discount if the City was then to sell that land at 85 percent of the market value. So it becomes a win-win situation. The City begins to get the revenue it needs to provide its essential services, and the District is able to assemble large plots of land without the fear of for-profit developers coming in and buying that land, and taking it off the market.

Thank you.

SENATOR RICE: Councilman, let me say that the concept and theory make sense, and it may make sense in reality. But if, in fact, I was to take that concept -- because I've had that in mind for other things when I was on council -- the difference is, I would not ask the State to send you dollars based on the taxes that you would normally collect. I would tell the State to deduct it from what you would normally pay us. It comes out to be the same bottom line. And so this way, dollars aren't to be exchanged, we just don't receive "that much" -- because there's a local obligation to us -- until such time--

So the concept is one that I think SDA and my colleagues should talk about in terms of an option. By the same token, there should be a time specific on some of these pieces of land that we, at the State, need to take a look at -- what one we're going to convey back -- or make some decisions. I know if I spoke about -- if I speak about my district, now that -- and they are really hurting. In fact, I had the auditors in there just to get things on track, because I'm not going to help anybody until I know what's going on.

Now, I'm comfortable they're in the right location, but also they have a problem now -- and I know it's a real problem that we have to fix. The ratables, when they come from development -- they finally got some projects going. And I have some school land that's been sitting there. I had to make them knock down abandoned buildings just to fence in -- that's kind of in the way of the projects. So the question now becomes: Can we have this discussion about land swapping so that I can hurry up and expedite these economic development projects to get some real revenues in?

So we do need land. We can't let land go too quickly given the kinds of timeframes that were laid out in these schedules. Because you may be in the infant stage of putting the process together, but there is a window that we need say -- "Well, it looks like we're not going to move to this area. Let's do this differently."

So it wouldn't be, we send you money. To me, if I was to move in that direction, legislatively, it would be, "You're getting a tax credit." But the bottom line is, it's a zero balance.

COUNCILMAN MORRIS: And I believe I can support that so that the net gain is that the City essentially has the money or the revenue it

needs, whether that revenue is more or less ghost dollars or not. But the schools also are able to acquire the land that they need at the same time. Because, as I say, it's a duality that I have to face on a daily basis being in this office.

ASSEMBLYWOMAN VOSS: I saw Bob Guarasci, from the New Jersey Community Development Corporation, just left. He's one of my former students. And every time I'm at one of these meetings, I am so thrilled to see how some of my students have developed and evolved, and the service that they give to the communities. I'm sorry he left.

Barbara Dunn (phonetic spelling) is not going to speak.

Okay. How about the Honorable Andre -- Paterson City Council, Executive Director.

UNIDENTIFIED SPEAKER FROM AUDIENCE: He left.

ASSEMBLYWOMAN VOSS: He left, as well.

Okay. Paterson Education Organizing Committee, Martha Amarante. I hope I pronounced that properly. And Fernando Martinez.

**MAYRA A. PIERESCHI:** Good afternoon.

My name is Mayra Piereschi, and I'm part of the Statewide Education Organization Committee, the PEOC Chapter, which is the Chapter in Paterson.

My name is Mayra Piereschi, like I stated, and I'm currently a member of the Statewide Organizing Committee; and mostly importantly I'm a mother of a son in School 17, second grade, and a little girl in Dale Avenue.

My son goes to School 17. Since the school only provides for 2 to 4 -- so 2, 3, and 4. That's the whole school. It has 10 rooms -- capacity.

My son was, and my daughter is currently, in Dale Avenue, which is downtown Paterson. It's four flights long. And she'll be there from Kindergarten to 1st Grade. After that, the children -- after 4th Grade they're supposed to go to another school, which is School 12.

My concern is that my son, when he graduates from 8th Grade, he will be attending at least four schools: pre-K, Dale Avenue, School 17, what other school he is going to go to -- whether it's School 12, private school, or another academy. So he's going to be experiencing four different types of schools. And me, as a mother, I'm going to be experiencing two different types of schools almost at the same time.

Now, my concern is that School 17 is similar to Marshall Street, property wise. If we had a school similar to Marshall School, it would elevate the frustration of the parents taking them to different schools in the morning. It would also be beneficial for them, because they would be together -- at least my kids would be together in the same school. Now, from what I understand, from speaking to the Principal, School 17 has similar land that Marshall School has -- the new Marshall School that they're building in Paterson.

One of my many concerns is about school construction. We like the fact that we're trying to add new schools and improve the ones we have. But the rate you're experiencing is too-- We have a higher demand, and we need schools right away. Parents, perhaps-- What we learned from Marshall School we can use to build and implement on new schools, so that way we don't go through the same milestones and have the same problems. So hopefully we can learn from past experiences and past mistakes, and hopefully improve for future building of other schools.

I understand that School 17 is a small school and might not be in my kids' timeframe, but I hope and wish that they will be for my other neighborhood kids, if I'm still in the neighborhood. Because I like my neighborhood, and I wanted my kids to go to that school because the Principals and the teachers are great in that school.

You have a current plan to build four schools. It needs to be increased. You have to work for us. You have to actually work for us. We need your help. Five to six years for planning is bit too much, in my point of view, since you already have the milestones, and some of the plans, and some of the drawbacks from previous schools.

Apparently, from what I've heard in the past, this has been a problem in Paterson for the past 25 years. And we need to reduce our leases. I understand that. And perhaps we could use some of the empty factory buildings that we have and try to see if we can work with them.

Maybe we should take advantage of the President's desire to improve urban school districts and take advantage of the opportunity that he might have in a specific timeline. From what I understand, several years back there was a similar package that the District was going to -- the State was going to pay half of it, and the cities were going to pay half of it to build new schools. And apparently, from what I heard, Paterson was too late. They missed the deadline. So unfortunately, because of that -- whoever was in management then didn't deal with it, and the kids suffered. Our kids are suffering because they don't have adequate room, they don't have adequate teachers, they don't have adequate facilities. And now, with other procedures like the high school redesign, where they want to incorporate more people into it-- We don't have adequate lab spaces too.

So that's also part of the facilities issue. You have to bear in mind that if you're thinking about schools -- high schools, grammar schools, Kindergartens, whatever -- you have to leave room for adequate progress and increasing demand of our schools -- education.

Again, thank you -- to voice my opinion. I appreciate it.

I also thank the speakers who spoke beforehand, because they have more statistics, and they're able to provide you with more educated information. I'm just speaking as a parent and as a PEOC member. And hopefully we'll be strong and be able to help you. If you need our help, you have to let us know also.

Thank you.

ASSEMBLYWOMAN VOSS: Thank you very much.

MS. PIERESCHI: Also, not to mean anything, but one of the sheets I enclosed was a letter from Commissioner--

ASSEMBLYWOMAN VOSS: Commissioner Davy.

MS. PIERESCHI: --Lucille Davy, which she, in time, replied to the kids of School 17, when they were planning to close that school for other issues; and the timeline, which you just got from the previous speaker. And you also got a flyer from the organization we're trying to build, the CEOC, which is the Paterson Chapter.

Thank you very much for your time. (applause)

ASSEMBLYWOMAN VOSS: Thank you for your remarks.

I have to say that I don't think I have ever-- The Chairman and I were just talking -- that we have never heard of a district where a child has to go to four schools in the elementary level. This is unconscionable. And the parents-- I mean, if I had a child, at this point in time, in a school

district like this, I think I'd be pulling my hair out. And we really have to make the other legislators aware of this. I just said to my Co-Chair over here that we have got to get some of these people who come from suburban areas, who are totally unaware of what is going on in some of our cities, to come to these meetings. I mean we, up here, all know what's going on and are really, really very involved in what's going on. But there are 120 members of the State Legislature. We have just a handful here. We have got to get them to come and cognizant of what's going on. So we have to make your voices heard.

I thank you very much for what you are doing, and keep up the good work. Because this is what we need.

**PATRICIA HARRIS:** Hi. My name is Patricia Harris. I'm a native Patersonian, and I live here, and I work here in Paterson. I've raised five children here.

I'm used to seeing-- I've been one of the products of having to go to more than one school. As a matter of fact, if you had my yellow card, it's like the Yellow Brick Road. But through that, learning-- We learned to-- One of the strengths of Paterson is that the different people learning to work together, go to school together -- the diversity. It makes up the unique culture that we have here in Paterson.

I'm here today -- and I'm glad to see you in this new environment. But I'm very happy to hear that you're aware of all things that are going on, not just this shiny new building. And even though it's a new building, you see it still has problems -- that if you had to buy it today you would say no, because you didn't get your moneys worth for what you put in it.

I am speaking on behalf of -- issues that I know you want to put to rest. But I must say, as a parent here in Paterson-- School 3 is a school that's on Main Street. There's a lot of traffic, very congested, a lot of buildings around it. We need to think about getting the best for our money. When School 3 was put on the books to be remodeled, and all the land around that was going to be picked up-- Those houses-- A lot of those houses were broken down, abandoned, whatever. All of a sudden, they got fixed up. So you're going to have to pay a lot of money to acquire that land. And on top of it, it's not the best place for kids to be going to school -- next to the highway and the traffic.

All right, you say it's a done deal. But the shovel has not been put in yet. We as a community are saying to you that -- please consider-- We can get two for the price of one. Shouldn't we be thinking about that in this time and era of getting what's best, not just because somebody wrote-- Five years ago, it might have looked good. But as I said, five years ago the neighborhood was really, really down. People have fixed it up. You're going to pay a lot for that land around here.

Other places in Paterson deserve-- Our kids from all over Paterson deserve a good education and a good building to have that education in. By just that one project, you can -- you heard Dr. Clancy say that -- how we can help out another area of Paterson. All our construction has basically been in one particular side -- area. How do you think that makes the rest of the people who live in other parts -- where their kids are going to have to be shipped from School 18, which is Riverside, all the way across town because there is no school over there. Well, you can make that decision now to change that, to make sure that it's spread out more evenly

and the politics put to rest. Because right now, we do have a Superintendent who is looking out for all the kids, not some of the kids -- not the political piece. And he's keeping it real. Now, you know, we don't know how long we're going to keep him. But at this moment, that's what we have.

Thank you.

ASSEMBLYWOMAN VOSS: I'm going to have to curtail you a little bit, because we need to adjourn soon.

I know there are some other people who wish to speak. So when I give a speech, I remember the three *B*s: be brief, be sincere, and be seated.

Thanks.

MS. HARRIS: Thank you.

SENATOR RICE: Ms. Harris, just real quick -- let me be brief. The issue that you raise about revisiting plans where it's cheaper to get more out of it-- I brought that to Scott Weiner's attention prior to him leaving. And he was really sincere and committed to looking into that. All the fanfare of the politics up in Paterson-- I've also spoken to Assemblywoman Evans about that conversation. I've spoken to -- formerly spoke to, (indiscernible) Convention, I've spoken to the new CEO. And my understanding is we're supposed to have some conversations about that, and we're supposed to have some flexibility. Because what we don't want to do is kind of legislate some things that just top school construction throughout the whole state, because everybody keeps going back and changing.

But there are areas of uniqueness where we should have the flexibility to get that done. So I at least want to put that on the record, because it does make sense in some cases.

And I want to apologize that the Department of Education, Commissioner Davy, is not here. She's in the Hackensack Court. But I think Senator Ruiz said it best. We talk to school construction, but the way we're structured now, a lot of this responsibility lies with her. And we're going to hold her feet to the fire.

MS. HARRIS: Thank you.

**BROTHA BURNS:** Good afternoon.

My name is Brotha Burns. I'm a part of PEOC. And I'm a stepparent. My step kids go to School 21. And last night was Back to School Night.

My little stepdaughter, on one occasion, had mentioned to me that she wanted to get on the computer to do her homework. I said, "Okay. What are you doing?" She said, "My math." I said, "Your math? You don't do your homework on the computer. You figure it out with your head. You figure that out." She said, "Oh, no. My teacher said it's okay. I can do my homework on the computer." That disturbed me -- for her to do her homework with a calculator. Because just recently, in early news -- it was printed on Thursday, February 5 -- language arts scores for the schools. They do it all across the land. Indiana, Massachusetts, all those schools get 100 grades. That's an A. School 21 has a 53 in language arts, 32 in math. That's a failing grade.

Now, I say all that to say this: If Massachusetts, Indiana has a formula that their students are being taught with the highest sincerity--

Well, I'm not saying that our kids are not being taught with the highest sincerity. However, if their students are receiving 100 grades-- I mean, the state is receiving a grade 100 -- an *A* -- how come our state is only receiving a *D* or an *F*? Why? I mean, the State has been in control of the Board of Education since 1992, I believe. And for us to get an *F*, there's something wrong with that picture. There's something wrong with that.

Can you perhaps maybe tell me something -- to where I can tell my stepdaughter to stick with the books, forget about the calculator, because it's better that she learns how to solve the problem by thinking instead of using a calculator.

ASSEMBLYWOMAN POU: Madam Chair.

ASSEMBLYWOMAN VOSS: Yes.

ASSEMBLYWOMAN POU: Have you addressed that, sir, with the Superintendent of the Public Schools and the School District Board Members?

MR. BURNS: I have spoken to Dr. Hodges, who will address the issue at School 21. However, if it's happening there, then it has to be happening in other schools.

I mean, look, the newspaper -- it will tell you what school -- what grade they got. It will tell you.

ASSEMBLYWOMAN POU: I understand. I just think this is a curriculum and instructional issue. Because you have the unique opportunity of having all the representatives here, including the school Superintendent and the School Board members, that's really where the decision really lies with in regard to that particular issue.

ASSEMBLYWOMAN VOSS: Having hired and fired teachers in my career, you have to make sure that the teachers that you hire are -- and the superintendent recommends and the school board hires -- that you're getting the very, very best teachers that you possibly can. And then the most important thing is that-- After three years and one day, the teacher who was an assistant attains a tenure. We have to be very judicious in giving out tenure, because you want to make sure that the people who are going to be teaching your children for the next 20, 25 years have their heart and soul in what they're doing. And that's important. So it's important that the members of the board of education are very cognizant of this, because these teachers hold your children's futures in their hands.

MR. BURNS: Right.

ASSEMBLYWOMAN VOSS: So you want the brightest and the best. And as I said, it's the board of education that does the hiring. In education, we get hundreds and hundreds of resumes. And it's really important that the board scrutinize these resumes so that you are getting not perhaps somebody's relative, but somebody who really has a great background that will help the children.

MR. BURNS: Thank you so much for your time and your response.

Thank you.

**FERNANDO MARTINEZ:** Hi, my name is Fernando Martinez. I'm the Organizer for the Paterson Education Organizing Committee. And I really thank you for being here today and listening to our parents' concerns.

However, a concern of the group also is the fact that, if we're going to move forward the four projects, we also want to know if there is any way that we can actually leave some of those jobs available for the people in Paterson. I don't know how we're going to do that. But we want to see more people in Paterson-- Due to the financial economy of our whole country, on the national level, it is (indiscernible) right now. But we would like to try to get some of those jobs, also, in Paterson. And also, how we can continue to have this conversation and how parents can continue to have an input in the decision-making process.

Thank you.

SENATOR RICE: I need to speak on that.

Let me just say to you that the Legislative Black Caucus and the Latino Legislative Caucus -- Assemblywoman Nellie Pou, and myself as Chairman of the Legislative Black Caucus, and our members have had some discussions with the Governor, and we'll be talking with our colleagues. And you'll probably hear more about it in a week or two. Because we're very much concerned and committed that all the work that we've done over the years for labor unions and for others in our community -- we'll start seeing local residents, and minorities, and women participating. A lot of this has to do with project labor agreements. And unfortunately -- we're labor supporters; but the trade unions -- every time we vote to give them what they need -- that we think we're going to get help -- when we question, "Where's our community?" all of a sudden they want to say we're anti-labor. That's not true.

And so we're very much committed not just to the jobs, but to the small women and minority entrepreneurship opportunities, and small

businesses, professional contracts that come with this stuff. So the Assemblywoman and her Caucus, and my Caucus -- we've been working very closely. We're very serious about this. And so stimulus, as I tell the Governor-- You know, it's nice to talk about a Federal stimulus package, a State stimulus package. But just like everybody else, women and minorities want to be stimulated too.

MR. MARTINEZ: Thank you.

ASSEMBLYWOMAN VOSS: Anyone else wishing to speak?

(no response)

Anyone on the panel wish to make any closing remarks?

ASSEMBLYWOMAN POU: Madam Chair.

ASSEMBLYWOMAN VOSS: Yes.

ASSEMBLYWOMAN POU: I just want to make reference to the gentleman who just spoke. I just want to echo the words of what Senator Rice talked about. We have been -- and we certainly hope to receive some information very soon as he pointed out. But just so you know, much of what we're trying to do is something that should be happening anyway. We shouldn't have to be pointing special attention to these issues. But it's important that we continue to do our due diligence of making sure that the administration is aware that women- and minority-owned businesses are afforded the opportunity of making sure that they are, indeed, very much a part of all of the possible opportunities that exist; not only with school construction, but for -- but in addition, to the major jobs that are going to take place, and projects in the Department of Transportation, Department of Environmental Protection, and some of the projects that are being talked about in terms of those interstate tunnel

projects that are going on; and just a variety of programs, just to name a few. And that's what Senator Rice was alluding to moments ago that we have been working closely on.

Thank you.

ASSEMBLYWOMAN EVANS: If I may, Madam Chair, I want to say to the parents: I wish we had 2,000 parents in here this afternoon. And I know people had to work. But I want to commend you. And I had an opportunity to address some of the people who were coming in here.

It's important that you all stand up and let your voices be heard. It's important that you attend school board meetings. It's important that you, as parents, know where new construction is going to be. It's important that you're consulted and have some input on that. It's important that you demand a better quality for your children's education.

In some districts-- Sure, in suburbans they have pretty schools, they have quality education going on, because people stand up. The squeaky wheel gets the oil.

But working together with your elected officials-- Pay attention to school board elections. We need to evaluate. Just because people run for the school board doesn't mean they need to sit there. Just because I run -- all of us run for any office doesn't mean we need to sit there. You need to ensure that these people are going to represent you.

The problem you have with academics-- The parents have a right. You can schedule your meeting. Meet with the superintendent. Be strong and forceful. Don't tolerate poor quality to your child. Because it's your responsibility. If this child fails, you know who is going to get the blame. It's going to be you, the parents. And I'm saying to you, please,

those who cannot speak up for themselves -- offer yourself to be their voice. Bring the parents to the table, because it's important -- things that are going on in the classroom, that are going on in the district. Quality education is not happening in this City. We all, elected officials as well as the parents and everyone in this community, have to hold our people responsible. And you have a right. If you stand up, and yell loud enough, and all of you pull together strong-- You have 27,000 students in the school district. That's a lot of parents. It's a lot of parents.

And I want to commend you all for being here today. Continue. Go out and meet with parents now. Bring them together and talk to them. School board meetings are open to the public. Go listen, see, voice your opinion. And if it doesn't happen, go back again. Call up your Superintendent. Dr. Clancy is a very -- open door policy. Hold people accountable. Because if it doesn't happen, they don't need to be there.

Thank you. (applause)

ASSEMBLYWOMAN VOSS: Ms. Taylor, from the Board of Education, would you like to say a few words?

**WILLA MAE TAYLOR:** Yes.

Willa Mae Taylor, Commissioner for the Board of Education, former teacher, former Principal of schools, and community worker for over 55 years.

Three things: Our Board of Education has its workshop tonight at Kennedy, at 6:00 p.m. People are always welcome. Our schedule is public: it is on cable; it is publicized in a bulletin; it is publicized in the newspaper; and we send a flyer home in some of the schools, not all of them. So it is something that we try to keep our public aware--

This afternoon I had invited grandparents as parents. They were here. They had to go pick up their children. I also invited parents, and they were here. They had to leave and go pick up children. So the reason why the parents were not here until the end was because they had to go get the children. And it's very difficult to come in here anyway because the parking was full, even when I got here. I hope I don't have a ticket and I wasn't towed, because I was in a certain spot I don't think I should have been in.

Anyway, on January 27, we had a joint meeting with the President of the Paterson Board of Education, who works on the Facilities Committee, and the State Superintendent Dr. Clancy, and our Mayor, and the SDA representatives. On that day, we had asked the Superintendent and also the President to bring forth an idea that we could have two schools for one at a cheaper price. And that was our proposal. And then in the discussion, I am understanding, they decided -- they were told that: either do this, because they're ready to put the shovels in the ground -- and we'll do it. That was the decision. And our Board of Education is going along with it, because we hope to get all the schools that have been promised to us with these shovels.

But for me, personally -- I'm not speaking for the Board of Education at this point, I'm speaking about myself, personally -- I don't like the selection of School No. 3 by the highway in that area. I think it's a wrong place.

This school is by a highway as well. And I'm asking Senator Lautenberg and everybody in the Legislature to put a barrier up there along the highway for this school. That's my request.

But I'm telling you that the boards are open. And we do a lot of discussion about the facilities. We try to tell everybody during Board of Education meetings -- and they're televised, and they go on cable. We try to let people know when we're trying to do this.

So it's difficult to do when we only have eight miles to go. And there are schools that are being built -- not enough. And we won't have enough space for our children, even after these three schools that they're going to build for us or renovate for us. We will not have enough seats for our children. And we still will have to keep on working. We'll have to keep on working.

Thank you for your time. (applause)

ASSEMBLYWOMAN VOSS: Thank you very much.

I just want to make a few closing remarks, because I really, really appreciate the testimony that people have given today. You are a wonderful town. You have got to be proactive.

Someone else wishes to speak? I'm sorry.

I'm sorry, is Adrienne Sanders--

**A D R I E N N E S A N D E R S:** Yes, Adrienne Sanders.

ASSEMBLYWOMAN VOSS: I'm sorry.

MS. SANDERS: Good afternoon.

My name is Adrienne Sanders, and I am the President of the Asbury Park-Neptune NAACP, and I am also a Board Member on the Asbury Park Board of Education.

We came here today to address this panel regarding issues in Asbury Park. Asbury Park is an Abbott district. We have three elementary schools, one high school, and one middle school. We have an over \$80

million budget, which equates to about \$20,000 per child, yet the education continues to decline in Asbury Park.

So if you would, we have a couple of parents who want to address you from Asbury Park as to why we need complete legislative change to prevent issues like Asbury Park from occurring in other Abbott districts and from ever occurring again in Asbury Park. We have had a Superintendent that has been suspended for two-and-a-half years, since 2006, with pay. His salary is \$188,000 per year.

ASSEMBLYWOMAN VOSS: How much?

MS. SANDERS: It's \$188,000 per year. We are also paying for interim superintendents. We have paid for two interim superintendents. We are currently still paying for an interim superintendent. We also are paying for a fiscal monitor to the tune of \$600 a day. But yet our children continue to be failed.

So now if you would please indulge some of the parents from Asbury Park and look at some of the pictures of the buildings that our children are residing in. And then what I will do is wrap up with a few closing points so that you can see that there has to be legislative change.

This is Beverly Crosby.

**B E V E R L Y C R O S B Y:** Good afternoon.

Here is a picture of the Asbury Park Middle School, where our children put their clothes.

My thing is, your child goes to school, and in the library, the locker room -- it looks like that. So what do you think our children feel like going to school with rodents running by all day long? I don't have rodents in my house, so why should my child have to go to school-- And then when

she asks to leave, she can't leave the classroom because this is what-- "You have to stay." It's unacceptable. If I had rodents-- If I had a place like this, DYFS would come in and take my child. But the school is allowing this to happen. The school is allowing-- We have computers in the library. Rain is coming down. We need a new roof. So half the time the kids can't even use the computers. Our gymnasium is horrible. We can't even use bleachers when our kids-- When we have visitors come, the parents can't even sit down to watch our children play a basketball game.

It's just a crying shame that we-- And I'm a grandmother. My child went to school there. And it's not fair for me to have to see my grandchildren grow up in a society like this, where all this money is in the district, but what's being done? What is actually being done? My child is in 6th Grade. She's special ed. But her report card is all hundreds. She doesn't even know her times tables. She brings dittos home. How can you bring a ditto home and not have a workbook? How am I supposed to help her?

ASSEMBLYWOMAN VOSS: I am so glad to hear you, because I have been-- I like to do research. And Asbury Park has the highest amount of money allocated to it: \$24,000, I think, per child. I can't tell you how incensed I am to hear that all of your money basically is being paid to people who are not doing anything to better the district. No child should ever go to school in conditions like this.

How did -- I'm asking, because I don't know the answer -- how did the Superintendent, who has now been suspended, get to be the Superintendent? I mean, was he or she appointed, or were they hired by the District? I mean, I have no idea. But this is unconscionable.

MS. SANDERS: Well, he was given a contract. He had been the Superintendent for a while. His contract was renewed. And this is where heavy politics come into play. This is an African-American man, who was the first superintendent to come into this district and get us conditional certification. We didn't even have conditional certification. The Asbury Park school system didn't have conditional certification for over 30 years. But yet he was able to get the District conditional certification. And then when we saw-- There was a change in the School Board. And let me just say this: that parents went to Trenton, met in the Governor's Office, told the Deputy Commissioner of Education and members of the Governor's Office about these votes that were just plain biased and not in the best interest of children -- are about providing effective and efficient education for children -- and they did nothing. That was in August of 2006.

They suspended this man in September of 2006, reading a resolution stating that he was under investigation, but could offer the public no proof. And to this day, they have not provided the public any proof that this individual is under investigation.

ASSEMBLYWOMAN VOSS: Now, how did you get-- Now, this guy is suspended. Now you have another superintendent. Is this other superintendent performing or not performing to your satisfaction? And how did that person get to be in that position?

MS. SANDERS: Well, let me just say that how he got to that position was-- There was an interim superintendent before this current interim superintendent. (laughter) She abruptly left, because she would not execute the demands that this Board of Education majority was putting on her. So she abruptly left. And here we were left-- She resigned. She

made her resignation effective immediately. So here we were with not a person to fill in. So as an emergency situation, the Board voted to put this particular individual in.

So now I will let a parent comment about the effectiveness of this.

SENATOR RICE: Excuse me.

Before you comment, a quick question. You may know, you may not know, depending on the relationship. Did the interim that resigned resign on her own volition because she was just fed up with the system?

MS. SANDERS: Yes.

MS. CROSBY: Yes. The Acting Superintendent that we have now used to be our vice principal, and then he was acting principal. But as a member of the SLC, when we were looking for a principal at the middle school, we felt as though he did not have the credentials that we feel as though would be a good principal. So now he's not a good principal in my eyesight. He is not a good acting superintendent. He's doing what the Board's telling him to do, and that's it.

ASSEMBLYWOMAN VOSS: Now, these boards -- they're politically motivated? They get elected to the Board. So why don't you guys put your own candidates up? I mean, the squeaky wheel gets the oil. You have to be so proactive and get those people out. Their terms, I think, are only two or three years. I'm not sure exactly. Get rid of them. Get people who care.

MS. CROSBY: We have tried. But you know one thing? When you don't really have the money, and the other organizations have the money, that's how these particular people are getting put on the Board.

ASSEMBLYWOMAN VOSS: You have to mobilize those parents. It doesn't take money, believe me.

MS. CROSBY: Parents are fed up with Asbury Park.

ASSEMBLYWOMAN VOSS: When I got involved in politics, I didn't have two nickels to rub together -- a big mouth. So that's what you need -- to get people who are willing to go out, and work, and talk, and knock on doors, and get rid of these people. And it doesn't take money, I assure you.

**CARLA LARSEN:** Good afternoon.

Thank you for letting us speak today.

My name is Carla Larsen. I'm going to read from the paper so I don't get nervous and mess up my words. I'm going to be speaking about test results.

My name is Carla Larsen. I'm a Parent Leader with SEOC, Parent Listening Project, and the Vice President of the SEOC Board of Directors. I am also a member of the NAACP Education Committee. Most importantly, I am a mother of three children. Two of my boys are currently in the Asbury Park school system.

I am horrified at how poorly our children are doing on the tests, and thought of by the State. I have been talking to the administration at the district level to find out what each school thought was causing the severely low test scores. At one elementary school, the Vice Principal alerted me to the fact that the State continues to change the curriculum

before it gets to run its course. Changing it on a yearly basis prevents the teachers from running it effectively. It's also a waste of money, money that could be used for additional programs to teach our children.

In looking at the test scores at the elementary level, the Asbury Park school system is -- the scoring is 20 percent below the State averages in literacy, and both the State and Asbury Park schools average 50 percent math proficiency. Once these children come together in the middle school, the scores continue to decrease. Asbury Park students were 33.7 percent proficient in language arts literacy, when the State averaged 65.2 percent. In math, our students were only 32.4 percent proficient, and the State average was 52.9 percent. In the high school, the district maintains the 20 percent difference in both math and literacy. This is a serious problem. According to the 2007 NCLB Report, the Asbury Park School District has a 9 percent dropout rate, when the State average is only 2.2 percent of students dropping out. There's an alarming rate of students not finishing their education.

When you teach for the test, curriculum remains stagnant and the children fall behind even more. Something must be done to help our children learn the basics, not just memorize them. There is a difference between learning and memorizing for the test. When I was in school, we were not taught to the tests. I only remember taking the California Achievement Test. We didn't have all these State and federally mandated tests. We were taught the basics and application, and the information still applies today.

Our elementary students are not advancing in their reading levels. Many are still stuck on foundational instruction and have not

progressed. Something needs to be done to actually teach our children how to understand what they are learning as opposed to teaching them how to pass a test. They are not retaining what they're hearing in elementary schools, as shown by the test scores and the drop in both math and literacy when moving from elementary school to the middle and high schools.

We would like you to think about more effective teaching methods that instill in our children the love and necessity for learning and reading, and not the pressure and confusion of regular testing. It only enforces a feeling of inferiority when our children leave the high school thinking that they're honor students and go to college and have to take remedial courses.

One size does not fit all. And I would ask that you keep that in mind in your decisions and your planning.

Thank you again for your time and concern for the children in the State and City of Asbury Park.

We also are lacking computers in our classrooms. Some of the classrooms have them. Some of the elementary schools just do not have computers. In a computer age, our children are expected to keep up, but we don't even have the basics. Our textbooks -- some of them are nonexistent. The teachers don't have teaching manuals. Now, this is all stuff that was left behind from a different administration in there. And Asbury is still trying to catch up to what we need now. And it's a shame, because our children are the ones who suffer.

Thank you very much for your time. (applause)

SENATOR RICE: Let me say this, because I know we have to be out of here by 4:00, and we're running into that. And I know you've traveled a long way and waited.

I've asked staff to set up a meeting -- not so much a meeting. But I'm going to come down and tour your school system. (applause) I'm going to (indiscernible) down and tour your school system. And if you just -- staff reach out. Maybe they'll reach out to you, Ms. Sanders, and whoever you designate -- where you can point me to the schools that we need to be at -- I need to be at.

And any member who wants to share that day--

ASSEMBLYWOMAN VOSS: I will be there with bells on.

SENATOR RICE: --to come down. Because this doesn't make any sense.

I don't believe in school takeovers. I think we did it wrong. We came back and we changed the process. But I'm sitting here listening, and I'm thinking, how did Paterson get taken over, and Jersey City, and Newark, and in some kind of way Asbury wasn't in the mix? I don't think anybody should be taken over. But if you're going to lay it down and pick criteria for taking over-- I mean, in my district and in Paterson, if we were paying someone for two-and-a-half years, regardless of whether it was right or wrong in the situation -- \$180,000 -- it wouldn't happen. They would not give it to Marion Bolden. There's no way. (laughter) They won't give it to the Superintendent up here. There's no way. You've been through several superintendents up here. I don't know of anybody held around for two-and-a-half years, paying them, while they were suspended. Okay? We

talk about Stone Pony and Bruce Springsteen, but we better start talking about academics down there. (applause) We can talk all this other stuff.

I got confused. Here's my question: I thought I heard someone say that you finally got a conditional certification, and you haven't had one in 30 years. I'll tell you why I got confused. Are you saying that this wasn't certified in 30 years and a conditional certificate is like a blessing? Or are you saying that you were certified for 30 years and--

MS. SANDERS: No, we got conditional certification. The Asbury Park School District had no certification. We didn't have conditional certification. Because of the test scores, and the deficiencies in education, and the way that it was operating, we did not have conditional certification. So under Dr. Lewis--

SENATOR RICE: For 30 years?

MS. SANDERS: It had to be about 30 years, from what I was told, from what I could find out checking with people-- They said, "Oh, it had to be about 30 years ago before you had conditional certification or something." Now, I can't find it, in record, if that was true. But we lost it the very next year after we got it. After we received conditional certification, we lost it in probably like 2002 or 2001, and we haven't had it again since.

ASSEMBLYWOMAN VOSS: My question is about certification. I don't know what portion of your children go on to higher education. But if they're graduating from a school that doesn't have certification, I don't see how they can get into any institution of higher learning. Am I correct or am I in error? (applause)

MS. SANDERS: It's a joke. That's why we are here saying to you today that there has to be legislative change. This is outrageous what is going on in a city that is one square mile.

ASSEMBLYWOMAN VOSS: Do you mean-- When I hear legislative change, do you mean you want to change the administration of the school; do you mean you want to change the legislative representatives in Trenton who represent you; or are you talking about the Mayor, Council, and whoever? Clarify for me.

MS. SANDERS: We're talking about laws. For one thing, how is it possible that there is the tolerance or the allowance, legally, for a person to be suspended for two-and-a-half years and doing it because there is not legislative law? There's no law preventing them from doing this. And it's wasting taxpayer money. It is wasting-- And all of that money that's being paid out paying these two superintendents -- the suspended -- and this fiscal monitor-- We could have put laptops on the desk of every child.

SENATOR RICE: Excuse me, Ms. Sanders, let me ask a couple of questions. I believe there will be some debates, as well as some opportunities, to do legislation and make changes. One of the changes -- we will not hold anybody as a superintendent, pay them \$180,000 for two-and-a-half years. I mean, we just went through the whole process in South Jersey about what a teacher got when they stayed in a district legitimately, in terms of pension. So we'll work on that.

But I have a question for you. Who are the representatives from down there? I remember at one time it was my good friend Assemblyman Smith, God bless his soul. Who represents that district down from the Legislature?

MS. SANDERS: Wolfe, we have Sean Kean, we have Palaia--

SENATOR RICE: Not Palaia.

MS. SANDERS: No, Pallone.

SENATOR RICE: No, not your Congressional, at the State--  
Sean Kean.

MS. SANDERS: Oh, okay.

SENATOR RICE: Is that Kyrillos' district?

MS. SANDERS: Yes.

MS. BENESTA (Chief of Staff): It's Kyrillos or Senator Kean?

MS. SANDERS: I think her name is Mary Pat Reeble  
(phonetic spelling) -- I believe it is.

ASSEMBLYWOMAN VOSS: Do you know what district  
you're in?

SENATOR RICE: What's this district?

ASSEMBLYWOMAN VOSS: What's the number of the  
district?

MS. SANDERS: I think we're in District 10 or 11.

MS. LARSEN: Yes, Assemblyman Wolfe is the one for our  
district.

SENATOR RICE: Have you had any interaction or  
conversation with the district representatives regarding this?

MS. SANDERS: We wrote them letters, and we wrote-- I  
wrote them a letter -- Sean Kean a letter, and I believe that I scanned it, and  
I gave it as documentation to Ms. Schulz. His response to us was basically  
-- because we talked about changing whether board members should be  
indemnified. Because as it stands right now, board members can basically

do anything. And they're covered under the laws of indemnification. So if you change that type of status, legislatively, I guarantee you that some of the people would not be shooting the crap dice with our children. (applause)

SENATOR RICE: Why don't you do this, through the Chair -- because I really have to, for the school's sake, get us out. And I apologize for those who traveled (indiscernible) system.

Drop us a note, through the Chair, of, like you said -- change this, change this -- so we can look at it. Okay? Meanwhile, the staff is going to be calling so that I can get down there. But I also want to find out who your representatives are. Because I want to know, if you wrote Sean Kean or whoever-- The question is: Have they met with you, have they invited you to a meeting?

MS. SANDERS: No.

SENATOR RICE: So you have no feedback really from the local representatives -- from the State representatives in the area.

MS. SANDERS: No, we have had no feedback. And the other issue that we're looking at is, we have this New Jersey QSAC report, which we think is a wonderful thing. However, when we get the results back, what are the options for the parents?

SENATOR RICE: Okay.

MS. SANDERS: We have a board that scored 11 percent. Now, how in the world could anybody be allowed to continue to make governing body decisions when they got a score of 11. It was slightly raised to 22. However, in my book, that just doesn't cut it for you to be making decisions for our children, for any child.

SENATOR RICE: Okay.

MS. SANDERS: You shouldn't even be near a child, as far as I'm concerned.

SENATOR RICE: Sure. So we don't have to be-- We don't want to be repetitive. Once again, I don't mean to sound like I'm pushing everybody, but we have to leave. We're going to make these arrangements. Get us a list, through the Chair -- Madam Chair, if you don't mind -- get us a list through the Chair, Ms. Sanders, of questions -- just bullets, etc. I'm coming down.

ASSEMBLYWOMAN VOSS: Me too.

SENATOR RICE: And I'm going to notified your delegation that I'm coming down. It's not a matter of who likes it and dislikes it. The Joint Committee has a responsibility to the taxpayers and the voters in this state to oversee these Abbott districts. And for this to be occurring, we need some answers. There may be -- and Assemblywoman Evans is going to tell me some stuff that happened, because some of that occurred here in Paterson, I believe, to some degree. But someone has to explain to us why we're paying, and what's happening with the interim, and why someone has not stepped to the plate and been a little more aggressive. If for two-and-a-half years it's in litigation, then we can respect that.

MS. SANDERS: No litigation.

SENATOR RICE: No, I'm just saying if it is-- Then if you tell me two-and-a-half years, and we find out that they "suspended" someone for two-and-a-half years but can't find any "legitimate," probable cause or cause of action to do that, they have to tell us that.

But we want to come and look at the district. Because I want people to know that I am in Asbury Park. And you can bring the media if you want when I come down there. I have no problem talking to them. You can bring the parents, bring whoever you want. I'm coming to Asbury Park. (applause)

MS. SANDERS: Thank you.

ASSEMBLYWOMAN VOSS: Anyone wish to add anything?  
(no response)

I think we've said it all. And I thank you so much for your comments. And we will be in Asbury Park as soon as possible.

MS. LARSEN: And we will be waiting for you with open arms.

ASSEMBLYWOMAN VOSS: We will be there.

MS. SANDERS: We'll walk around with you.

MS. LARSEN: We'll give you the escort.

ASSEMBLYWOMAN VOSS: Okay.

Meeting adjourned.

**(MEETING CONCLUDED)**

**APPENDIX**

**Paterson's Approved Long Range Facility Plan Calls for 14 NEW Schools.**

The Plan was approved by the Department of Education in 2005/6.

By 2009 only **one** of these schools [International High School] is completed.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
International HS	b	b	b	b																		
Hazel St. school				b	b	b	f															
School 3					b	b	b	b	f													
School 16					b	b	b	b	f													
School A										b	b	b	f									
School B										b	b	b	f									
School C											b	b	b	b	f							
School D											b	b	b	b	f							
School E														b	b	b	f					
School F														b	b	b	f					
School G																b	b	b	f			
School H																b	b	b	f			
School I																b	b	b	f			
School J																b	b	b	f			

If we continue at the same rate, we will not have the schools our children need until **2026**

Put another way, if your children started kindergarten this year in 2008, we would still not have all the schools we need when they graduate from high school in 2020.

**Key to chart:**

b= building under construction

f= finished with a permanent certificate of occupancy.

# **BETTER SCHOOLS, BETTER NEIGHBORHOODS**

**New ways to create the schools New Jersey needs**



**FEBRUARY 2009**

**BETTER SCHOOLS, BETTER NEIGHBORHOODS**  
**New ways to create the schools New Jersey**  
**needs**

**February 2009**

# **BETTER SCHOOLS, BETTER NEIGHBORHOODS**

## **New ways to create the schools New Jersey needs**

**Alan Mallach\***

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\* Alan Mallach is a Non-resident Senior Fellow in the Metropolitan Policy Program of The Brookings Institution and a Visiting Scholar at the Federal Reserve Bank of Philadelphia. The findings, opinions and recommendations presented in this paper are his alone, and do not represent the positions of either institution.

## ***Executive Summary***

This paper shows how school districts, communities and the state can all benefit from developing schools - both schools for exclusive school use and as parts of mixed-use projects, where the school is combined or co-located with other facilities – through joint public and private initiatives. While it focuses on New Jersey's thirty-one Special Needs or *Abbott* school districts and the role of the School Development Authority (SDA), its findings apply equally to any Regular Operating District (ROD) that appreciates the benefits to be gained from public-private initiatives and mixed-use school development.

### ***Public-private initiatives***

The term 'public-private initiative' is used to describe any approach to development of school facilities in which the public sector – represented by either a school district or the SDA – enters into a relationship with a private development entity to build or rehabilitate a school different from the conventional public bid process by which schools are typically developed. Public-private school development can yield three distinct and measurable public benefits:

#### **Saving time**

Public-private initiatives are inherently more time-efficient than public bid projects, as long as the public sector does not impose arbitrary requirements on the internal management of the project.

#### **Saving money**

Public-private initiatives are often less expensive in terms of development cost, and moreover, can benefit from a variety of fiscal mechanisms, including lease options and tax credits, to further reduce the cost to the public sector.

### **Mitigating public risk**

Public-private initiatives mitigate the public sector risk, by reducing the share of initial costs, including site acquisition costs, that must be borne by the public sector.

In addition to these measurable benefits, public-private initiatives may offer intangible benefits, by facilitating the creation of small learning communities and by giving school districts greater flexibility to address changing needs and priorities over time.

### **Mixed use projects**

Mixed-use school projects are those where construction of a school is combined with construction of compatible non-school facilities in the same building or on the same site. Uses can include other public facilities, such as libraries or health care facilities; or private uses, such as housing, office or retail space.

While it is generally a good idea that every public school should be designed for shared use – such as after-school and weekend programs – not every school should be a mixed-use facility. Mixed-use schools should be developed only where their benefits exceed the potential difficulties. There are at least four distinct situations where mixed-use school development is most appropriate:

- To utilize available properties more efficiently where land or buildings for schools or for other needed development are in short supply.
- To generate capital revenues or cash flow to offset either or both school development and ongoing operation/maintenance costs;

- To create facilities which provide greater benefits to the neighborhood than the school will provide alone.
- To make possible synergies with school activities and educational programming.

Not every school project meets one or another of these criteria, but many do. Where they do, the SDA, school district and community can all benefit by developing them as mixed-use projects, rather than exclusive or sole-use schools.

### ***Making it happen***

Major barriers stand in the way of pursuing public-private school initiatives or creating mixed-use school facilities in New Jersey. Some critical elements are either not permitted under state law, or permitted under severe limitations, or discouraged in practice even where they are permitted. Furthermore, even if legislation is enacted to change those laws, significant procedural obstacles must be resolved before either public-private initiatives or mixed-use school development became more than rare and exceptions, including meshing the local regulatory process with the state school regulatory process. Finally, it is critical that those directly affected, whether in local government or in neighborhood organizations, be part of the process by which decisions

regarding public-private initiatives and mixed-use projects are made

In all, three areas must be addressed in order to make public-private initiatives and mixed use school projects an integral part of the way new schools are built in New Jersey:

- **Legal constraints must be removed, and clear procedures by which the SDA and school districts can partner with private entities established.**
- **A consistent and efficient review and approval process to minimize duplication between state and local entities, along with clear ground rules for property taxation of public-private school projects, must be established.**
- **A transparent planning and decision-making process, in which both the local government and residents of the communities in which schools are to be built, must be adopted.**

These changes will require legislative amendments, regulatory changes and changes in the practices of state and local bodies. They will not come easily or quickly. The benefits of making these changes, however, vastly outweigh the difficulty of pursuing them.

## Overview

This paper explores the issues associated with developing school and mixed-use projects through joint and private initiatives, and outlines the steps that will be needed in order to make such projects possible. In order to ground the analysis, the paper uses a case study of an actual site, the so-called Kroll site in the city of Paterson, but the issues and recommendations apply without exception to similar projects in any of New Jersey's thirty-one Special Needs or *Abbott* school districts. Indeed, although the focus of this paper is on the Special Needs districts and the role of the School Development Authority, the issues apply to any Regular Operating District that appreciates the potential benefits to be gained from public-private initiatives and mixed-use school development.

Two separate issues are explored in this paper. The development of schools as mixed-use projects is one issue, and the development of schools through a variety of potential public-private relationships is another. While mixed-use projects realistically require a public-private relationship to be feasible, there are strong arguments for public-private initiatives in many cases even where mixed-use development is neither feasible nor appropriate.

The paper is divided into three sections. The first explores the benefits and potential difficulties of school development through public-private initiatives, and the second through mixed-use development, identifying the conditions under which either or both are most appropriate. The third section outlines the steps that will be necessary in order to make it possible to carry out such projects. That involves changes to both the legal and financing provisions governing school development in New Jersey, as well as changes to the development process itself, once legal and financial changes are put in place.

While the Kroll site is used to illustrate many of the points made in the paper, it should be emphasized that references to this site are for illustrative purposes only. No agreements have been entered into with its owners or any other party with respect to the status or use of that property, and no representations are made that the site may or may not be available for any of the purposes described below.

# 1 **Public-private initiatives for school development**

The term 'public-private initiative' is used to describe any approach to building school facilities where the public sector – represented by either a school district or the New Jersey School Development Authority (SDA) – enters into a relationship with a private development entity to build or rehabilitate a school outside the conventional public bid process by which schools are typically developed. Under that process, the school district or SDA acquires a site for a school, retains an architect to develop plans for the school, and upon completion of the plans, selects one or more contractors through a competitive public bidding process. At all times, the school is the property of the SDA or school district.

Public-private initiatives for school development are very different. They can take a variety of forms, whether the project is an exclusive use school project, or a mixed-use project containing a school along with one or more other uses, as shown in Table 1. Within the scope of public-private initiatives, further alternatives exist based on the status of the property, the nature of the agreement between the school district, SDA and

**TABLE 1: SCHOOL DEVELOPMENT OPTIONS**

Public-private initiatives	School sole use facility
	Mixed use school facility
Public bid process	School sole use facility
	Limited mixed use school facility <sup>1</sup>

the developer, and the ultimate disposition or outcome of the project. The ways in which such initiatives can be organized, leaving aside potential mixed-use options discussed later, are shown in Table 2.

**TABLE 2: PRINCIPAL ALTERNATIVES FOR PUBLIC-PRIVATE INITIATIVES**

Status of site	Construction model	Disposition
School District or SDA owns	Design-build or construction contract	School District or SDA owns school building
Developer owns	Turnkey contract for construction and land	School District or SDA owns school building
Developer owns	Lease agreement on completion of construction	School District or SDA leases school building from developer

<sup>1</sup> A public bid project can include non-school public sector facilities, such as a recreation center or a health clinic. It is all but inconceivable that a public bid project would include residential or commercial facilities.

Within this framework many variations are possible, particularly with respect to the way lease agreements are structured.

Public-private school development can yield three distinct, measurable public benefits:

- Time savings
- Fiscal benefits
- Risk mitigation

In addition to these quantifiable benefits, public-private initiatives may offer intangible benefits, discussed further below, that can expand school options and provide school districts with greater flexibility to address changing needs and priorities over time.

### ***Time savings***

Significant time savings can potentially be realized through public-private initiatives. *In and of itself, the private development process is a faster one than the public development process.* Not only do private developers not have to go through the time-consuming public bid process, but they have a variety of informal ways to obtain faster results from professionals and contractors.<sup>2</sup> It may be difficult, however, to realize those savings without important changes to practices by both state and local agencies to prevent delays that might otherwise reduce or eliminate those savings.

By entering into agreements with developers who already own properties on which schools are to be constructed, further time savings are obtained, because the school district or SDA does not have to acquire those properties. As is well-known, the process of acquiring urban sites for schools is slow, complicated and expensive, particularly because since dozens of separate properties must often be acquired in order to assemble a site large enough to accommodate a new school.

Leaving aside the time involved in acquiring property, a sample of completed *Abbott* school construction projects shows that the time elapsed from the award of the architectural contract to completion of construction tends to be between 4 and 5 years. This is illustrated in Table 3. The time from architectural award to construction award ranges from 18 months to 2 years, and for construction from 2 years to nearly 3 years. A

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<sup>2</sup> This is primarily a function of relationships. In contrast to public work, where each job is seen as a separate, unrelated transaction, many experienced developers maintain long-term relationships with key professionals and contractors, and benefit from those relationships in the form of faster performance, and in some cases, price adjustments.

realistic time frame for similar projects by private developers would be 9 to 12 months from architectural contract to construction contract, and 15 to 24 months from construction contract to completion. Public-private initiatives should be able to reduce the time period involved in creating new schools by roughly one-third.

**TABLE 3: SAMPLE SCHOOL CONSTRUCTION TIMETABLES<sup>3</sup>**

	Columbus School Trenton	Science Park HS Newark	Pre K-8 School #27 Elizabeth
Architectural contract awarded	August 2002	February 2002	November 2003
Construction contract awarded	February 2004	February 2004	September 2006
Construction completed	September 2006	November 2006	Summer 2008 (expected)

These time savings, however, can only be ensured if certain provisions govern public-private initiatives:

- Standardized provisions and templates for agreements between public and private entities involved in school development projects, including lease agreements;
- Expedited procedures for approval of development and building plans and, if necessary, tax abatement agreements;
- A minimum of public sector interference in the developer's internal management of the project.<sup>4</sup>

### ***Fiscal benefits***

Public-private initiatives offer a number of different ways to generate significant potential fiscal benefits. To begin, it is likely, although not certain, that per square foot development costs can be reduced. There is some evidence in support of this proposition, including a report from Houston, where a private development/construction management firm built two high schools for the school district, and was estimated to

<sup>3</sup> This information is taken directly from the SDA web site. The site does not provide information on whether site acquisition was needed for their projects, and if so, how much time and money were required for that to take place.

<sup>4</sup> An effort to foster public-private initiatives for school construction in North Carolina has been significantly hindered by a requirement written into the statute that developers must select subcontractors through public bid procedures, rather than through customary developer-contractor negotiations.

have saved approximately \$20/square foot relative to pre-construction estimates.<sup>5</sup> In order to generate such savings, as was previously noted, the rules governing public-private initiatives must permit developers to organize their projects in a manner as close as possible to customary private developer practice. While it may be appropriate for laws permitting public-private initiatives to require developers and their contractors to pay prevailing wage, those laws should not mandate practices (such as North Carolina's requirement that developers select their subcontractors through competitive bidding) that potentially impair the developer's ability to produce an efficient, cost-effective product.

Even without per square foot development cost direct savings, important other fiscal benefits potentially exist:

- **Reduced need for public up-front funds**

Developers can typically obtain their own financing, so that public money is needed only at the completion of the project. This is also a significant risk mitigation factor, since no public money is placed at risk during the design or construction phases of the project. Moreover, since the developer is likely to take substantially less time to complete the project, the cost of pre-development and construction financing in the total development budget – even if a higher interest rate is charged – is likely to be lower.

- **Potential savings through leasehold transactions**

A capital lease structured to enable the developer to recover his capital cost is not inherently less expensive than an outright purchase. In either case, the capital cost is financed, either through the lease or through a bond issue floated to buy the completed project from the developer.<sup>6</sup> There are some creative ways, however, through which it might be possible to reduce the size of the lease obligation.

**User payments.** The Canadian province of Nova Scotia initiated a program under which developers built schools and leased them to the school system with a lease payment schedule equivalent to 85 percent of the developer's capitalized cost. In return for foregoing a percentage of the cost reimbursement, the developer was given the ability to use the school facility for compatible uses during those hours it was not needed by the school system, and retain the user payments. The process has been described as

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<sup>5</sup> Cited in Ronald D. Utt, *Public/Private Partnerships Offer Innovative Opportunities for School Facilities*. Maryland Public Policy Institute (2005)

<sup>6</sup> It is possible that there may be some fiscal management benefits to the SDA to having a pool of lease obligations, which could perhaps be financed differently than conventional capital contracts. This sort of analysis is beyond the scope of this project.

follows:

Such off-hours use could include renting the facility to for- and not-for-profit educational organizations, such as trade schools and refresher educational programs, day care, community colleges and universities, civic groups, religious organizations, local governments, political groups, and similar entities for which classroom-, meeting-, and auditorium-type space is essential. Organizations and businesses whose purpose and activities are not compatible with a building used primarily by children are prohibited from leasing space, and such prohibitions are defined clearly in the contract. By using the building more intensively than would be the case if its occupancy were limited to just public school functions, the developer/owner of the building would obtain more revenues and earn more profit. These extra revenues are "passed on," in effect, to the public school system in the form of below-cost rent.<sup>7</sup>

Such a provision could not be applied across the board. Some schools would offer greater and some fewer opportunities for user revenue, while developers' readiness to enter into such agreements would also vary.<sup>8</sup> An inner-city K-8 school might offer few opportunities for off-hours use revenue, while a high school with high-quality facilities in close proximity to downtown or major institutions might offer even greater revenue opportunities than the 15 percent level used in Nova Scotia.

**Tax credits.** The use of New Markets Tax Credits<sup>9</sup> is a second option. These tax credits have been used to defray the cost of developers' constructing charter schools. By using New Market Tax Credits, an organization in Los Angeles was able to raise \$11 out of a total \$36 million fund to finance construction of charter schools, so that debt service payments from the schools were required to finance only \$25 million of the total.<sup>10</sup> New Jersey CDC in Paterson has also used New Market Tax Credits for this purpose. A preliminary investigation suggests that there is no reason that they could not be used in

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<sup>7</sup> Roland D. Utt, *How Public-Private Partnerships Can Facilitate Public School Construction*, Heritage Foundation (1999)

<sup>8</sup> The right could be assignable, however, so that a developer could sell her rights under the lease agreement to a locally-based organization such as a CDC that would have an active interest in using them.

<sup>9</sup> The New Markets Tax Credit (NMTC) Program, enacted in 2000, permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.

<sup>10</sup> P. Jefferson Armistead, *New Markets Tax Credits: Issues and Opportunities*. Pratt Institute Center for Community and Environmental Development (2005).

conjunction with a public school development project.<sup>11</sup> Furthermore, where a property is also eligible for the Federal Historic Preservation Tax Credit, as is the case with the Kroll property in Paterson, those tax credit proceeds can be used to further reduce the size of the lease payment.<sup>12</sup>

As Table 4 shows, some potentially offsetting costs are associated with each of these potential savings. In each case, however, the costs are modest in comparison to the gains. On a \$20 million project, legal and transaction costs associated with the New Market Tax Credit may raise the total project cost by approximately 2 percent. This is not a significant deterrent compared to the 30 to 33 percent in offsetting revenues that the tax credit may provide. Although it is unlikely that any but a highly unusual transaction would leverage the maximum potential in offsetting revenues, it is at least possible that in some cases they would reduce the lease payment from the school district by half or more.

**TABLE 4: POTENTIAL REVENUES AVAILABLE TO OFFSET LEASE COSTS**

Source	Potential amount (as percentage of total cost)	Offsetting costs
Use revenues	0-20%	Additional construction costs associated with multiple uses and higher traffic
New Market Tax Credit	30-33%	Transaction costs of \$250,000-\$500,000
Historic Preservation Tax Credit	15-18%	Transaction costs and higher construction costs to meet Secretary of Interior standards

Property taxes may also offset savings from leasehold school projects if the project is determined to be subject to local property taxation. While projects leased by a school district on a short-term basis from a developer are considered to be subject to property tax, the status of a project with a long-term (30 years or more) lease, especially with a provision under which the school district can buy the property from the developer at the end of the lease term for a nominal sum is unclear in New Jersey law. In the

<sup>11</sup> Although the author is not aware of any such use, NMTCs have been used for facilities leased or owned by other public entities. The tax credits are not tied to the investor's ownership of the real estate, they could potentially be used even where the school district planned to buy the property outright as a turnkey transaction. Conversation with Jim Hartling, Urban Partners, April 18, 2008.

<sup>12</sup> Historic Preservation Tax Credits can only be used in conjunction with a leasehold transaction, since the developer must continue to hold the property for at least five years after putting it into service.

absence of a clear determination on this issue, the offsetting costs could be reduced significantly through a tax abatement agreement with the municipality.<sup>13</sup>

Table 5 illustrates the potential savings that could result from these features, comparing the development of the 150,000 square foot Kroll site as a high school (or two high school academies) through a conventional public sector transaction, and through a private developer lease to the school district or SDA. Over the life of the financing, the

**TABLE 5: COMPARATIVE COSTS OF PUBLIC SECTOR AND PUBLIC-PRIVATE LEASEHOLD DEVELOPMENT**

CATEGORY	LEASEHOLD	PUBLIC SECTOR
Land	\$ 7,500,000	\$ 7,500,000
Construction (assume developer savings of 10%)	\$33,750,000	\$ 37,500,000
Soft costs @ 20%	\$ 6,750,000	\$ 7,500,000
Construction financing (1)	\$ 1,510,000	\$ 2,250,000
<b>TOTAL COST</b>	<b>\$49,510,000</b>	<b>\$ 54,750,000</b>
Value of New Markets Tax Credit (31% of cost basis)	(\$15,350,000)	
Value of Historic Preservation Tax Credit (2)	(\$ 6,050,000)	
<b>COST TO BE COVERED BY LEASE</b>	<b>\$28,110,000</b>	
Annual lease payment (3) or debt service payment (4)	\$ 2,244,200	\$ 3,939,000
<b>Total lease or debt service cost over 30 years</b>	<b>\$67,326,000</b>	<b>\$118,170,000</b>
Annual savings	\$ 1,694,800	
<b>Total savings over 30 years</b>	<b>\$50,844,000</b>	

(1) Assumes construction financing for 1.5 years at 6% for developer, 3 years at 4% for public sector

(2) Assumes value of credit 16% on basis of 90% of development cost exclusive of land

(3) Assumes lease financed at 7% interest rate for 30 years

(4) Assumes 6% interest rate including SDA fees on long-term bonding for 30 years

state could save as much as \$50 million by having the school built by a developer and leased to the school district. This is a relatively conservative assessment, since in all likelihood the construction cost differential could be greater than the 10 percent estimate in the table, and – since the developer could potentially qualify for tax-exempt bond financing as well – there might actually be no interest rate differential for the long-term

<sup>13</sup> Abatement of taxes in return for a negotiated annual payment in lieu of taxes (PILOT) can be granted by municipalities under the Long-Term Tax Exemption Law, N.J.S.A.40A:20-1 et seq. The property, however, must be in a redevelopment area. In a number of cases, municipalities have designed single properties as redevelopment areas in order to enable developers to avail themselves of this statute.



Figure 1: Kroll Site, Paterson, New Jersey

financing used in the end.<sup>14</sup> Given the location of the school, we have assumed that use revenues, as described earlier, would *not* be available.

Not all school construction projects could take advantage of these savings. New Market Tax Credits are limited, and would not be realistically available for all school construction projects. Historic Preservation Tax Credits can be used only to rehabilitate qualified properties, and are not available at all for new construction. There is no limit on the amount of such tax credits that can be taken, however, and it would be in the state's interest to maximize their use by actively seeking out eligible rehabilitation projects. The

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<sup>14</sup> Section 422 of the Economic Growth and Tax Relief Reconciliation Act of 2001 (H.R.1836) extended the privilege of using tax-exempt, private activity bonds to qualified public education facilities.

state might be able to realize significant savings when rehabilitating an existing school building by having the school district sell it to a developer, who would qualify for the tax credits and then lease it back to the school district, rather than having the school district or SDA do the work directly. In the final analysis, it is clearly in the interest of the state, the SDA and the school districts to maximize its opportunities to save money through public-private initiatives.

### ***Risk mitigation***

Finally, the public sector benefits from the use of public-private initiatives because it is able to better manage its risks. In a project carried out by a developer, the state need not incur any fiscal outlays until completion of the project, since the cost of property acquisition, pre-development and construction are the responsibility of the developer.<sup>15</sup> The risk of overruns and delays is also significantly mitigated. Since the developer is at risk for the funds borrowed for the project, she is more strongly motivated to complete it on time and on budget than a contractor who is being paid by the state. The developer can also be required to post a letter of credit or other surety to ensure performance. Similarly, a fixed price arms-length agreement with a developer has far less scope for changes of the sort that regularly result in public bid projects ending up costing far more than anticipated.<sup>16</sup>

A rational developer is only willing to take greater risks than a general contractor selected through a bid process if she is also given the opportunity to carry out the project in ways that will enable her, if successful, to generate a meaningful profit from the construction. *Any attempt by the public sector to structure public-private initiatives in ways that significantly limit a developer's upside potential – through complex bidding requirements, provisions to recapture 'excess' profit, and the like – will reduce the developer's willingness to take on risk as well as her interest in participating in such initiatives, and ultimately prove counterproductive.*

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<sup>15</sup> It is instructive to compare this point with the experience of the SCC, which expended millions to acquire sites only to discover that funds were not available to construct schools on those sites. Even if the sites are all ultimately utilized for schools, the carrying cost associated with those expenditures alone is likely to be in the tens of millions of dollars.

<sup>16</sup> Despite the efforts of generations of public sector lawyers, the inherent structure of the public bid contract, with the government providing the construction financing, places the government in a weak negotiating position to deal with changes during the construction period.

### ***Other benefits***

Two other potential benefits of developing schools through public-private initiatives are worth mentioning briefly. By working with private developers, a school district creates the opportunity to utilize small sites, existing buildings, or even parts of larger development projects,<sup>17</sup> all of which lend themselves to the creation of small schools or learning communities. Such small learning communities, as considerable research has shown, often result in significantly better learning outcomes than the large schools that are the most common by-product of a highly bureaucratized public construction process.

In a similar vein, long-term leasing of schools may offer greater long-term flexibility to school districts than public ownership. During the course of the many decades that the schools being built today will remain in operation, it is likely that many changes will take place not only in educational needs and pedagogic principles, but also in neighborhood demographics and land use patterns. Leasing structures may well offer greater flexibility to school districts to make adjustments in the use of facilities and the organization of school spaces necessary to respond to these changes.

## ***2 Mixed use school development***

Mixed-use school developments are development projects where a school is combined with compatible non-school facilities within the same building or on the same site.<sup>18</sup> Uses can include other public sector facilities, such as libraries or health care facilities; or private uses, such as housing, office or retail space. The Conte School, built in 1963 in New Haven's Wooster Square neighborhood, contains, in addition to a public school, a health clinic, public library and senior citizens center, and provides a wide-range of activities for children, youth and adults after school hours. The New York City Educational Construction Fund (ECF), an arm of the school district, has packaged since 1971 a number of mixed-use school projects which utilize air rights to combine schools with both residential and non-residential space. The ECF's most recent project, under construction in the Upper East Side of Manhattan, is a 32 story tower. It contains 127

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<sup>17</sup> For example, under a turnkey contract, a school district could buy a certain amount of floor space in a condominium building for use as a school.

<sup>18</sup> Mixed-use development is sometimes referred to as 'co-location' of school and other facilities.

condominium units selling for \$713,000 to \$3.7 million, a small amount of neighborhood retail space, and a new public intermediate school for 520 students using roughly 80,000 square feet of floor area spread over five floors. A single developer is developing the entire complex.

Although other such examples can be found, there are fewer than there should be. Legal and other restrictions have limited the number of mixed-use public school facilities that have been developed. In recent years the use of mixed-use development to facilitate creation of charter school facilities – which are less constrained legally and often more open to creative solutions than many school districts – has far outstripped mixed-use public school development.<sup>19</sup>

While there are solid arguments to support the proposition that every public school should be designed for shared use – such as after-school and weekend programs – not every school should be a mixed-use facility. Along with its benefits, mixed-use school development raises many difficulties with respect to using, multiple financing sources, coordinating multiple users, and facility management and operation. To be justified, the benefits of mixed-use development must outweigh the potential difficulties.

There are, however, at least four distinct situations where mixed-use development is clearly appropriate:

- To utilize available properties more efficiently where land or buildings for schools or for other needed development are in short supply.
- To generate capital revenues or cash flow to offset either or both school development and ongoing operation/maintenance costs;
- To create facilities which provide greater benefits to the neighborhood than the school will provide alone.
- To make possible synergies with school activities and educational programming.

The two projects briefly described above each meet two of the four criteria. The Conte school was designed to provide facilities that would enhance the benefit of the new project to the community as a whole, while offering opportunities for synergy with the school's educational program. The projects of the ECF, by contrast, are designed to

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<sup>19</sup> A good example of this is the former Herron School of Art in Indianapolis, which is being redeveloped to include a new museum of contemporary art, a charter high school, and residential uses including artists' lofts and infill townhouses.

maximize efficient use of land and generate revenues to offset school costs. The different rationales for mixed-use development in these two cases dictated different spatial configurations. While the non-school facilities in the Conte school are closely integrated with the school facility and are part of a single pedestrian circulation system, in the New York City project, the two principal uses co-exist on the site with no direct internal connection to one another.

In parts of New York City experiencing strong housing demand, residential units command a substantial price premium. As a result, the ECF is able to generate a large amount of money for construction of new school facilities by identifying underutilized existing school sites, and leasing the air rights (the unutilized development capacity of the site) to developers who build a mixed-use project that includes both housing and a new school. The scarcity of buildable sites combined with the profitability of housing development in New York City makes mixed-use development a highly desirable proposition for both the school district and private developers.

Similar conditions can be found, although to a lesser degree, in parts of Jersey City and New Brunswick, two cities with strong demand for both private market housing and non-residential uses, as well as limited land availability in high-demand areas. It is doubtful, however, that either of these two criteria applies to the Kroll site. This is not because the land supply in Paterson is not limited, because it is severely constrained, but because of the nature of the Kroll site itself.

*The benefits of mixed-use development as a response to scarcity of land for development will usually depend on the ability to intensify the use of the site beyond what would be appropriate or feasible as a single-use school site.* In the case of the Kroll site, since the use of the property cannot be intensified, its use for non-school purposes represents a zero sum proposition with its use as a school. If less of the site is used for a school, the school district will have to make up that space elsewhere. That, however, may not necessarily disqualify the site as a mixed-use site. In an environment where sites are scarce, it may be substantially more difficult to find good sites for housing than for schools. In that case, adding housing and reducing school space in a facility such as the Kroll property may be a sound planning decision.

It is also doubtful that non-school facilities on the Kroll site would in fact provide offsetting revenues. At present, housing could not be built in that location without government subsidy, so that it would not throw off profits to offset the school costs. A modest amount of retail space (<10,000 SF) along 21<sup>st</sup> Avenue might be economically

feasible, but even if successful, would have a minimal effect on the school bottom line. It would probably be a desirable use of the 21<sup>st</sup> Avenue ground floor frontage of the property, even if it were no more than a break-even proposition, because it may help strengthen the existing commercial fabric of the street. It would have to be justified on the basis of its community benefit, not its ability to generate offsetting revenues.

The other two criteria – maximizing community benefit and creating synergies with the educational program – depend on the specific uses being proposed. While office space in the Kroll project offers no educational synergies in itself, a specific office use that would relate to the mission of the proposed high school academy might offer such synergies. For an academy focusing on engineering and construction technology, the office of an engineering firm, which could offer internships and the involvement of the firm's personnel in teaching and mentoring, would be a valuable educational asset. If such a firm was willing to commit in advance to use space in the project, it would be worth creating office space for their use. In the absence of such a commitment, however, it would probably not be a good idea, since the space would be unlikely to provide offsetting revenues to justify it in the absence of educational synergies.

Adding non-school uses to confer community benefits can also benefit the school, either the educational program directly, or by providing complementary services or facilities for the children in the school. Facilities such as a library or health clinic benefit the school's students as well as the adults in the community; as a recent article pointed out, "co-locate the school with a public library, fine arts center, senior center, community college branch, soccer stadium, public park, museum, or zoo, and you create a valuable new community asset that reaches beyond the traditional function of a public school. Suddenly the whole is greater than the sum of its parts."<sup>20</sup>

In short, while not appropriate or feasible in every situation, mixed use school development may offer significant opportunities to:

- Further better site utilization and better planning
- Offset school development costs
- Add community benefits; or
- Enhance educational programs

Which, if any, of these benefits can be realized can only be determined by a site- and

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<sup>20</sup> Jim Romeo, "The ABCs of mixed use schools: schools and communities learn the meaning of 'co-location'." *Planning Magazine*, July 2004.

school-specific assessment. As the foregoing discussion has suggested, while the Kroll site offers *possibilities* for mixed-use development, it is unclear whether they are likely to be compelling enough to justify pursuing them. There may, however, be other sites in Paterson where the opportunities for mixed-use development are indeed compelling.<sup>21</sup>

### **3 How to get there: Making public-private initiatives and mixed-use school development happen**

The first two sections of this paper have shown that the creation of schools through public-private initiatives and as part of mixed-use developments can often yield valuable benefits to the state, the school district and the community. While the benefits of private involvement in the development process cannot be realized in all school projects, and not all school projects are appropriate for mixed-use development, the fact remains that many school projects are suitable for either or both approach. By using these approaches, the state can make its money go farther toward achieving the goal of high-quality schools for every child in the state's *Abbott* districts, while in many cases, enhance the quality of the educational program and the benefit of the new schools to the community.

Major obstacles, however, block the creation of mixed-use school facilities and the use of public-private school development initiatives in New Jersey. The threshold problem is a legal one, in that features critical to such initiatives are either not permitted under state law, or permitted under severe limitations, or discouraged in practice even where, strictly speaking, they might be permitted. Furthermore, even if legislation is enacted to change those laws, significant procedural obstacles would remain which would have to be resolved before either public-private initiatives or mixed-use school development became anything other than rare exceptions. How the local regulatory process – which becomes relevant as soon as one moves away from conventional school development practices – will interact with the state school regulatory process is a critical issue, which must be addressed if a smooth and timely system for review and approval of projects is to be ensured.

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<sup>21</sup> The other two Paterson sites studied as part of this project offer stronger mixed-use potential. The Panther site, because of its proximity to the train station and its opportunities for high density development, is likely to meet many of the criteria for mixed-use development. Similarly, if Barnert Hospital were to re-open, the development of a facility adjacent to the hospital that combined a health careers academy with medical-related uses that would logically locate close to the hospital, would clearly be appropriate.

As will be discussed further below, the ramifications of decisions made about school projects, particularly with respect to mixed-use development, go far beyond the school district, affecting the development of the community and its quality of life. Those directly affected, whether in local government or among neighborhood residents and their organizations, must be part of the process by which decisions regarding public-private initiatives and mixed-use projects are made. In all, three areas must be addressed:

- Removing legal constraints
- Ensuring a consistent and efficient review and approval process
- Establishing a sound planning and decision-making process.

The scope of this paper does not permit an extensive examination of these areas, or the framing of detailed recommendations. The discussion here will outline the key areas, and provide a framework for a more detailed investigation of each area.

### ***Removing legal constraints***

Existing provisions of state statutes governing the SDA as well as local school districts do not permit the sorts of contractual agreements and uses of public funds that are needed to create public-private initiatives and mixed use school development projects. In some cases explicit language prohibits certain agreements, such as the limitation on school lease-purchase agreements to 5 years.<sup>22</sup> In other cases, the absence of explicit language permitting certain agreements has nearly the same effect as a prohibition. This appears to be the case where certain actions may be permitted in the general state law governing school property matters (N.J.S.A.18A:20-1 et seq.) but are not explicitly authorized under the Educational Facilities Construction and Financing Act with respect to the use of funds by the SDA (N.J.S.A.18A:7G-1 et seq.).<sup>23</sup>

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<sup>22</sup> For reasons that are unclear, state statutes permit leases of up to 50 years, but prohibit lease-purchase agreements (which typically need to be long-term in order to be economically feasible) to five years. Moreover, any lease of greater than 5 years must be approved both by the Commissioner of Education and the Local Finance Board (N.J.S.A.18A:20-4.2)

<sup>23</sup> This point is stressed for two separate reasons. First, experience has shown that it is the natural tendency of attorneys, particularly, it would appear, deputy AGs representing state agencies, to argue that the absence of explicit authority is tantamount to a prohibition, whatever the context or public policy considerations might suggest. Second, even if it is possible from time to time to navigate the process of gaining approval for something that is not explicitly permitted, such 'one-shot' efforts have little value. The point is not to see one or two experiments take place after many years with great difficulty, but to institutionalize a process whereby public-private initiatives and mixed-use school development are seen as normal transactions.

Instead of prohibiting alternatives to conventional school development, the law should be rewritten to provide the greatest possible flexibility in both contractual agreements and use of public funds, along with criteria to ensure that inappropriate or abusive contracts or uses of funds are kept to a minimum. Without specifying legal language, the areas in which legal changes are needed include the following:

**(1) Provide clear language not only authorizing, but encouraging, mixed-use school development.**

School districts should be required to consider mixed-use options, and the SDA should have the authority to initiate and pursue mixed-use development options where such options clearly meet either economic or community benefit criteria.<sup>24</sup>

**(2) Provide clear language permitting schools to be developed by qualified private for-profit or non-profit entities, and permitting SDA funds to be provided to such entities.**

The statutory language regarding use of SDA funds should clearly authorize their use in conjunction with other funding sources for mixed-use school development, and reasonable standards for phasing SDA funds with other funds in such projects.

**(3) Provide clear language permitting flexible contractual agreements between the SDA, school districts, developers and non-school users in mixed-use school projects.**

Both public-private initiatives as well as the long-term arrangements that are inherent to mixed-use projects require that the parties have great flexibility in framing ownership and contractual relationships. The law needs to permit the widest possible variety of formats to govern the development of school projects as well as long-term leasehold and ownership agreements. These should include turnkey, purchase of air rights, lease-purchase, shared-use, condominium and similar options. The statutory language should, moreover, be drafted so that it will include future legal frameworks and contractual relationships that cannot be explicitly anticipated at this point.<sup>25</sup> Long-term capital leases

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<sup>24</sup> Language under which this can take place under certain circumstances appears in the general statute, N.J.S.A.18A:20-4.2(g).

<sup>25</sup> The legal framework for property ownership and organization of complex corporate entities is constantly evolving. The condominium as a form of ownership effectively did not exist until states passed laws creating it. More recently, the development of LLCs represents a new way in which companies can organize themselves. As laws and practices change, the SDA and school districts need to maintain the ability to change with them.

and lease-purchase agreements should be explicitly permitted.

**(4) Provide for clear public benefit criteria for alternative uses of SDA funds and flexible contractual agreements needed for public-private initiatives and mixed-use projects.**

In order to protect the public interest, prior to using the flexible alternatives that should be permitted in the state statutes, the SDA would be required to make a series of findings. The first must be that *the proposed approach will not conflict with or undermine the educational goals to be furthered by the school construction project*. Additional findings would include:

- For all public-private initiatives:
  - That the development entity has the technical and financial qualifications to carry out the project
  - That development of the project through a public-private initiative will benefit the public either through cost savings, time savings, mitigation of risk or other salient considerations.
- For mixed-use initiatives
  - That the development entity has the technical and financial qualifications to carry out the project
  - That the proposed uses are consistent with the development plans and strategies of the municipality
  - That the financial structure of the project (the manner in which SDA and other funds will be combined in the project) adequately protects the public interest
  - That the project meets at least one of the following criteria:
    - Land or buildings for schools or for other needed development are in short supply in the municipality, and mixed-use development enables the project to use available land or building resources more efficiently.
    - Mixed-use development will generate capital revenues or cash flow to offset school development costs;
    - Mixed-use development will result in creation of a facility which provide greater benefits to the neighborhood than the school will provide alone.
    - Mixed-use development will make possible synergies between the non-school uses and school activities and educational programming.

The statute or regulations should explicitly provide that net financial benefit to the public through cost savings is not the only criterion for either public-private initiatives or mixed-

use development, and that in exceptional cases, significant public benefit may justify a project even though the cost may exceed that of a conventional school project.

### ***Ensuring a consistent and efficient review and approval process***

A significant problem arises with both public-private initiatives generally and mixed-use projects in particular because of the existence of two parallel, and sometimes inconsistent, regulatory systems in New Jersey. Conventional school projects are regulated by state agencies, and are not subject to any municipal regulation with respect to either land use or construction plan review and approval. School plans are reviewed by the Department of Education, while actual construction and engineering plans are approved by the Division of Codes & Standards in the Department of Community Affairs. Non-school projects developed by private entities are subject to land use regulation by the municipality through the planning board or zoning board of adjustment, as well as construction plan review by the municipality's buildings or inspection department.<sup>26</sup>

A clear process needs to be established with respect to both public-private initiatives and mixed-use projects which prevents both duplication and undue delay. Duplicative review procedures, and delays in approval, can undo a significant part of the time and cost savings that might otherwise be possible. The matter is further complicated in mixed-use projects, since local zoning ordinances are often written in ways that preclude mixed-use development, whether or not a school is involved. The process of obtaining the necessary variances or zoning changes needed may be difficult and time-consuming.

In addition to rationalizing the division of state and local responsibilities, it will also be necessary to establish efficient standards and procedures within state government for these projects. State school construction standards do not address the design issues that may arise with respect to mixed-use developments, while no template exists within the state for a long-term lease between a school district and a developer/owner, or for any of the other contractual agreements that may arise in the course of framing public-private initiatives and mixed-use school developments.

Creating a single, efficient regulatory process for public-private initiatives and mixed-use school development projects is likely to require legislative action, while changes in state practice are likely to require regulatory changes. The following

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<sup>26</sup> While the code used by municipalities in reviewing construction plans is a uniform statewide code, the individuals responsible for administering the code are municipal employees.

practices should be incorporated into legislative amendments to the SDA statute, and to changes to state regulations:

**(1) Provide that schools developed by private developers through public-private initiatives, where there are no non-school elements and the school will be either owned by the school district or subject to a long-term lease after completion, be exempt from local land use approval.**

Since, from a land use standpoint, there is no difference between such a project and a conventionally-constructed school project, there is no substantive rationale for requiring such approvals. This is not inconsistent with a greater municipal role in the *planning* of school projects, as discussed further below.

**(2) Create an expedited process for municipal approval of mixed-use school development projects.**

The SDA should be given the power to over-ride municipal denial or undue delay in taking action with respect to both land use approvals and tax abatement where the SDA finds that (1) the project is not inconsistent with the municipal master plan and (2) the mixed-use development will result in significant public benefit.

**(3) Provide for one-stop review and approval of construction and engineering plans for mixed-use projects.**

Local code officials and DCA staff have the same training and administer the same codes. One or the other, not both, should be responsible for review and approval of construction plans for mixed-use projects, as well as ongoing inspection during construction. We would suggest that use of local code officials be seen as the default option, with the municipality given the option of deferring to DCA and the SDA retaining the power to require state review of projects (including the non-school elements) in communities where significant deficiencies in local review and inspection capacity exist.

**(4) Revise Department of Education design and space standards for school projects to ensure that cost-efficient mixed-use development is possible consistent with sound educational requirements.**

**(5) Develop model standards and templates for the full range of potential agreements between the SDA, developers and school districts, including turnkey agreements, leases, and the like, to facilitate expeditious negotiation and execution of such agreements.**

Construction of schools through the conventional public sector process is slow and expensive, but is a known quantity. All of those involved, school superintendents, architects, state DoE personnel and others, understand the process and know their role in that process. If public-private initiatives and mixed-use school development projects are to achieve their potential, the process by which they take place must become as clear and unambiguous as conventional school construction.

Wherever possible, the SDA should be prepared to delegate their responsibility under any of the above scenarios to local school districts as provided in the 2007 amendments to the EFCFA, where the school district meets the criteria developed by the SDA for delegation. Management of the project at the local level should in most cases facilitate communication, and make it simpler to resolve the jurisdictional issues that may arise.

***Establishing a sound planning and decision-making process.***

All urban school development projects, and mixed-use projects in particular, exist within a larger community framework. Where a school is located, how it is configured on its site, and what facilities it might offer in addition to the school, all have important consequences for the neighborhood in which it is situated, and often for the community or municipality as a whole. For that reason, the involvement of local officials and neighborhood residents in needs to be central to the process by which school sites are chosen, decisions about complementary uses for the property are made, and the schools are planned and designed. In the past, in the absence of either clear requirements that school districts engage either local officials or community residents in planning or state policies to encourage such efforts, wider engagement of the community in school planning has been limited, erratic and inconsistent from one school district to another.

Failure of many school districts and the former School Construction Corporation to engage in joint site selection and planning efforts with local officials, CDCs and other community stakeholders has led to innumerable missed opportunities for valuable synergies between school development and neighborhood revitalization, not to mention shared use and mixed use opportunities that would have benefited the school district's educational programs as well as the larger community. If, as this paper recommends, school districts and the SDA should actively explore opportunities for mixed-use school development wherever such projects meet the criteria set forth earlier, the engagement

of the community becomes even more important. *School districts are not always the best qualified entities to judge whether a mixed-use project indeed meets the criteria for success, both educationally and otherwise.* Local officials and community leaders may be able to see the potential benefits of mixed-use developments more clearly.

While the SDA may have the authority to adopt the following recommendations by regulation or other administrative action, it would nonetheless be desirable to include their principal features in the legislation that would be needed to create the contractual and legal framework for public-private initiatives<sup>27</sup> and mixed use school development, in order to ensure that community engagement is institutionalized as a fundamental part of the school development process.

**(1) *Adopt a school site selection process that provides a formal role for local government and community representatives, and which incorporates community improvement as well as educational and financial criteria.***

While school sites must reflect the educational needs of the school district and the distribution of its present and future student body, the process of site selection should also take into consideration how potential school sites further neighborhood revitalization, and create mixed-use (and shared use) opportunities. These are considerations that local officials and others in the community may well understand better than the school district.

**(2) *Adopt a mixed use 'screen' to evaluate future school projects.***

Although not every school project should be a mixed use project, a strong case can be made that the potential of mixed-use development should at least be *explored* for every school project involving a new facility or a large-scale expansion of an existing facility. To that end, a process known as a 'screen' should be followed for all such projects, in which the potential non-school uses of the site or building are evaluated against each of the criteria previously identified. This is illustrated in Table 6 on the following page, which applies such a screen to the Kroll site.

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<sup>27</sup> Public-private initiatives for development of school projects without mixed use features, from the standpoint of basic site selection and planning issues, are no different than other school construction projects, and would be subject to any community engagement provisions generally applicable to all projects. The analysis of the financial pros and cons of developing a school through a public-private initiative versus conventional school construction is more a matter for the financial professionals.

The screen does not determine that the project should be a mixed-use project. It identifies, however, which uses should be considered for inclusion in the project, and what considerations need to be further evaluated before a firm decision can be made whether or not to include specific uses – and to what extent – in the project. As with the selection of school sites, the process of evaluating mixed-use options needs to be one in which local government and community representatives are actively at the table with the school district and SDA.

**(3) *Ensure the ongoing involvement of local government and community representatives in the planning and design of the school or mixed-use development.***

The role of the community does not end when a school site is chosen, or the mixture of uses on the site is established. It needs to be built into the process of planning and designing the school, in way that permits not only input into the school design itself, but the opportunity to identify synergies with other community goals, such as housing improvement projects or open space projects. Ongoing community engagement is particularly important where the school is being developed in an area that has been designated a redevelopment area by the municipality, or where it is the subject of a neighborhood revitalization plan developed by a CDC and approved by the Department of Community Affairs.<sup>28</sup>

### ***Closing note***

The foregoing discussion has shown that construction of schools through public-private initiatives can offer significant benefits to the public, by speeding the process of school construction, mitigating the risks to the public sector, and potentially reducing the cost of many schools and allowing limited public resources to go farther. It has also shown that under many – although not all – circumstances, the combination of schools with non-school facilities through mixed use development can also provide significant public benefits. In some cases these benefits may be financial, while in others they may

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<sup>28</sup> Under the Neighborhood Revitalization State Tax Credit Act, N.J.S.A.52:27D-490 et seq. (P.L.2001, c.415), a procedure is established under which CDCs prepare neighborhood revitalization plans, and submit them to DCA for approval; once the plan is approved, the CDC is eligible to receive up to \$1 million per year in corporate contributions to carry out the projects in the plan, in return for which the corporation receives a state tax credit for the amount of the contribution.

be educational or take the form of other social and economic benefits to the neighborhood in which the school is located.

These benefits will not accrue without significant changes in both legal requirements and administrative practices. In order for New Jersey, the city of Paterson and the other thirty *Abbott* school districts to take advantage of these benefits, major changes are needed in the manner in which the Educational Facilities Construction and Financing Act defines both the powers and responsibilities of the School Development Authority and the local school districts, and in the way the school development process takes place. These changes, spelled out in this paper, will require legislative amendments, regulatory changes and changes in the practices of state and local bodies. They will not come easily or quickly. The benefits of making these changes, however, vastly outweigh the difficulty of pursuing them.

**TABLE 6: APPLICATION OF MIXED-USE SCREEN TO KROLL SITE**

POTENTIAL USE		POTENTIAL MIXED-USE BENEFIT CRITERIA				PLANNING ACTION
	Further better site utilization and better planning	Offset school development costs	Add community benefits	Enhance educational programs		
Commercial (retail) development	Yes, but only with respect to small area along 21 <sup>st</sup> Avenue. Can strengthen that commercial corridor.	No. Retail rents likely to be equal or less than school lease payments for same amount of space.	Yes. Can provide additional retail services to community	No		Consider setting aside +10,000 SF for commercial development along 21 <sup>st</sup> Avenue site frontage
Office development	No. No evidence of unmet need for office space in area or lack of other options to create office space.	No. Office rents likely to be equal or less than school lease payments for same amount of space	No. No evidence of unmet need for office space in area.	Yes, but only if office space is utilized by firm offering specific synergies with high school academy program		Consider only if firm commitment from suitable firm is available.
Residential development	Uncertain. Site is suitable for housing, but use of part of site for housing reduces area available for school use. Alternative housing sites are likely to be available.	No. Housing market will not support housing costs at level where return could generate revenues to offset school costs.	Probable. Additional housing of good quality is needed in area.	No.		Consider only if evidence shows that reduced area for school use can be readily made up in alternative sites.

**Mayra A Piereschi**  
84 North 11<sup>th</sup> Street  
Paterson, NJ 07522

February 11th 2009

Dear Committee:

My name is Mayra Piereschi. I'm currently a member of the SEOC, the Statewide Education Organizing Committee, PEOC Paterson Chapter. Most importantly, I am the mother of a son in School # 17 (Second Grade) and a daughter in Dale Ave School (Kindergarten).

My son goes to School # 17; however, since this school only provides classes for grades 2-4, my son was, and my daughter is currently in Dale Avenue for Kindergarten and first grade. The children then go to School 12 when they leave School 17. My concern is that when my son graduates from 8th grade he will have attended no less than 4 schools due to the space restrictions of my neighborhood school. If we had a school similar to the Marshall school it would relieve the frustration that parents experience when their children are in numerous schools. From what I understand School 17 has a similar amount of land as that of new Marshall School.

One of my many concerns is about the School Construction. We like the fact that you are trying to add schools in Paterson and improve the ones that we have, but the rate has to be expedited in order to meet our high demand. Perhaps we should consider the plans for Marshall School across the board and have reliable honest contractors to work with, imposing penalties for lateness in order to provide our students with updated buildings in which to learn.

Your current plan to build 4 schools needs to be increased. Five to Six years for planning is a bit much when we know what the needs of our kids are, especially since we already have a prototype in action and have learned from our milestones. This has been a problem for the past 25 years. We need to reduce our leases. Is there a way that we can purchase factories and rebuild them? Would that expedite the obtaining of new schools?

We should take advantage of the new President's desire to improve urban school districts and take advantage of this opportunity which might have specific timelines. We should plan ahead so that what has happened in the past does not affect us in the future. I believe there was an instance several years back where the State would pay for half of the construction cost with the City paying for the other half, but due to our delays we missed the opportunity.

Thank you for the opportunity to voice my opinion and for having an open forum for us to be able to express our views.

Sincerely,



Mayra Piereschi

# Paterson's Approved Long Range Facility Plan Calls for 14 NEW Schools.

The Plan was approved by the Department of Education in 2005/6.

By 2009 only █ of these schools [International High School] is completed.

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
<b>International HS</b>	b	b	b	f																		
Hazel St. school				b <sup>open</sup>	b		f															
School 3					b		b		f													
School 16					b		b		f													
School A										b	b	b	f									
School B										b	b	b	f									
School C										b	b	b	f									
School D											b	b	b	f								
School E											b	b	b	f								
School F															b	b	f					
School G															b	b	f					
School H																b	b	b	f			
School I																b	b	b	b	f		
School J																				b	b	f

If we continue at the same rate, we will not have the schools our children need until 2026.

Put another way, if your children started kindergarten this year in 2008, we would still not have all the schools we need when they graduate from high school in 2020.

**Key to chart:**

b= building under construction

f= finished with a permanent certificate of occupancy.

New  
2016  
build  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025  
2026



**State of New Jersey**  
DEPARTMENT OF EDUCATION  
PO Box 500  
TRENTON, NJ 08625-0500

JON S. CORZINE  
*Governor*

LUCILLE E. DAVY  
*Commissioner*

June 13, 2008

Mr. Carlos Ortiz, Principal  
School #17  
112 North Fifth Street  
Paterson, NJ 07522

Dear Mr. Ortiz:

I would like to express my appreciation to you and the second grade students at your school for sharing with me your concerns regarding the transferring of students to another school. It is clear from these letters that the students love their school. Please note that the decision to relocate students has not been finalized. We will work with the school district to ensure that any reassignment of students will be carried out with the input from school staff, parents and the community. Please reassure your students that any decisions about moving them to another site will be done taking into account their safety and best interest.

Thank you for sharing the letters with me.

Sincerely,

A handwritten signature in cursive script that reads "Lucille E. Davy".

Lucille E. Davy  
Commissioner

LED/RH/OC/o: #2002

c. Willa Spicer  
William King  
Rochelle Hendricks  
Robert Gilmartin  
Mark Kramer

**Aplicación de Membresía para SEOC y sucursal: Comité Organizativo Educativo de Paterson (PEOC)**

Apoyo la misión de SEOC y aplico por ser miembro de la sucursal de Paterson.

(Letra de Imprenta) Fecha: \_\_\_\_\_

Nombre: \_\_\_\_\_

Dirección: \_\_\_\_\_

Ciudad: \_\_\_\_\_

Tel. (casa): \_\_\_\_\_

Tel. (trabajo): \_\_\_\_\_

Mejor hora para llamar: \_\_\_\_\_

Email: \_\_\_\_\_

Favor de marcar todos los que aplican:

Tengo un hijo, nieto, o pariente que asiste a la escuela pública.  
Escriba la(s) escuela(s): \_\_\_\_\_

Soy vecino preocupado por las familias y niños de las escuelas públicas.

Soy líder del PTO, PTA, o de una organización comunitaria.

La preocupación más urgente con respecto a las escuelas públicas en la comunidad es: \_\_\_\_\_

**¿ESTA ES UNA ORGANIZACIÓN BASADA EN SU MEMBRESÍA**

**¿Como le gustaría ayudar?**

AM (Miembro Activo)  PM (Miembro Potencial)  
 S (Simpatizante)

FIRMA: \_\_\_\_\_

**SEOC's Accomplishments:**

SEOC creates an independent parent voice.

**With a united voice, parents:**

- Persist for safe and supportive learning environments.
- Fight for high quality and "healthy" school buildings.
- Insist on authentic parental engagement at each school.
- Struggle for fair funding for each school.

**SEOC = Knowledge + Action**

Wherever SEOC goes, we work in close collaboration with parents and grassroots leaders who share our determination to work for educational change.

**Our strength is in our numbers, our knowledge, and in our willingness to act.**

**Los logros de SEOC:**

SEOC crea una voz independiente de los padres.

**Con una voz unida, los padres:**

- Persisten por brindarles un ambiente escolar seguro y solidario a los estudiantes.
- Luchan para construir edificios escolares de alta calidad.
- Insisten en la inclusión legítima de los padres en los asuntos escolares.
- Procuran proteger los fondos que se les proporcionan a las escuelas públicas

**SEOC = conocimiento + acción**

Donde sea que se sitúa SEOC, trabaja en colaboración con los padres y los líderes de las bases firmes para el cambio educativo. Siempre se buscan líderes que ponen los intereses educativos de los niños antes que otros.

**¡Nuestra fuerza son las masas, el conocimiento, y la disponibilidad de tomar acción!**

**Now is YOUR time to act!**

If you agree that our schools are in trouble, and if you see the need for change for our children, then you are the leader we have been looking for!

**SEOC-Central**

601 N. Clinton Avenue  
Trenton, NJ 08638  
(609) 525- 8838  
<http://www.ssoenj.org>

**SEOC-Asbury Park:**

1004 Comstock Street, P.O. Box 306  
Asbury Park, NJ 07712  
(732) 789-6474  
(732) 869-1324

**Paterson Education**

**Organizing Committee (PEOC)**

451 Van Houten Street  
Paterson, NJ 07501  
(973) 278-7900, x. 32  
(205) 960-3498  
Hablamos Español  
Info.peoc@gmail.com

**SEOC-Jersey City:**

169-A Martin Luther King Dr.  
Jersey City, NJ  
(201) 918-2918; (201) 377-8585

**SEOC-Newark:**

317 Roseville Avenue  
Newark, NJ 07107  
(973) 485-0701; x.4602; x.4641  
Extensión en español: 4619

**¡El momento de actuar es ahora!**

Si queda de acuerdo que existen problemas en las escuelas y si ve la necesidad de luchar por el cambio educativo para los niños, ¡usted es el líder que buscamos!

**S. E. O. C.**

**STATEWIDE EDUCATION ORGANIZING COMMITTEE**

**NJ public school parents & youth united for educational equity!**



**COMITÉ ORGANIZATIVO EDUCACIONAL A TRAVÉS DEL ESTADO**

**¡Los padres con hijos en escuelas públicas se unen a los jóvenes para lograr igualdad educativa!**

**Membership Application for my local SEOC Chapter: Paterson Education Organizing Committee (PEOC)**

I support the SEOC Mission and hereby apply for membership in my local chapter.

(Please Print) Date: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Phone (home): \_\_\_\_\_

Phone (work): \_\_\_\_\_

Best times to call: \_\_\_\_\_

Email: \_\_\_\_\_

Please check all that apply:

I have a child, grandchild or relative in a public school in my city.

If so, name the school(s): \_\_\_\_\_

I am a concerned neighbor of families and children attending public schools.

I have a leadership position in a local PTO/PTA or community organization.

My most urgent concern about public schools in my community is \_\_\_\_\_

**THIS IS A MEMBERSHIP BASE ORGANIZATION**

**How would you like to help?**

AM (Active Member)  PM (Potential Member)  S (Supporter)

SIGNATURE: \_\_\_\_\_

Submit this form to your local SEOC Chapter.

You're viewing an archived copy from the New Jersey State Library.

**Parents must be the leaders!**

Only the organized voice of parents and neighbors of the children in Abbott districts have the direct interest, the expertise, the passion and the potential numbers to drive the movement for school reform in the long term.



**¡Los padres son los líderes!**

SEOC se establece en la premisa que solamente la voz organizada de los padres y de la comunidad unida para el beneficio de los niños del los distritos Abbott tienen el interés principal, la pasión, la capacidad y el potencial para amasar e impulsar el movimiento de la reforma escolar.

**Why we must organize:**

SEOC was formed because the state has not fully implemented the promises the NJ Supreme Court made to public school children under the Abbott v. Burke court decisions. In too many low-income districts, our children are not yet getting the high quality education they deserve and need. Moreover, the 2008 NJ School Funding Reform Act has attacked the gains previously obtained by New Jersey's low-income school districts: both funding and quality programs are in jeopardy.

We believe our children's education is too important to leave to teachers, administrators, and school boards alone. An informed, organized, and persistent voice of parents and community leaders is needed.

**El deber de organizarse:**

SEOC se forma porque el Estado no implementa las promesas que el Tribunal Supremo de NJ les hace a los niños de las escuelas públicas en la decisión del caso Abbott v. Burke. En varios distritos de bajos recursos, los niños no obtienen la educación de alta calidad que se merecen y necesitan.

SEOC cree que la educación de los niños es tan importante que no debe dejarse solamente a los maestros, administradores, y al consejo escolar. Se necesita una voz informada, organizada y persistente de padres y líderes comunitarios. SEOC crea esa voz necesaria y usted queda invitado a unirse con nosotros.

**Who We Are:**

The Statewide Education Organizing Committee, Inc. (SEOC) is made up of public school parents and community leaders from urban and low-income school districts who have come together to fight for improvements in the education system.

**SEOC's Mission:**

We build parent power by using direct action organizing, an approach that always begins with parents deciding what the issues are, determining which are the most vital, and designing an action strategy. SEOC parents form strong and independent district-wide organizations and join together at the state level to put the pressure on wherever needed to win educational change.

**Quienes Somos:**

El Comité Organizativo Educativo a través del Estado (SEOC) se compone de padres de hijos en escuelas públicas y líderes comunitarios en los distritos escolares urbanos y de bajos ingresos unidos en la lucha para mejorar el sistema educativo.

**La misión de SEOC:**

SEOC realiza el poder de los padres al proveerles acceso a la acción social directa, la cual siempre comienza cuando los padres deciden los temas, determinan los asuntos más críticos, y diseñan una estrategia adecuada para proceder. Se forman organizaciones fuertes e independientes en cada uno de los distritos (los sucursales locales de SEOC) los cuales se unen a través del estado para apresurar el mejoramiento escolar para todos los niños a cada paso del proceso.

Crystal Thompson  
PO Box 306  
Asbury Park, NJ 07712

February 11, 2009

RE: Testimony on Asbury Park Suspension Rates  
To: The Joint Committee on the Public Schools

I would like to thank you, the members of the Joint Committee on the Public Schools, for the opportunity to speak about the public schools in Asbury Park.

My name is Crystal Thompson. I am a Parent Leader with the SEOC – Parent Listening Project. I am also a member of the NAACP Education Committee. I am a mother of a middle-school aged young woman who attended Asbury Park schools until this current year.

Last year, at the beginning of our campaign, the suspension rates in Asbury Park High School were more than 5 times the state average, 6 times the state average in the Middle School, and 7 times the state average in the elementary schools – I have attached the chart we created to compare the information. We began questioning parents and heard terrible stories of suspensions, the most prominent was that of several Kindergarten students suspended for playing around in gym class. Several of the parents didn't receive phone calls, there was just a note placed in their child's backpack, and there was never a conference held when the children returned to school. So we formed a platform around both decreasing the suspension rates by creating alternatives – which include training the teachers, as well as creating a parent calling system. At the time the district didn't have a calling system, but since we began they have contracted with Global Connect.

The Parent Listening Project has been working on this campaign to lower the suspension rates in Asbury Park for over a year. We have written formal policy & regulation changes, which we are still waiting for the Asbury Park BOE policy committee to review. We did a postcard petition, a formal petition and a presentation at the BOE meeting on alternatives to suspension. We have met with the building principals of most of the schools, the teachers union, and countless parents.

We have discovered that there are a lot of limitations placed on principals in terms of alternative disciplines – many creative approaches are deemed “corporal punishment”. Teachers are boxed in by both state confinements and their unions. We come before you today seeking some creative legislative remedy to this problem. Urban districts are composed of a different dynamic – the family structure, economically, and the overall composition of the town.

We would like you to think about more effective discipline methods that will instill in our children the love and necessity for learning and not just prepare them for prison cells. Many studies have been done to evidence that suspension does not deter behavior, and it doesn't remedy the situations that caused them in the first place. Suspension is not a punishment when a large number of your friends have are suspended the same time you are, or have already dropped out of school.

One size does not fit all, and I would ask that you keep that in mind in your decisions and in your planning. Thank you again for your time and concern for the children in the state of New Jersey and city of Asbury Park.

The NJDOE records the following suspension rates for Asbury Park during 2007-08:

School	07-08 rate	06-07 rate	District average	State average
APHS	57%	78%	32%	14%
APMiddle	30%	33%	32%	5%
Bradley	29%	36%	32%	5%
Thur, Marsh.	16%	10%	32%	5%

38x

## Percent of Students Suspended in 2006-2007 school year By School or District

~ Data collected from NJ Dept of Ed and includes both in-school and out-of-school suspension ~

<b>Bradley ES, Asbury Park (K-5)</b>	<b>36.1%</b>	<b>*****</b>	<b>(* = about 5% of kids)</b>
<b>Thurgood Marshall ES, Asbury Park (K-5)</b>	<b>9.7%</b>	<b>**</b>	
Neptune ES Average	0.4%		
Long Branch ES Average	1.8%		
Ocean ES Average	0.3%		
<b>Asbury Park MS</b>	<b>32.8%</b>	<b>*****</b>	
Neptune MS	8.1%	**	
Long Branch MS	12.6%	**	
Ocean MS (5-8)	7.5%	**	
Jersey City ES Average (includes K-8 schools)	7.9%	**	
Paterson ES Average (includes K-8 schools)	6.3%	*	
Newark ES Average (includes K-8 schools)	5.4%	*	
<b>Asbury Park HS</b>	<b>78.3%</b>	<b>*****</b>	
Neptune HS	5.4%	*	
Long Branch HS	11.2%	**	
Ocean HS	6.2%	*	
Jersey City HS Average	13%	**	
Paterson HS Average	10%	**	
Newark HS Average	10.7%	**	
<b>Asbury Park District Average</b>	<b>39.4%</b>	<b>*****</b>	
Neptune District Average	3.5%	*	
Long Branch District Average	5.7%	*	
Ocean District Average	4.6%	*	
Jersey City District Average	8.5%	**	
Paterson District Average	10.9%	**	
Newark District Average	7%	*	

~ Information compiled and chart created by Asbury Park Parent Listening Project, SEOC ~  
[www.seocnj.org](http://www.seocnj.org) \* 732-869-1324

Mary K. McCraw  
PO Box 2265  
Ocean, NJ 07712

February 11, 2009

RE: Testimony on Asbury Park Graduation Requirements  
To: the Joint Committee on the Public Schools

Good Afternoon. I would first like to thank you, the members of the Joint Committee on the Public Schools, for the opportunity to speak about their impact in Asbury Park.

My name is Mary McCraw. I am an Education Organizer for the Statewide Education Organizing Committee. In short, we are a nonprofit who helps to organize parents to help them realize their collective power and utilize that to improve their local school district and also make statewide change.

I moved to Asbury Park 4 years ago to be a part of a ministry that focused on helping the homeless and working with those who society gives no voice to. In this I realized that not very many of them finished High School. An educator at heart I began to notice that a lot of the intense problems this city had could be eliminated if the schools were a haven that provided a solid foundation for the future.

It has come to my attention recently that The Governor & Commissioner of Education have proposed a plan to "Redesign" the High Schools. By "Redesign" they mean make graduating more difficult without providing additional resources to meet the new mandated requirements. If the entire plan passed all children would be required to take Algebra 1 & 2, Geometry, Chemistry, Biology, and 4 years of College Prep English - and then, once the tests are completed and approved by the appropriate channels, take a high stakes exam in each area of study and be required to pass it in order to graduate. At the outside that sounds euphoric -let's raise the educational bar so our children can be competitive in this workforce & economy. I assure you, it doesn't require much reading to find the pitfalls.

**In Asbury Park specifically, this won't work because:**

1. Over a year ago we lowered the passing grade from 70 to 65, so what we are calling proficient is already behind most districts.
2. Our Middle & High School facilities are not equipped with the amount of labs that would be required to institute these requirements.
3. On the HSPA only 25.9% of our students tested proficient in literacy last year, compared to the state average of 71.1%. 14.8% tested proficient in math; compared to the state's average of 51.8%.
4. 39% of our students graduated through the SRA process because they failed the HSPA. So if they fail all 6 exams will they have to take 6 make-up courses in order to graduate?
5. Asbury Park's Dropout Rate is averaged as 4.2%, almost 3 times the state's average of 1.7%
6. The relations between parents and teachers and school systems are difficult or non-existent as we move from 5<sup>th</sup> grade upwards, thus depriving our youth of powerful united support
7. Our children need a lot of help in reading, so if they are entering Middle School & High School already behind, how can they be expected to pass 4 years of College Prep English?
8. There is a lack of accountability between parents & teacher, teachers and their supervisors, and the children suffer the penalty for the petty politics of our city.

In the 2004-2005 school year, according to the NJDOE state report card, 168 students entered Asbury Park High School as Freshman. In the 2007-2008 school year, only 65 students entered the 12<sup>th</sup> grade. That is a problem, a problem that can be seen readily as you drive through town. So what can we all working together do about that?

Members of the Joint Committee on Public Schools, I would ask that this state not continue to put the shining cart before the workhorse. Our children go from amazing Abbott preschools to a sub par K-5 system that do not continue to instill in them the building blocks for success. If the state reforms anything, let it be a focus on literacy early on, especially in Abbott districts where the home dynamic is not what it was in Manchester, Ocean County where I'm from.

One size does not fit all, and I would ask that you keep that in mind in your decisions and in your planning. Many children in Asbury Park cannot read - and that needs to be addressed before reforming the High Schools and increasing the Graduation Requirements. Thank you again for your time and concern for the children in the state of New Jersey and city of Asbury Park.

**ADDITIONAL APPENDIX MATERIALS**  
**SUBMITTED TO THE**  
**JOINT COMMITTEE ON THE PUBLIC SCHOOLS**  
*for the*  
**FEBRUARY 11, 2009 MEETING**

**Submitted by Irene Sterling**, President, Paterson Education Fund:

Editorial, "Schools spending well worth the dime," *Herald News*, February 11, 2009.