
Public Hearing

before

ASSEMBLY TASK FORCE ON COURTESY BUSING

*“To receive comments from Assembly Speaker Jack Collins
and Commissioner of Education Leo Klagholz”*

LOCATION: Room 319
State House
Trenton, New Jersey

DATE: December 2, 1996
9:30 a.m.

MEMBERS OF TASK FORCE PRESENT:

Assemblywoman Barbara Wright, Chairwoman
Assemblywoman Connie Myers
Assemblyman Joseph R. Malone III
Assemblywoman Barbara Buono
Assemblywoman Shirley K. Turner

ALSO PRESENT:

William J. O'Brien
Office of Legislative Services
Aide, Assembly Task Force
on Courtesy Busing



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

TABLE OF CONTENTS

	<u>Page</u>
Assemblyman Jack Collins District 3 Speaker, New Jersey General Assembly	2
Leo F. Klagholz Commissioner New Jersey Department of Education	5
Linda Wells Director Bureau of Pupil Transportation New Jersey Department of Education	13
Michael Azarra Director of Finance Division of Information, Management and Financial Services New Jersey Department of Education	26
APPENDIX:	
<i>Analysis of New Jersey's Pupil Transportation Policy</i> Final report of Deloitte & Touche Consulting Group	1x
Assembly Resolution No. 120	183x
Statement submitted by Assemblywoman Barbara W. Wright	185x
Testimony submitted by Leo F. Klagholz	186x
Charts and tables submitted by New Jersey School Boards Association	188x
mlf: 1-58 (Internet edition 1997)	

ASSEMBLYWOMAN BARBARA WRIGHT (Chairwoman):

I'd like to call the meeting to order, please. Would the staff please take the roll.

MR. O'BRIEN (Committee Aide): Assemblyman Malone.

ASSEMBLYMAN MALONE: Here.

MR. O'BRIEN: Assemblywoman Myers.

ASSEMBLYWOMAN MYERS: Here.

MR. O'BRIEN: Assemblywoman Buono.

ASSEMBLYWOMAN BUONO: Here.

MR. O'BRIEN: Chairwoman Wright.

ASSEMBLYWOMAN WRIGHT: Here.

All right. Good morning, Task Force members, and welcome to our first meeting. As I tried to explain to you early on, the first meeting is a meeting to discuss our charge with the Speaker and also to have an open dialogue with the Department of Education. I believe the Department of Transportation is here, and I know Dave Hespe was here, from the Governor's Office.

So today, we had set aside this time for a dialogue. As we move off of this morning meeting, we'll move into our first public hearing this afternoon at 3:00 p.m. in South Brunswick at the Municipal Building, and at that time we plan to take public testimony.

We are asking the witnesses to keep their oral testimony to five minutes and to submit however much written testimony they would prefer. But at that time, we will not expect to question the witnesses, if that's the

concurrence with the Task Force, because we already know that there are over 20 people who have already signed up, and we do expect large numbers.

So I just wanted to set that out as a framework, and I really appreciate your cooperation with regard to that.

I am going to ask the Speaker to speak first, and then if there are Task Force members who want to address this before we continue with the morning session, I will ask the members at that time.

Welcome, Mr. Speaker.

A S S E M B L Y M A N J A C K C O L L I N S: Thank you, Assemblywoman and members of the Task Force, those here and Assemblywoman Turner and Assemblyman Azzolina.

Let me just say first off that I very much appreciate your willingness to serve on this Task Force. I know in conversations that I've had with all of you privately, that this is something that is quite important to you, something that you have strong feelings as to we have to address this, but open minds as to how we should do this. I very much appreciate that.

As someone who comes from a district where almost all of the students who attend public schools in my district are bused, I'm also quite familiar with this particular issue and, very honestly, how it is so important to parents, educators, and, somewhat silently, to children themselves. I think that through this opportunity that you are going to make available to the constituents of the State of New Jersey, that we will find out even more than we now know and probably be able to come to somewhat of a suggestive conclusion as to where we might want to go.

As the Speaker representing all of our colleagues, I look forward to what you glean from your discussions, what you put forward to me and, therefore, to our chamber in the form of a report and very much know, knowing each of you, that it will be well thought out, analyzed, and maybe, most importantly, sensitive to the various aspects of this particular issue.

As you know, and I know that other testifiers, particularly the Commissioner, is quite aware at this time, we are currently coming to grips with the whole funding of education issue. This, as some have said, is an integral part of education. That may be a stretch in some ways, but as we all know, that if students cannot get to school and cannot get to school safely, there can be no education that takes place.

I often point out to my students, in the graduate school that I teach, that the number one issue in many people's minds is safety in the school building. If you're not safe and it's not an atmosphere conducive to learning, you can't learn. I think we can extend that out to opportunities to get to school in the right frame of mind.

Of course, we always have balancing some of these issues the reality of cost and the logistics, etc. And some in both Houses have suggested ideas already. I know there's legislation in. I'm not familiar with the details of any of it in either House, but I do know that people already have ideas, and I'm sure that will come to the fore in your discussions.

But in conclusion, I would just like to say once again, and I mean this sincerely, because this is an issue that's somewhat prickly, that you have offered your services to the State of New Jersey, and maybe more particularly to the Assembly, to spend your time and your interest and your thought to

coming up with suggestions that will solve this problem at the utmost, or sure alleviate some of the concerns at the least. I appreciate that, look forward to your report, and promise you -- without guaranteeing it will be implemented as presented -- I can guarantee you that it will be analyzed and any action we take will start from this as the cornerstone for what we will do in the future.

Once again, Madame Chair and members of the Task Force, I thank you and look forward to your report.

ASSEMBLYWOMAN WRIGHT: Thank you very much, Mr. Speaker.

If the members would have any questions before the Speaker leaves, we would certainly entertain that.

Thank you for coming in this morning.

ASSEMBLYMAN COLLINS: Thank you, Madame Chair and members.

ASSEMBLYWOMAN WRIGHT: Before we move on to the Department of Education, I just want to once more welcome Assemblywoman Turner and, once again, ask if any of the members of the Task Force would like to make any comments at this time.

Assemblywoman Buono said she is not going to make any at this time, but either of you--

I just wanted to basically point out that, in terms of this problem, it's been estimated that we're talking about 127,000 students in New Jersey, who are presently courtesy bused based on the most recent Deloitte-Touche study. This is a fairly sizable concern to all of us. I think that as we move forward on this Task Force, we will be looking at, particularly, three issues as

it relates to this, and that is, safety, cost-efficiency, and funding. What we're talking about, essentially, is safety busing, I believe.

We do have the State statute. In my research of the State statute -- thanks to Bill O'Brien from the OLS staff -- we have read that -- and as I understand it, and the Commissioner may correct me -- that this statute was identified as 1968 in my materials, when we did establish or reestablish the two-mile limit for the elementary students and the two-and-a-half miles for the secondary students. So that, obviously, in our discussions and deliberations, we cannot talk about safety busing without talking about busing in general.

So as we proceed -- and the intent of this morning's meeting was to have this really optimal time, and we are truly grateful that Commissioner Klagholz has joined us and will be able to stay for us to deliberate. This will be a period of our meeting when we will be deliberating with the witnesses and with the experts. He has really, generously planned for this meeting, and we want to welcome Commissioner Klagholz at this time and his staff.

If you'll introduce your staff, Commissioner.

COMMISSIONER LEO F. KLAGHOLZ: Good morning, Assemblywoman Wright and other members of the Assembly Task Force on Courtesy Busing. I appreciate having this opportunity to testify and dialogue with you this morning.

I'm accompanied by Jeff Osowski on my right, who is the Assistant Commissioner of the division that addresses finance and management, including transportation. Linda Wells, who is the Director of the Bureau of Pupil Transportation, and just arriving is Mike Azarra, who is Director of Finance, which is a unit that contains transportation.

The issues of courtesy busing and safety busing of public school students have been the subjects of debate for some time; therefore, I believe it does make sense to step back and reexamine the basic policy questions involved. For that reason, I support strongly the work of this Task Force, and I offer the Department of Education's assistance as you proceed with your study. I also commend you for your courage and your willingness to take on an issue which, admittedly, is very sensitive.

I was invited this morning to describe the current statutes and the rationale behind them and also to comment on the overall effectiveness and efficiency of the school transportation system. I would begin by saying that in order to resolve the issues of courtesy busing and safety busing, I think that it's necessary to address two basic sets of questions that proceed the issue of courtesy busing or safety busing.

The first is, what purposes is government trying to achieve by transporting children to school? Is the purpose to ensure safety? Is it also to guarantee educational access? Is it also to achieve efficiency through statewide coordination and service sharing?

Then, secondly, given whatever the purposes might be, what role then should be played by government at various levels, particularly the State level and the municipal level of government?

New Jersey statute 18A:39-1 requires the State education system to provide for the transportation of students who live in locations that are remote from the schools they attend. The law defines remote as being beyond two and one-half miles for high school students and beyond two miles for elementary pupils. The main purpose of that existing statute and our take on

it is this, is that it's not to assure safety or to define hazardous conditions along local roadways and walkways. Instead, it has two different purposes.

The first is to assure that no child is denied reasonable access to a thorough and efficient education, and that's why it's in the education system to fulfill that responsibility. The statute defines not the conditions of safety and hazard, but rather the conditions under which a constitutionally guaranteed education, for which the State is responsible, ought to be considered accessible and inaccessible. The law then requires the State to provide transportation under conditions of inaccessibility through funding, and that is through the collection from local communities and equitable redistribution of tax revenues in the school aid formula.

Obviously, it's legitimate, we think, to question whether the statutes define accessibility in a reasonable way. But we think it's important, too, to recognize that accessibility is what they're intended to define, more than conditions of highway safety.

The second reason that state governments, in general, get involved in assuming responsibility for school transportation is to achieve efficiency through statewide coordination. New Jersey's existing statutes do not achieve that purpose very well. They give the State the responsibility for funding transportation but not the authority for managing and coordinating it. Instead, management decisions are left to each school board, and at least three studies have shown, one national and two of New Jersey, that these collective, uncoordinated decisions have produced one of the most inefficient school transportation systems in the country, as measured by student occupancy on buses.

To find ways of improving coordination within the existing laws, the Department of Education, last year or so, commissioned a study by Deloitte-Touche. The study recommended an approach that would encourage voluntary coordination among local boards and therefore efficiency by doing two things.

The first is basing funding on more precise indicators of actual need and expense than those that are currently used. For example, Deloitte-Touche found that we base funding on overall enrollment, not the number of students who are actually bused who require transportation, and they recommended using the more precise indicator, the number of students actually bused.

The second way is by including in the funding formula and an efficiency incentive, in which aid would be generated on the base formula and then an efficiency factor would be added to it as a way of encouraging sharing of services in greater coordination.

Finally, let me address the issue of safety itself. The existing statutes and case law establish that responsibility for assuring safety along roadways and walkways belongs to municipal government, not State government. We're not so much, when we say that, addressing what should be, as what is. That's why, for example, crossing guards are, under the law, appointed by municipal government and work under the supervision of the Chief of Police pursuant to statutes that are not education statutes, that are not part of 18A. The citation is there in my written testimony.

It's also why the statutes don't require school boards, whose responsibilities are educational, to provide transportation from proximate

locations even when safety issues may be involved. Instead, when hazardous conditions exist, N.J.S.A. 18A:39-1.2, which is entitled transportation of other pupils by municipality, permits the municipal governing body to enter into a contract with the local school board under which the Board transports the students at the expense of the municipality.

In exercising their responsibility for ensuring safety, municipal governments, though, can apply different alternatives when roadways and walkways are hazardous for pedestrians, including pedestrians who are school children. For example, as noted above, they can pay for the transportation of those children, or they can employ more crossing guards, or they can build sidewalks and overpasses. To provide State support for municipal government's exercise of this safety responsibility, recently enacted legislation requires the Department of Transportation to give highest priority to the elimination of hazardous road conditions with moneys provided to municipalities, not to school boards, through the State Transportation Trust Fund.

I believe that a problem with the ongoing debate over safety busing or courtesy busing is that it's clouded the distinction between the educational responsibilities of the State education system as they touch school transportation and the safety responsibilities of local governments. For that reason, I believe that the challenge confronting the Task Force and all of us is not just to define hazardous conditions better, but also to define clearly where the various responsibilities lie. I think that's really more the issue, and the lack of clarity-- I don't think the law is unclear, but I think the debate is unclear.

As I stated at the outset, the Department of Education will provide any additional assistance that the Task Force requires as it moves toward fulfilling its charge. At this time, with the assistance of staff, we'd be happy to engage in a discussion and freely have the staff, who work in this all the time, interact with you as you ask questions and make comments.

Thank you.

ASSEMBLYWOMAN WRIGHT: Thank you, Commissioner. You've really given us some of the background information in a nutshell that, I think, can set the tone of where we need to do our work. So that we're really grateful for your coming and sharing.

Do any of the staff wish to say anything further at this time before we start the questions?

COMMISSIONER KLAGHOLZ: Nope, we're ready to--

ASSEMBLYWOMAN WRIGHT: Okay.

Before we start, is the DOT person here? Is there anyone here from the Department of Transportation? (no response)

Okay. I'm sorry to find that. We did invite them because, obviously, you have elaborated on what we know the statutes are to be, to include both of your departments.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: I think just the initiatives we've already made where the Transportation Trust Fund is addressing some of the hazardous routes is really an important way in which we must work together on this issue because, as you point out, this is not only an education issue. If you had total control over it, it would be a very different situation. I'm sure

the municipalities wouldn't like the Department of Education telling them which roads to improve and, etc., etc., or where to build their schools, or what have you, but--

COMMISSIONER KLAGHOLZ: Well, this is one of the things on the hazardous. To say, "Well, the Department of Education assume responsibility" could mean for implementing whatever alternative is most appropriate--

ASSEMBLYWOMAN WRIGHT: We understand that.

COMMISSIONER KLAGHOLZ: --and not just providing school bus transportation.

ASSEMBLYWOMAN WRIGHT: Yes. Okay.

COMMISSIONER KLAGHOLZ: And it's when it's divided that it dissolves into-- I think, really, finger-pointing has been on all sides.

ASSEMBLYWOMAN WRIGHT: Well, and, obviously, we're all in this together, so we're trying to get the solution not--

COMMISSIONER KLAGHOLZ: Exactly.

ASSEMBLYWOMAN WRIGHT: I think that actually, in some respects, whether it's the information system that's helped us, but-- And I think that your report, the analysis of the transportation system, which was November '95, which your office has made available-- If the members of the Task Force would like copies of that, we certainly will have staff make it available to you.

This is the Deloitte-Touche study that was referred to, and I think that there's some-- One of the things that they do in this study is compare us to the State of Maryland.

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN WRIGHT: I think that gives us some really good information. So we will make this available to the Task Force members. I think that will be, also, very helpful. The work that your staff has done has been very helpful to us up until this point and will continue as we move toward policy modifications.

Okay, I'd like to-- I have no questions at this point, but I would like to open it to the--

Yes, Assemblywoman Buono.

ASSEMBLYWOMAN BUONO: Thank you. Good morning.

COMMISSIONER KLAGHOLZ: Good morning, Assemblywoman.

ASSEMBLYWOMAN BUONO: I'm intrigued by the discussion of accessibility and inaccessibility and how that's-- Is there legislative history on that? Is there any-- I'm not-- Quite frankly, I haven't read the statute to which you're referring. Is it defined in the statute or in the legislative history? Because I have a hard time believing that the issue of safety was not considered as one of the elements in arriving at the two-mile limit.

COMMISSIONER KLAGHOLZ: It's in the legislation currently. There was a time, I believe, when the law just used the term remote, and the Department of Education defined remote.

ASSEMBLYWOMAN BUONO: Oh, interesting.

COMMISSIONER KLAGHOLZ: But it really is-- I think that the history of the use of that term, I think, is suggestive of the purpose. It was remoteness that was an accessibility.

ASSEMBLYWOMAN BUONO: But it was changed, you're saying. Is that--

COMMISSIONER KLAGHOLZ: Yes, and then the actual mileage limits were put into the laws. Is that true?

L I N D A W E L L S: It was in 1968--

ASSEMBLYWOMAN BUONO: Right.

MS. WELLS: --that the mileage limits were actually reinstated. I believe before that there was convenience of access statute. I'm not certain whether the mileage was mentioned in that particular statute.

ASSEMBLYWOMAN BUONO: In 1968, was that when the terminology was changed from remote to accessibility, or was it--

MS. WELLS: No, it was referred to as accessibility prior to that.

ASSEMBLYWOMAN WRIGHT: Just one moment, Linda.

I'm not sure, do you need her speaking into the mike?

MS. WELLS: I'm sorry.

ASSEMBLYWOMAN WRIGHT: How can we help facilitate that? (referring to Hearing Reporter) The recorder will help us. Which mike do you want her to speak into? The little one?

HEARING REPORTER: Yes.

ASSEMBLYWOMAN WRIGHT: I just-- Is that okay?

HEARING REPORTER: Yes.

ASSEMBLYWOMAN WRIGHT: Just stop us any time that you need to, because this is important.

Thank you, Ms. Wells, please continue.

MS. WELLS: Prior to 1968, the convenience of access law was the law that we were referring to. I'm not certain how old that law is or whether the mileage was actually mentioned, but in '68 the two/two and a half miles was reinstated in 18A:39-1, which is the transportation regulation in the Department of Ed.

ASSEMBLYWOMAN BUONO: But I-- My question-- Maybe I'm just missing your answer. I mean, it's early in the morning after a long weekend. Is accessibility and inaccessibility defined anywhere in the statute or the legislative history?

COMMISSIONER KLAGHOLZ: I think that my own view is that the idea of remoteness was related to the accessibility question, and it got defined as mileage, which is not a perfect definition, obviously. Then, the alternative that isn't part of that basic statute is the safety.

ASSEMBLYWOMAN WRIGHT: I think the point that Assemblywoman Buono is making is that, I guess as we hear this in toto, you can't help but question if there's a difference between accessible and safe.

ASSEMBLYWOMAN BUONO: Right.

ASSEMBLYWOMAN WRIGHT: That's going to be something we're going to have to deliberate. I had the same reaction when you presented your testimony.

COMMISSIONER KLAGHOLZ: Sure.

ASSEMBLYWOMAN WRIGHT: Because we're saying, under the Constitution, that a child has access to a thorough and efficient education, but they can't get there because the route isn't safe. It sounds like it means the same thing. So we'll continue to work with that language and--

COMMISSIONER KLAGHOLZ: Or safety could be an aspect of accessibility, clearly.

ASSEMBLYWOMAN WRIGHT: Exactly.

COMMISSIONER KLAGHOLZ: I think what the history is, in my view, is assigning safety to municipalities and defining accessibility as remoteness not--

ASSEMBLYWOMAN WRIGHT: Oh, okay.

COMMISSIONER KLAGHOLZ: You know, that's the point that I was trying to make.

ASSEMBLYWOMAN WRIGHT: Well, and maybe we'll deliberate on that.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: That's very helpful.

ASSEMBLYWOMAN BUONO: Just one further thing, not on that exact point, just a separate point. I'll be brief. I know--

ASSEMBLYWOMAN WRIGHT: Do you want to just hold for a second?

ASSEMBLYWOMAN BUONO: Okay, sure.

ASSEMBLYWOMAN WRIGHT: Is there any other discussion of accessibility, while we're still on that, versus safety? Then we'll move on to Assemblywoman Buono's next question. (no response)

Okay good. Go ahead.

ASSEMBLYWOMAN BUONO: In terms of the efficiency of the State-run busing, or whether or not that would be efficient, have you-- You didn't mention anything about the SCI investigation. I wonder if, in fact, that

there-- I mean, I read something on it. I haven't-- I know it's ongoing, the investigation, but apparently, there's only one bid per contract, which I think is just an outrage. Is that accurate?

MS. WELLS: That certainly happens in certain areas of the State, and I know that they are focusing on that aspect of the transportation policy right now.

ASSEMBLYWOMAN BUONO: Because there's no reason New Jersey's busing cost should be -- I don't have the information in front of me, but -- higher than all of the surrounding states by a large margin.

MS. WELLS: All right.

COMMISSIONER KLAGHOLZ: I think it's--

ASSEMBLYWOMAN BUONO: There's something very wrong.

MS. WELLS: Yes.

COMMISSIONER KLAGHOLZ: It's one of many similar consequences as a result from having so many school districts (a) and (b) school districts that have autonomy to make their own decisions about things.

ASSEMBLYWOMAN WRIGHT: With regard to your comment on the cost, one of the things that has occurred to me, as I've moved through the process just since we've been working on this issue for the past month, has been that while we do have high costs for transportation -- and we're giving the averages of 960 -- I guess that's from the Deloitte-Touche study -- I can just say, from Assemblywoman Turner's and my district and one of my district's I have by myself, we're looking at costs per student under \$500. What I'm thinking is, is that I can't imagine any more efficient delivery system.

Now, we're talking about the contracts, the whatever, getting much lower than that and, therefore, anything that we come up with -- and we know that there are probably more than a dozen bills in the Legislature right now in both Houses -- some are duplicates -- where we're trying to look at streamlining the cost. One of the things I've asked the Commissioner for, which I will share with the Task Force, is the cost per student in each district, because I think there has to be a great deal of variability in view of the fact that here in our Mercer/Middlesex area we are streamlining costs. I don't think, no matter what law we pass to change the delivery system including your efficiency law, that we're going to change that cost.

So I think that since we're a statewide Task Force of a statewide body, we will look at the cost throughout the State, and then maybe we need to be talking to counties or districts where there are real problems, instead of us always trying to put everybody into the same basket.

COMMISSIONER KLAGHOLZ: Good.

ASSEMBLYWOMAN WRIGHT: I know that West Windsor-Plainsboro-- I was on the board 20 years ago. I know that they have worked on this issue. I've also said, as you may have seen in the press, they designed the school systems in our regional district -- I'm talking West Windsor-Plainsboro -- on campus styles. It was much cheaper to, one, design campus style buildings because they're large and they're all together and the services are pooled but, secondly, we chose to bus the kids.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: Some of those students-- I mean, there's no way they could have access to those schools, because they're on country roads.

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN WRIGHT: There's no sidewalk anywhere near these schools. That's a different issue.

We have also chosen in Plainsboro, perhaps, not to put in a lot of sidewalks where we developed area. But those sidewalks and those schools don't even go together. The road where the schools are on is truly a country road, because it was farmland preservation area that permitted the use of schools when it was preserved. So I know there are some unique problems, and I think that this Task Force is going to be able to address that.

COMMISSIONER KLAGHOLZ: Okay. We can provide that, district by district, but--

ASSEMBLYWOMAN WRIGHT: I have asked for it. I have not received it. I don't know where it is.

COMMISSIONER KLAGHOLZ: Okay. We'll try to get that.

ASSEMBLYWOMAN WRIGHT: Bill, who requested the cost per student of each district for me from the Commissioner's Office?

MR. O'BRIEN : Per district? It was Kevin.

MR. FRECHETTE (Assembly Majority Staff): (speaking off microphone) I did.

ASSEMBLYWOMAN WRIGHT: All right.

MR. FRECHETTE: I talked to Mr. DiPatri Wednesday afternoon.

COMMISSIONER KLAGHOLZ: Okay. I'll follow through.

ASSEMBLYWOMAN WRIGHT: All right. So A.S.A.P. That would be very helpful to us.

COMMISSIONER KLAGHOLZ: Good.

ASSEMBLYWOMAN WRIGHT: Because I think that--

But, again, we have to be sensitive to the fact that we may not be part of the problem and we may be part of the solution. So for someone who wants countywide planning or organization or assistance, I don't know how much more-- And East Windsor is not a whole lot different. They're in the under \$500 area, I believe, as well. So we really have to be looking at some of this, at least county by county, if not district by district.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: I have to say, Commissioner, that, I mean, I'm an ardent supporter of regionalization. But I think that the people who feel that regionalization may have major changes in the cost of education in New Jersey, I think, may be disappointed, because I have some tiny boroughs, in one case, a borough that's paying much more for their high school than they're paying for their elementary. So it's not going to save money. I mean, if they ever regionalized, we would have to pay some kind of a carrot for the other community to want to regionalize. I mean, those kids are in the same high school. So regionalization is not quite the panacea that some of us would believe. But go ahead, you wanted--

COMMISSIONER KLAGHOLZ: Yes. On that, a couple of things. One, your point of not overgeneralizing, I think, is well taken, and I will get the data, but hypothesize that the more a district approaches optimal size, the more likely it is to have an efficient system, and that's point one.

ASSEMBLYWOMAN WRIGHT: I see. Okay. That's interesting.

COMMISSIONER KLAGHOLZ: You know, but point two is on the issue of regionalization. I spent three years in Maryland many years ago, and there's a big difference, and that is, in Maryland, counties are the school districts. It's a county-based system. So there are 24, I believe, school districts in the entire state, and they coincide with the county. It's much better fit to have a county-run transportation system when that's the overall system.

For a State like New Jersey, there are two alternatives. One is to try to have it State run or county run, and the other one is to encourage voluntary service sharing. I think that has as much or more potential than does regionalization.

ASSEMBLYWOMAN WRIGHT: Absolutely.

COMMISSIONER KLAGHOLZ: You know, it's related to functions, in my opinion. There are certain functions like curriculum planning that I think is great for a single school to have a parent advisory body and community ownership of the school and decision making at the school level. So there are some things about our system that are positive.

There are other situations in which other functions where it makes sense to share those functions, if not to regionalize the whole system, and one of them may be transportation in some places. So I think the system Deloitte-Touche recommended to us was one that would encourage coordination and service sharing more than establish through fiat a regionalized system of school districts, and so on.

ASSEMBLYWOMAN WRIGHT: Yes, absolutely.

Because, as our Majority Leader said at the later municipality meetings, if there's a law that prevents anybody in New Jersey from regionalizing a service, tell us.

COMMISSIONER KLAGHOLZ: Yes. There isn't.

ASSEMBLYWOMAN WRIGHT: Because we don't think the laws on the books prohibit that. We encourage it. But, frankly, we could pass all the regional laws in the State that you want, but this State is not going to tolerate them.

COMMISSIONER KLAGHOLZ: I don't think so.

ASSEMBLYWOMAN WRIGHT: I think it's because you can't tell the West Windsor-Plainsboro school system that they can do transportation much cheaper.

COMMISSIONER KLAGHOLZ: Right. True.

ASSEMBLYWOMAN WRIGHT: I don't care if they're running half-empty buses, because obviously, if they've purchased the large bus for the majority of their routes, there may be times when they'll run the half-empty bus because that's what's available. So we're getting there.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: I think that the kind of homework like this is really very valuable, because it helps us see even what another state is doing and where we may be stronger and where we have some work to do.

COMMISSIONER KLAGHOLZ: True. Yes, true. Absolutely.

ASSEMBLYWOMAN WRIGHT: But the information system provides us the opportunity to address some of the uniqueness, and I think

that's-- It's more than home rule. It's some of the uniqueness that New Jersey has that you don't--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: I mean, people are very happy to come and use our educational system.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: We know that. It has many, many assets.

COMMISSIONER KLAGHOLZ: I agree. I think this is a-- But the one school district has many educationally positive features, because of the community ownership of the school, and so forth.

ASSEMBLYWOMAN WRIGHT: Absolutely.

COMMISSIONER KLAGHOLZ: I think you can keep that. You really can keep that but share other services among districts, and it happens.

The Speaker's hometown -- is it Pittsgrove, Mike, that does this? -- where the business administrator there is the business administrator for four other districts. You know, these things-- So certain things are done on a coordinated basis, yet they retain community governance of the school district, on educational matters particularly. I think that's-- There's a lot to be said for a system like that. Some places we don't have either. I mean, we have-- We don't have the coordination. It's everything is duplicated in adjacent towns, and it draws money away from places where it could be used better. Why waste it?

ASSEMBLYWOMAN WRIGHT: We're getting there.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: We can't throw the baby out with the bathwater.

COMMISSIONER KLAGHOLZ: Right. I agree.

ASSEMBLYWOMAN WRIGHT: Yes, go ahead.

ASSEMBLYMAN MALONE: Yes, okay.

ASSEMBLYWOMAN WRIGHT: Assemblyman Malone.

ASSEMBLYMAN MALONE: Commissioner--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: --glad to see you today. This is not the first time I've been involved in asking questions on the courtesy busing issue.

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYMAN MALONE: I think I've spoken to several people in your office.

Let me start off, and I don't want to sound like I'm supercritical. The conversation we're having, philosophically, about what makes the world go round here is nice, but I'm more concerned about the near riots we're having in some municipalities over this issue. We're like sort of looking at how the *Titanic* was built and not that it's got big holes in the bottom right now, and we're sinking. So I would really like to stay very focused on this issue of how we got ourselves in the state that we are right now, with the concerns of a number of towns, about this courtesy busing issue.

If you could maybe give me some specific information as to the thought process over the last couple years in the Department as to how you

came up with your rationale on this updated policy of courtesy busing that's created the uproar in many communities.

COMMISSIONER KLAGHOLZ: Following the law would be the answer.

ASSEMBLYMAN MALONE: Okay. So currently-- Previous to that, they were not following the law. Is that what you're saying?

COMMISSIONER KLAGHOLZ: That's my-- And I assume you're meaning cap waivers -- the cap waiver policy.

ASSEMBLYMAN MALONE: Whichever way you want to phrase it to me.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: They were not following the law in the past regarding the issue of courtesy/taxes.

COMMISSIONER KLAGHOLZ: The law requires the Department of Education to assure bus transportation from remote locations and defines what remote is.

ASSEMBLYMAN MALONE: Okay. Fine.

COMMISSIONER KLAGHOLZ: That's basically it. Without making value judgements about whether it defines remote in a good way or a bad way, we followed that. As we've discussed it in other forums, I've said--

ASSEMBLYMAN MALONE: But there was a--

COMMISSIONER KLAGHOLZ: --any alternative definition would be--

ASSEMBLYMAN MALONE: But there was a decision made by your office and staff to change the policies that were adopted in the past on this issue of courtesy busing.

COMMISSIONER KLAGHOLZ: Not really, except to the extent that budgets that were being appealed to the Commissioner, and the Commissioner would make judgements -- not me, but previous commissioners. Then they'd be appealed to the State Board and then to the Appellate Division, that those other two forums, the State Board of Education and their legal decisions and the Appellate Division were coming back to the Commissioner saying, "We don't think you're following any particular pattern."

Basically, there's no clear rationale for when you're deciding something is required for a thorough and efficient education and when something isn't required for a thorough and efficient education. In fact, the State Board, in Edgewater said, "And unless you really start pinning this down a little better, we're not going to make any further rulings on appeals on municipal reductions of budgets that are appealed to us." So, yes, there was a closer scrutiny.

Another example, though, there was a focus on courtesy busing was surplus -- the availability of surplus -- when a town council made reductions, and a district said, "We don't have the funds," and, yet, they had more surplus than the law required or allowed them to have, that we began looking at that, too. So, yes, there was a consideration of this whole thing.

ASSEMBLYMAN MALONE: Okay. Was part of your decision based on that 1930 court case that required municipalities to ensure safe passage? Is that one of the keys to your decision?

COMMISSIONER KLAGHOLZ: Well, Mike, do you want to comment on that?

MICHAEL AZARRA: Not that specific case itself, but just--

ASSEMBLYWOMAN WRIGHT: Can we ask you to speak into the recording mike. Thank you very much.

Mr. Azarra.

MR. AZARRA: Not that specific case, but it had become kind of common knowledge and precedent that it was a municipality's responsibility to assure safe passage along roadways and walkways, and with the school crossing guards being assigned by the Chief of Police or the Public Safety Director-- Even the statutes indicated, okay, or implied, if not expressed, that municipalities were really the responsible party for safe passage along roadways and walkways.

ASSEMBLYMAN MALONE: Okay. That's fine. That's fine.

A question. Has the State-- Does the State now or did it pay for courtesy busing/hazardous busing now or in the past?

MS. WELLS: No.

ASSEMBLYMAN MALONE: No.

COMMISSIONER KLAGHOLZ: Never.

ASSEMBLYMAN MALONE: So the courtesy busing/ hazardous busing -- whichever way you want to -- was not a State cost. So, therefore,

there was no State savings involved in the courtesy busing/hazardous busing situation?

MS. WELLS: That's correct.

ASSEMBLYMAN MALONE: Okay. The issue of the number of children in the school buses, I think the Assemblywoman addressed that about the size of the buses and the efficiency. I don't know if really-- I think it may be more efficient, at times, to buy a larger bus that has more versatility than the smaller bus that you really have no versatility on.

COMMISSIONER KLAGHOLZ: I agree.

ASSEMBLYMAN MALONE: The issue of regionalization. Now, let me-- Bordentown Regional probably would not have regionalized given this set of circumstances. Our high school was originally in the City of Bordentown, in which every student who lived in the City of Bordentown walked.

They decided to regionalize and build a school that is surrounded by Routes 206, 130, and 295, which are all under State control. By having responsibility, I can't see where municipalities have the right nor the jurisdiction to place overpasses or sidewalks on State right-of-ways. Are you suggesting that the State, through the Transportation Bond issue, install overpasses and sidewalks on all State highways that impact on students having access to schools?

COMMISSIONER KLAGHOLZ: No.

ASSEMBLYMAN MALONE: Then--

COMMISSIONER KLAGHOLZ: And what I was doing was not suggesting--

ASSEMBLYMAN MALONE: Okay. But let me-- Let me--

COMMISSIONER KLAGHOLZ: --not suggesting any--

ASSEMBLYMAN MALONE: That answer is sufficient. The answer is, no.

COMMISSIONER KLAGHOLZ: No, but I think it isn't.

ASSEMBLYMAN MALONE: Now, where--

COMMISSIONER KLAGHOLZ: You know, it was not only to-- I wasn't suggesting that. We weren't suggesting anything, so much as describing what the existing system--

ASSEMBLYMAN MALONE: Okay. But if you give someone no alternative, and you say you can't bus them--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYMAN MALONE: -- and you can't build sidewalks and you can't build overpasses--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: --the children cannot fly. What I'm saying to you is, if I can't build an overpass across 206, 130, and 295--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYMAN MALONE: --which also happens to be in another municipality, what alternative do the municipalities have other than having to bus -- school bus those kids?

COMMISSIONER KLAGHOLZ: Yes. You're (a) describing a situation that the current statutes don't address, I guess -- is that right?--

MS. WELLS: Right.

COMMISSIONER KLAGHOLZ: --would you say?-- number one. And number two, then you asked me, so how should it be addressed, and obviously, we have to reach a reasonable solution--

ASSEMBLYMAN MALONE: Okay, but-- Okay, let me-- Follow my--

COMMISSIONER KLAGHOLZ: --that addresses your concern.

ASSEMBLYMAN MALONE: Follow my train of thought here. What has been accomplished, and this is-- I'm not trying to be unfair. What we've done, basically, with tax dollars is saying, it's coming out of one pocket--

COMMISSIONER KLAGHOLZ: True.

ASSEMBLYMAN MALONE: --rather than the other pocket--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: --in paying for it, which really puts a burden on the municipalities that they probably do not want, do not understand, and leaves schoolchildren almost like a Ping-Pong ball. Parents wracked with agony that their children may or may not be picked up in some way, shape, or form.

We've had near riots in Middletown, Jackson, and a variety of other towns. I think that what I'm looking to the Department for, in particular, is some guidance on how this situation should be resolved, because it's not a cost savings.

As far as I understand, if a municipality wanted to be devilish enough, if they wanted to get a bus that met Department of Motor Vehicle standards for a New Jersey Transit bus and hire a child molester as a driver --

because there's no legislation to stop them from doing that right now, I would assume -- that they could pick up schoolchildren and anybody else and drive them to school. Is that your understanding of that issue?

COMMISSIONER KLAGHOLZ: My understanding is this, and that is that the statutes do not provide us the guidance to deal with the issues you're addressing, and that's why there's a Task Force and why we want to work with you to create statutes that do that.

ASSEMBLYMAN MALONE: Okay, but what I'm saying, this is something I've said to the Department for the last two years about this issue of the busing of students to school by municipalities. I've asked the Department to look into that, and I've not received any information back.

Now, do you know if a municipality hired a bus -- and can you have somebody check it out or OLS -- if a municipality goes and purchases a bus that meets Department of Motor Vehicle standards, and they choose to hire someone to drive that bus that may have a suspect background -- since it's under 40 not 18 -- can they do that?

ASSEMBLYWOMAN BUONO: Interesting.

ASSEMBLYMAN MALONE: Now, we've spent a lot of time, energy, and money passing legislation to protect schoolchildren in school buses that are governed under the Department of Transportation -- or the Department of Education and the school boards. We've done nothing to protect those children if a municipality chooses to go a deviant route.

COMMISSIONER KLAGHOLZ: Go ahead.

MS. WELLS: The municipality does have the availability of the Department of Education's Criminal History Review Office to process

fingerprints of any bus driver that transports students. While there isn't a law that requires the municipality to do that, certainly they could do that by policy, and the Department of Education would accommodate the request.

COMMISSIONER KLAGHOLZ: But that-- You know, I'm going to-- That begs the question of what the law-- We need to design a law that does something, and the thing the law is-- The way it's most inadequate, and I don't think it's philosophy, is it doesn't say who is clearly responsible for dealing with the various circumstances you've described as we go along. It just doesn't.

As you've pointed out, we've had the discussion many times and each time I've said, "I'll support any bill or definition that provides a reasonable alternative to the existing one." It's a question of arriving at what is a reasonable alternative. We don't have one yet.

ASSEMBLYMAN MALONE: I guess-- Commissioner, believe me, I respect you too much. I'm not trying to be-- I'm sort of being somewhat pointed today and harsh, because I have had conversations with people, and I know they're sensitive to this issue. I know you are.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: I think what we have to do, really though, is get to the heart of this issue, get it resolved, and put it behind us, because I think it's a ticking time bomb. We're going to have some serious things happen to kids. I'm just hoping that it's not in the time frame that we're sort of philosophizing on this, and that we really get to resolving this issue. I think you'd like to resolve it, as well as the members of this Task Force, and I think everyone would just like to get to the--

COMMISSIONER KLAGHOLZ: Again, it's not philosophy. That is the reason we have a problem, and that is, the absence, in my view, the absence of clear assignment or responsibility.

ASSEMBLYMAN MALONE: Okay.

COMMISSIONER KLAGHOLZ: When everyone's responsible, no one's responsible.

ASSEMBLYWOMAN WRIGHT: Exactly.

ASSEMBLYMAN MALONE: Okay. All right. Thank you very much.

ASSEMBLYWOMAN WRIGHT: Thank you, Assemblyman Malone.

Are any other--

ASSEMBLYWOMAN MYERS: Yes.

ASSEMBLYWOMAN WRIGHT: Assemblywoman Myers.

ASSEMBLYWOMAN MYERS: Sure.

Good morning, Commissioner.

COMMISSIONER KLAGHOLZ: Good morning.

ASSEMBLYWOMAN MYERS: I reviewed some of the bills that have been introduced to address this issue. I'm intrigued by some statements in a bill that was introduced by Senator Littell stating that at \$961 per pupil, New Jersey's expenditures are 60 percent higher than the next two highest states, being Connecticut and Massachusetts. I haven't had an opportunity to review all of the Deloitte-Touche report, but there looks like quite a bit of data in there comparing New Jersey with other states.

I see that in Pennsylvania, according to 1991-1992 data, the average per pupil transportation expenditure was \$183 per pupil, where in New Jersey it was \$961 per pupil. It seems to me these numbers lead us to where our focus needs to be, that is, certainly, on cost efficiencies, because, as Senator Littell's bill states, it appears that if we could bring the total cost down, we might have enough money to bus everyone, and courtesy busing would not be so much of an issue.

COMMISSIONER KLAGHOLZ: That's probably true.

ASSEMBLYWOMAN MYERS: So I'm very interested in exploring that angle as much as possible. From the way I read Senator Littell's bill, he envisions the county departments of education coordinating this effort. I wonder if your Department has given much thought to this or analysis of whether these departments would be willing or able to handle such a responsibility, not necessarily to provide the transportation, but to coordinate it to be the central point for revamping this system.

COMMISSIONER KLAGHOLZ: I think it's one alternative. I think in theory, it's the right thing to do. It doesn't have to be county, but some regionalized system. But in practice, it's very difficult in a state like New Jersey, because all of the other decisions that affect busing are made at a different level, for example, schedules.

We have a long tradition, and in order to have a county-based transportation system, there has to be coordination of schedules. That's very difficult to achieve given this State's history of each community being able, for many years, to set its own schedule in a way that's most convenient locally. So it's kind of the right idea, a lot of practical problems.

Another problem is that many of the buses are currently owned by individual school districts. How do you get through that practical problem? So I think the concept is right. There are a lot of practical obstacles to implementing it in a state like this that don't exist in a state like Maryland, where the whole system is structured around the county level.

ASSEMBLYWOMAN MYERS: Well, what about Pennsylvania, though?

COMMISSIONER KLAGHOLZ: Yes. Do you know anything about it?

MS. WELLS: I don't know.

ASSEMBLYWOMAN MYERS: They're close by, and it seems to me maybe we ought to be looking at--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN MYERS: --at exactly what they're doing with such a low cost. I know that they tend to do more to bring in their transportation for nonpublic and special education students than New Jersey does, and I wonder if that might be an area that we need to explore.

Getting back to your comment on scheduling, it seems to me the whole purpose of the Littell bill would be to say that the counties should take on this huge responsibility to determine how all of these schedules should--

COMMISSIONER KLAGHOLZ: That's the implication.

ASSEMBLYWOMAN MYERS: --should be set--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN MYERS: --so that we can provide efficiencies. My question was, do you feel that this is a realistic duty to give

to these county departments? I mean, it's been my impression that county departments have kind of taken -- maybe just in my area of the State, I'm not sure -- taken steps backward rather than steps forward as far as working with the school districts.

I don't know what your Department envisions for the county departments of education. But it seems to me this is a possibility that we need to look at, but we need to know what you envision for these departments.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN MYERS: What role in the next decade?

COMMISSIONER KLAGHOLZ: You're right that we've become increasingly more focused in the county offices. We've trimmed back not only staff, but functions as well, tried to focus on academic priorities primarily, and to focus on districts where priorities may not be in proper order, primarily districts that are failing to meet State accreditation standards, that kind of thing.

What we see-- I think there are three county-based units. One is the County Superintendent's Office. Another one is County Special Services, which exists in some school districts, in other counties educational service commissions, perhaps, for technology, the vocational schools. But there are county-based entities that we do see as providing coordinated services. In fact, last year we formed a statewide task force of county people and local district people called the Task Force on Consolidation and Sharing of Services to look at what types of services are currently shared among districts, what could be shared in the future, and what entities might be used for this.

The task force recommends, strongly, that we consider the county special services districts and the educational service commissions as possibilities. In this regard, it would be somewhat like, though I think not completely, BOCES in New York, where there are these regional entities that provide coordinated textbook purchasing and technology services purchased by the local districts with encouragement to do that. That's different from mandating a regionalized transportation system, two different alternatives.

I'd like to see it tried in some place where there's a willingness to consider deviating from past history in terms of some of these practical things of scheduling. But your-- I think your question applies this, and if so, you're right that it's practically difficult.

ASSEMBLYWOMAN MYERS: So your answer is that the educational service commissions would be better than the county departments of education--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN MYERS: --as coordination units for this kind of effort?

COMMISSIONER KLAGHOLZ: It's at least an alternative that ought to be considered, and maybe we don't have the same solution everywhere, but that idea of voluntary purchasing of services from a provider with incentives to do that is an alternative to just mandating that it be moved up. It gets rid of the--

But unless the incentives are real, the history is that in many places, districts won't purchase, won't voluntarily share services, and won't purchase those services. So I think fiscal incentives is a big part of it.

Frankly, that's where Deloitte-Touche went in terms of its recommendations to us on transportation. That was not recommending a regionalized system so much as incentives for sharing and coordinating.

ASSEMBLYWOMAN MYERS: And the incentives would be the proportion of State aid, I assume?

COMMISSIONER KLAGHOLZ: Yes, it would be. Yes, that your aid would be adjusted based on your willingness to operate efficiently.

ASSEMBLYWOMAN MYERS: And does each county have an educational service commission?

COMMISSIONER KLAGHOLZ: No. There are, I think, eight of those, and I don't know how many other-- Is that right?

MICHAEL AZARRA: Eight special services school districts, and I think there's ten educational services.

COMMISSIONER KLAGHOLZ: Eight special services districts. Eight counties have that entity, and then ten have ed services commissions, which are similar but not the same.

ASSEMBLYWOMAN MYERS: Well, I'm familiar with the educational service commission in Hunterdon, and I can see where that could become a unit that could coordinate something like this, but this-- My understanding of the special services school districts is that they exist almost, primarily, to serve critically handicapped students.

COMMISSIONER KLAGHOLZ: Yes. Yet, they see, and so do I, the possibility of expanding that mission, and, indeed, that's what our task force recommended that that be considered.

ASSEMBLYWOMAN MYERS: Thank you.

COMMISSIONER KLAGHOLZ: You know, the obvious question always occurs of, does it make sense to have eight counties with one type of unit and ten with a different one and two without any? That's sort of the result of evolution, too, I guess.

MR. AZARRA: Yes.

COMMISSIONER KLAGHOLZ: Conscious planning.

ASSEMBLYWOMAN MYERS: Do you know which two don't have either?

COMMISSIONER KLAGHOLZ: Pardon.

ASSEMBLYWOMAN MYERS: Do you know which two counties don't have anything?

COMMISSIONER KLAGHOLZ: I don't.

MS. WELLS: No.

ASSEMBLYWOMAN WRIGHT: It must be three.

COMMISSIONER KLAGHOLZ: Does anyone?

MR. AZARRA: No.

COMMISSIONER KLAGHOLZ: We could figure it out though, process of elimination.

ASSEMBLYWOMAN MYERS: Yes, three. Sorry, my math is off.
(laughter)

ASSEMBLYWOMAN WRIGHT: Yes.

Assemblywoman Buono wants to pick up on that, and then we'll go--

ASSEMBLYWOMAN BUONO: Yes. I just wanted to make a comment. We had an experience just this year in Metuchen, where we

changed -- we're doing it through the county -- I think it's special services, and it was a nightmare.

COMMISSIONER KLAGHOLZ: Really.

ASSEMBLYWOMAN BUONO: Yes. And we're very small. Everything is courtesy busing in Metuchen.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN BUONO: We're only two and a half square miles.

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN BUONO: I mean, in terms of the routes, I have to drive my child -- one of my children -- to the bus stop, because it's too far. The routes are messed up. The bus drivers-- I was there at the bus stop for months. The bus drivers are confused. I'm not saying that it can't be dealt with.

COMMISSIONER KLAGHOLZ: That it couldn't be done. Yes, right.

ASSEMBLYWOMAN BUONO: But we had a bad experience in Middlesex county. I can tell you that.

ASSEMBLYWOMAN WRIGHT: Assemblywoman Myers, are you finished?

ASSEMBLYWOMAN MYERS: Yes, thank you.

ASSEMBLYWOMAN WRIGHT: Okay, Assemblywoman Turner.

ASSEMBLYWOMAN TURNER: Thank you.

I have some concern regarding one of the comments you made, Commissioner, where you said that the issue of safety really rests with the

municipality. I have concern in that area, because I know in my district, many of the problems that exist because of safety--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN TURNER: --exist because of policies created by the State, particularly the widening of many of these highways and roadways--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN TURNER: --that have turned these roads into high-speed hazards, also, the policy regarding the Turnpike and the increase in tolls, which has placed a lot of trucks on these roadways that pose serious threats to the children who have to walk these roadways.

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN TURNER: So I don't understand how you can say the solution now rests with the municipality, when the problem was created by the State.

COMMISSIONER KLAGHOLZ: Yes. I don't say that. All I was trying to do was describe how the statute assigns the responsibility now. It assigns responsibility for-- I don't know if this is right or wrong. That wasn't my point. It assigns it to the municipality, while assigning a different responsibility regarding the remoteness of students residences to the Department of Education. The whole question, I think, before us is, does that make sense? I think it probably doesn't, because it's not clear. It's sort of all over, and that's why we've dissolved into this, community by community, into these debates.

There are many times where we would like to say, "Well, gee, we'll just go ahead and mandate this," but we don't have the authority to do it. It isn't assigned to us. But I will say this, I think the solution does have to be clear assignment of responsibility. And you're right, it's State government, outside education, influences this -- municipal government to a degree -- issues of safety and then the education system.

I think, in general, on a lot of these things of issues of safety, not just transportation safety, but lots of issues that are not essentially educational, get, sort of by default, pushed over to the school system, sometimes without any real authority or power to address them. It becomes more a way of sweeping them under the rug than resolving them in a straightforward way. So I saw in the statute, forming the task force, an emphasis on defining hazardous, and I think that's right. What I was trying to say is I think the other thing is defining responsibility better than the law currently does.

ASSEMBLYWOMAN TURNER: I think the law, as it currently exists, is very greatly antiquated.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN TURNER: That law was created when we had a totally different New Jersey. I mean, New Jersey now is the most urbanized State in the union.

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN TURNER: In many of these areas, particularly municipalities that I represent, they have changed so greatly. Many times, we see what used to be farmlands--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN TURNER: --are now housing developments. This law just does not apply to the situations that children live in now and have to walk to school. I mean two-and-a-half mile and that two-mile radius is just outdated. We've moved in terms of our curriculum and the way we teach students. I think we need to change that law that we should use distance rather than safety as the guideline for transportation.

COMMISSIONER KLAGHOLZ: I think you're right. I just add to it that it will only work if there's clear assignment of responsibility, and there isn't now under the statute. So the statute sort of says that the education system has to deal with it when it's an issue of remoteness, and the way that's defined is two miles and two and a half miles. Then somebody else, namely municipal governments, deal with this issue of safety, and they have all these alternatives. What's happening is that without statutory authorization, we get the pressure, and, frankly, there is, between local and State governments, some degree of finger-pointing in this thing, of saying "Well, safety is part of this, and you ought to deal with it."

We're saying (a) but we don't have the authority to and, in fact, the law assigns the authority down here and creates four or five different choices that you can use to solve it, none of which are available to us.

ASSEMBLYWOMAN TURNER: Well, couldn't you, just as you have decided what's thorough and efficient, couldn't you just decide, too, that safety transportation to and from school should also be part of the core requirements or the thorough and efficient that you've established for each child in this State?

COMMISSIONER KLAGHOLZ: That's the key, I think, because what happens now-- We can do it, especially when we have statutory backing, and not very well when we don't. So what we have, in effect, is a statute saying that you have to be able to get to a thorough and efficient education to obtain the benefit of it. You can't do that if you live beyond two miles.

So the Department of Education, in an effect, gives us a definition of thorough and efficient, which is how we got to this policy of, when voters don't want to do it, when can the State overrule the voters and say, "Yes, you must"? Well, with a law that defines it as two miles and two and a half miles, it's hard to do it in circumstances other than that. That's what we're all here to, I guess, address. I think you're quite right that the laws need to be revised in a thoughtful way.

ASSEMBLYWOMAN TURNER: Because in one of my municipalities you have a situation where now, because of your new requirement taking transportation out of the budget, you have parents who have to pay in order to have their child transported. What does this do for a family who does not have the means to pay? So that means that their child is not going to be transported safely to and from school. That's inequitable. We're getting away from the whole notion that every child is entitled to the same kind of opportunities here in this State, and safety should be one of them. It should have nothing to do with one's ability to pay for their child to be transported to and from school safely.

COMMISSIONER KLAGHOLZ: I agree, and where it's broken down, though, even if it were safety assigned to the State -- it's not and it isn't, but if it were-- It's not completely assigned, so what you get is the State

saying, “You should hire a crossing guard,” and the local community is saying, “No, you should.” So it’s not divided. It’s not even assigned to the Department of Ed. I’m not disagreeing that, perhaps, it should be. But unless it is clearly and completely assigned somewhere, there will always be this debate over which solution should be implemented by whom.

I think that’s the problem, and unfortunately, it’s dissolved into posturing over this of children. It’s not in place of that resulted in thoughtful solutions. We really need to step back. I think you’re right. The laws are not just antiquated, they’re unclear. They’re the result of an evolution, sort of a piecemeal thing, and to step back and look at the whole thing and say, “What makes sense here,” is the right thing to do. But I don’t disagree with anything you’re saying. I think it’s just a question of--

There are two issues. One, of this thing of getting to a thorough and efficient education. Are there instances where a student, conceivably, lives next door to the school and where there are no hazardous conditions where there isn’t this obligation to be placed on the taxpayers? Probably, yes. But does two miles and two and a half miles define it perfectly? No, it doesn’t. So how can we define that, you know, getting students to a thorough and efficient education?

Then there’s this other issue, I think, of safety. It’s related, but this other one is pushed out of the education system all together now and, yet, everyone seems to believe that it has some implications for a thorough and efficient education. It’s how to tie the two in a rational way, because it’s not done now with the existing policies.

ASSEMBLYWOMAN WRIGHT: Go ahead.

ASSEMBLYMAN MALONE: Yes, I just--

ASSEMBLYWOMAN WRIGHT: Assemblyman Malone.

ASSEMBLYMAN MALONE: Commissioner, this is a little bit off this tangential issue here. The issue of transportation cost, is that used in the comparison in the *Abbott vs. Burke*, with the higher cost districts and the 30 special needs districts? So the transportation issue is totally factored out--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYMAN MALONE: --as a T and E issue.

COMMISSIONER KLAGHOLZ: Oh, I see. Yes.

ASSEMBLYMAN MALONE: So T and E is not-- Transportation, in no way, shape, or form of the suburban higher cost districts, is not used as a number when you're comparing their cost with the 30 special needs districts?

MR. AZARRA: Exactly.

COMMISSIONER KLAGHOLZ: Correct.

ASSEMBLYMAN MALONE: Okay. Thank you. That's very good. Okay.

COMMISSIONER KLAGHOLZ: No categorical aid, I believe, is.

ASSEMBLYWOMAN WRIGHT: I wanted to go back to something that Assemblywoman Myers pointed out.

Just F.Y.I. Assemblywoman Myers, you mentioned the 961 per pupil cost for transportation, where are we getting that? That's not the same as the Deloitte-Touche study. Was that last year or the year before?

MS. WELLS: No, it is the Deloitte-Touche study.

ASSEMBLYWOMAN WRIGHT: All right. Okay.

MS. WELLS: Yes. It is from the Deloitte-Touche study.

ASSEMBLYWOMAN WRIGHT: Okay. Then I just wanted to clarify that that's fiscal '96?

COMMISSIONER KLAGHOLZ: Linda.

MS. WELLS: I believe that they were using the '93-'94--

ASSEMBLYWOMAN WRIGHT: Okay.

MS. WELLS: --numbers--

ASSEMBLYWOMAN WRIGHT: Okay.

MS. WELLS: --when they were doing the report.

ASSEMBLYWOMAN WRIGHT: I just wanted-- That helps me, because Assemblywoman Myers pointed out that the Pennsylvania data were 1991-1992, and I was trying to figure out how wide a margin. So it's only a year's difference. So, obviously, that is a very gross difference under \$200 a year earlier is certainly not going to be anywhere-- What I'm-- I'm trying to get apples and apples. The 1992-1993 data from Pennsylvania are \$183--

ASSEMBLYWOMAN MYERS: No.

ASSEMBLYWOMAN WRIGHT: I don't know what our-- That's what I heard you say, that's why--

ASSEMBLYWOMAN MYERS: This came from the Public Affairs Research Institute, and it compares 1991-1992. New Jersey is at 961 and Pennsylvania's at 183.

ASSEMBLYWOMAN WRIGHT: All right. Okay. Thank you for this.

What Assemblywoman Myers has shown me is that the 1991-1992 data indicate that New Jersey was at 961. Did it not increase? Is that what we're saying from now until the Deloitte-Touche recent study?

MS. WELLS: I think that Deloitte and Touche used that data, which came from *Fleet Magazine*--

ASSEMBLYWOMAN WRIGHT: Oh, Okay.

MS. WELLS: --which is an industry magazine--

ASSEMBLYWOMAN WRIGHT: Oh, it is. Okay.

MS. WELLS: --that collected the data.

ASSEMBLYWOMAN WRIGHT: Okay. But then I also have other information that show that fiscal '96 it's up to about a thousand. Is that from Deloitte, or do I have that from some other source?

MS. WELLS: No, you must have received that from someone else.

ASSEMBLYWOMAN WRIGHT: Okay. But--

COMMISSIONER KLAGHOLZ: We'll double-check that.

ASSEMBLYWOMAN WRIGHT: Okay. So that the Pennsylvania data that Assemblywoman Myers used is the same as the New Jersey data for fiscal year? That's the real question. According to the *Fleet Magazine*, it is.

COMMISSIONER KLAGHOLZ: We'll get you the actual data--

ASSEMBLYWOMAN WRIGHT: Do you hear the point--

COMMISSIONER KLAGHOLZ: --updated most recently.

ASSEMBLYWOMAN WRIGHT: I just wanted to be sure when we compare \$183--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYWOMAN WRIGHT: --that we're comparing it to New Jersey's cost per student for transportation. According to these data, it indicates that it is the same. These are all from the *Fleet Magazine* data.

I guess the other question then is, what is the most recent--
What's the average? That's all right. It's just--

COMMISSIONER KLAGHOLZ: We'll get it.

ASSEMBLYWOMAN WRIGHT: I wanted to clarify for the record, just so that when we're talking about other states, we're talking about the same fiscal year, because it just clarifies, I think, the picture somewhat.

COMMISSIONER KLAGHOLZ: Okay.

ASSEMBLYWOMAN WRIGHT: Are there any other questions of the Assembly persons of these witnesses? (no response)

I wonder, did DOT, by any chance, come in while we were talking? (no response) I'm really disappointed, because I had hoped that they-- But what we'll do, Task Force members, is we'll ask them--

ASSEMBLYMAN MALONE: Just one more specific--

ASSEMBLYWOMAN WRIGHT: Yes.

ASSEMBLYMAN MALONE: Commissioner, the cost of transportation of special ed students on a per pupil basis, do you know what data-- That's got to be considerably higher--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: --per pupil than the regular students. Do you know, offhand, what that cost is?

COMMISSIONER KLAGHOLZ: Does anyone know? We'll get it for you if we don't--

ASSEMBLYMAN MALONE: I mean, I think because-- Based on this information that's on the School Boards thing-- I mean, if we're busing--

In the comparison between Maryland, if we're busing, basically, almost twice as many students--

COMMISSIONER KLAGHOLZ: Right.

ASSEMBLYMAN MALONE: --under the special ed category--

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: --you could be talking a catastrophic difference--

COMMISSIONER KLAGHOLZ: Sure.

ASSEMBLYMAN MALONE: --in busing amounts of money. I mean, especially if it's an ambulatory kind of a transportation or whatever, whatever you're doing. I mean, that might be an interesting number for the Task Force to have.

COMMISSIONER KLAGHOLZ: We'll get that.

ASSEMBLYMAN MALONE: Okay.

ASSEMBLYWOMAN WRIGHT: Actually, referring to your information, Assemblyman Malone, you're talking over three times as many students.

ASSEMBLYMAN MALONE: Oh, I'm just looking--

ASSEMBLYWOMAN WRIGHT: Twenty two-- Where are you--

ASSEMBLYMAN MALONE: Yes, I'm just looking at it here.

(indicating)

ASSEMBLYWOMAN WRIGHT: Oh, okay.

ASSEMBLYMAN MALONE: Okay. You know, again--

ASSEMBLYWOMAN WRIGHT: Well, it's percentage.

ASSEMBLYMAN MALONE: I think the Commissioner understands the question I had asked.

COMMISSIONER KLAGHOLZ: Yes, and we'll get that.

ASSEMBLYWOMAN WRIGHT: Yes. Yes, because here--

ASSEMBLYMAN MALONE: I think, because that's a significant factor, I think, in the cost.

COMMISSIONER KLAGHOLZ: It would be.

ASSEMBLYMAN MALONE: I don't know how much we're going to be able to change that. I think, as you're well aware of, the concerns we have in some of the areas along the western part of the State here with people sending students or moving here from Pennsylvania because of the special education services that we offer here versus maybe Pennsylvania, it's inflated those costs from special ed standpoint, and same thing, I would assume, New York is doing. People from New York are probably doing the same thing. I think we're--

Willingboro is an example of having a severe problem with foster children being placed in Willingboro at an exorbitant expense to that municipality. So that might be one of the factors you may want to take a look at.

COMMISSIONER KLAGHOLZ: We will.

ASSEMBLYWOMAN WRIGHT: One other question that I just-- Assemblyman Malone referred to it and I did too, and it may be the question of where we are at this point in time. We should talk for a few minutes about the efficiency factor, directly--

COMMISSIONER KLAGHOLZ: Okay.

ASSEMBLYWOMAN WRIGHT: --in terms of, I know it came from the Deloitte. You alluded to it in your testimony. Let's just talk for minute in terms of-- I don't know if we're on the amended Martin bill or on your original proposal or--

COMMISSIONER KLAGHOLZ: It was on--

ASSEMBLYWOMAN WRIGHT: Why don't we hear from you on that.

COMMISSIONER KLAGHOLZ: It was in our original proposal and the efficiency factor would have been implemented a year hence, not this current year in this coming budget, but one budget hence. For that reason, because it wouldn't be one year anyway and because there were so many other bills, the Senator Martin's version of the bill leaves it out for now.

ASSEMBLYWOMAN WRIGHT: All right. Do you want to talk about what it was and how it would be implemented in your proposal?

COMMISSIONER KLAGHOLZ: Mike, do you want to talk about that?

MR. AZARRA: Okay.

What the efficiency factor would have done and-- The Deloitte study and the recommendation from Deloitte was based on how to efficiently accommodate State mandate, okay. So the efficiency factor was developed to be consistent with that: what would be the most efficient way to transport those who are required to be transported.

So they recommended a measure of capacity use. In other words, the cost drivers in busing are bus drivers and buses. So the way to do it most efficiently is to limit the number of buses and bus drivers you have by

maximizing the use of bus capacity. So what they would have had us do was calculate the capacity usage, or rate, for each school district. In other words, how many students per bus, and then rank them, with the top 10 percent of the districts on capacity usage, or full utilization, or whoever came out in the top 10 percent would have gotten 100 percent of their aid under the base aid formula. The bottom 10 percent would have gotten 50 percent of the rate under the base aid formula. Those in between would have been somewhere between 50 percent and 100 percent of their aid -- scaled like that. It would have been, basically, counting each eligible child per bus seat on a route.

Now, some districts who tier buses, they might use the same bus for three routes, so they could have like 150 percent factor or a 200 percent factor, while another district might have only 25 percent or 30 percent, because they use the bus for one route, and they only have it half full or a third full. So it was all these things that went into it. We didn't have the data currently available to us to actually simulate it, to see what its effects would be if we had done it. So that was one of the reasons why, in the Senate bill, they asked that we would come to them with our proposed efficiency factor and how it effects districts, and they would have 60 days to do a concurrent resolution, either accept it or reject it.

ASSEMBLYWOMAN WRIGHT: So it will be dealt with as a separate issue then?

MR. AZARRA: Yes.

ASSEMBLYWOMAN WRIGHT: Okay. So it is probably not under the funding formula debate that we're debating right now.

MR. AZARRA: Right.

ASSEMBLYWOMAN WRIGHT: So when we do hear about it, we can really have this give and take with you--

MR. AZARRA: A dialogue.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: --and be very focused on--

MR. AZARRA: We would give you--

ASSEMBLYWOMAN WRIGHT: --and not add it as part of the larger--

MR. AZARRA: The parameters--

COMMISSIONER KLAGHOLZ: That's right.

ASSEMBLYWOMAN WRIGHT: Okay.

MR. AZARRA: --and the district by district effects and--

ASSEMBLYWOMAN WRIGHT: Some of us have some real problems with this.

COMMISSIONER KLAGHOLZ: Yes. Most of the comment that I've gotten was that it shouldn't be just the top 10 percent to get 100 percent, but a larger proportion of districts. Some said even the top 50 percent. If you're above the average, you should get it.

ASSEMBLYWOMAN WRIGHT: When you do a proposal, we'll get copies of that and we can all study it.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: Is there is time frame on that at this point in time?

MR. AZARRA: We would-- For the 1998-1999 school year, we would submit that proposal along with the Governor's budget message.

ASSEMBLYWOMAN WRIGHT: In January.

MR. AZARRA: In January.

ASSEMBLYWOMAN WRIGHT: Okay.

MR. AZARRA: So a year from now.

ASSEMBLYWOMAN WRIGHT: A year from January.

MR. AZARRA: Yes.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYWOMAN WRIGHT: Oh, okay so--

MR. AZARRA: For the 1998-1999 school year.

ASSEMBLYWOMAN WRIGHT: As you're aware--

MR. AZARRA: There's nothing for 1997-1998.

ASSEMBLYWOMAN WRIGHT: --this Task force will be reporting out in this January of '97. So we will just refer to that as coming a year later and that would be a further issue for discussion.

MR. AZARRA: Right.

ASSEMBLYWOMAN WRIGHT: Okay. Are there any other--

ASSEMBLYWOMAN MYERS: Yes.

ASSEMBLYWOMAN WRIGHT: Yes, Assemblywoman Myers.

ASSEMBLYWOMAN MYERS: I don't know whether I missed something on that efficiency discussion, but I'm concerned about how a policy like that, which seeks to reward districts with full buses and penalize districts with buses that are less than full, how that would work in my district, which is the most rural in the State, where we have to transport students over much longer distances. The houses are very far apart, and it might be much more

problematical for us to fill the buses and not have kids riding for an hour to school.

MR. AZARRA: Yes. When we do our proposal for the Legislature, some of the things we've been considering and we've been discussing-- We haven't even really set in stone how we're going to do it, but we have actually discussed dividing up the State between rural areas, urban areas, and suburban areas and comparing districts to like districts as one way of doing the efficiency factor.

We've also considered setting the maximum capacity at 90 percent of seating to give it 10 percent room for districts who can't fill the buses or who want to put courtesy children on buses. So we've had a lot of discussions, but nothing has actually been put down in concrete of how we're going to do it yet.

ASSEMBLYMAN MALONE: If I may, Chairwoman. That's another issue that's been told to me, and I don't know if it's fact or fiction that the buses are not allowed to put up-- If, for example, if there is room in a bus, and a bus is going from one side of the district back to the school and it's half full and there are courtesy children in between the outer distance and the school, is there a penalty for them picking up those courtesy or hazardous bus--

COMMISSIONER KLAGHOLZ: I don't think--

MS. WELLS: No, there isn't.

ASSEMBLYMAN MALONE: Okay. I mean, that might be something -- a letter from your office explaining that to the school districts that they will not be penalized if their routing could be such that they could pick

up or go through populated areas and pick up courtesy. I mean, it might shrink the problem, not exactly make it go away.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: But the issue should be-- The route should be thought out that they pick up the maximum amount of students.

COMMISSIONER KLAGHOLZ: Yes.

ASSEMBLYMAN MALONE: You know, because in the Toms River case that Assemblymen Wolfe and Azzolina were talking about--

COMMISSIONER KLAGHOLZ: Right. Right.

ASSEMBLYMAN MALONE: --there were empty buses going past school children.

COMMISSIONER KLAGHOLZ: Past the courtesy students.

ASSEMBLYMAN MALONE: There were claims made by the school districts that they would be penalized for picking up those children.

MR. AZARRA: But not-- Just to make sure that we're clear on this, they wouldn't be penalized for picking them up, but they wouldn't get credit for them under the Deloitte proposal.

ASSEMBLYMAN MALONE: But doesn't cost them anything.

MR. AZARRA: Right.

ASSEMBLYMAN MALONE: I mean-- I mean--

MR. AZARRA: But you wouldn't get credit for them as far as seating capacity.

ASSEMBLYMAN MALONE: I mean, if I go two and a half miles out this way--

MR. AZARRA: Currently. Currently there is no penalty.

ASSEMBLYMAN MALONE: Okay. Well, I'm saying, if I go two and a half miles out that way--

MR. AZARRA: Yes.

ASSEMBLYMAN MALONE: --pick up 10 kids and the bus is driving back and there's 25 kids within the two-mile limit, there's nothing to prevent that bus from picking up those kids--

MR. AZARRA: No.

COMMISSIONER KLAGHOLZ: Nope.

ASSEMBLYMAN MALONE: --rather than just going, see you later, kids--

COMMISSIONER KLAGHOLZ: Yes. Yes.

ASSEMBLYMAN MALONE: --when you get to school.

COMMISSIONER KLAGHOLZ: Common sense dictates otherwise.

ASSEMBLYMAN MALONE: Well, I agree with you.

COMMISSIONER KLAGHOLZ: Yes, right.

ASSEMBLYMAN MALONE: That's part of this issue, I think.

COMMISSIONER KLAGHOLZ: Yes, exactly.

ASSEMBLYWOMAN WRIGHT: Well, if there are no other questions, and this is not a time when we were planning to engage our audience, we would like to thank you, Commissioner and the staff, for all of the help that we've received in getting ready for this hearing. We will be calling upon your offices further, and we'll do our best to address some of these issues. I think we're pretty clear on what those issues are, and we know that we can call upon your offices further to help us as we get through this process.

COMMISSIONER KLAGHOLZ: You certainly can.

ASSEMBLYWOMAN WRIGHT: I want to thank you.

COMMISSIONER KLAGHOLZ: Thank you, too.

MR. AZARRA: Thank you.

ASSEMBLYWOMAN WRIGHT: We will adjourn. I just wanted to, for the record, be clear that everyone understands that we will be having a public hearing. The first one this afternoon, at 3:00 p.m., in the South Brunswick Municipal Building, and that we have three additional hearings: December 17th, in Jackson; 18th, in Flemington; and 19th, in Middletown. Those will all be scheduled to be 7:00 p.m. to 9:00 p.m. They will be public hearings where we will be hearing testimony from the public.

For the record, we will be using Roberts Rules for this Task Force, and the meeting is adjourned.

ASSEMBLYMAN MALONE: Thank you.

(HEARING CONCLUDED)