

Committee Meeting

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before

SENATE EDUCATION COMMITTEE

and

ASSEMBLY EDUCATION COMMITTEE

"The Quality Education Act of 1990"

LOCATION: Auditorium
Bergen County Vocational School
Hackensack, New Jersey

DATE: June 9, 1992
4:00 p.m.

MEMBERS OF SENATE COMMITTEE PRESENT:

Senator John H. Ewing, Chairman



ALSO PRESENT:

Darby Cannon, III
Office of Legislative Services
Aide, Senate Education Committee

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, 162 W. State St., CN 068, Trenton, New Jersey 08625-0068





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NOTICE

TO: MEMBERS OF THE SENATE EDUCATION COMMITTEE
 MEMBERS OF THE ASSEMBLY EDUCATION COMMITTEE

FROM: SENATOR JOHN H. EWING, CHAIRMAN
 ASSEMBLYMAN JOHN A. ROCCO, CHAIRMAN

SUBJECT: JOINT COMMITTEE MEETING - June 9, 1992

The public may address comments and questions to Darby Cannon, III. or Joyce W. Murray, or David C. Hesse, Aides to the Committees, or make scheduling inquiries to Mary C. Lutz or Bernadette Kmetz, secretaries, at (609) 984-6843.

The Senate Education and Assembly Education Committees will hold a joint meeting in order to receive public testimony on:

The Quality Education Act of 1990 (QEA)

The meeting will be held on Tuesday, June 9, 1992 at 4:00 P.M. in the auditorium of the Bergen County Vocational School, 200 Hackensack Avenue, Hackensack, New Jersey.



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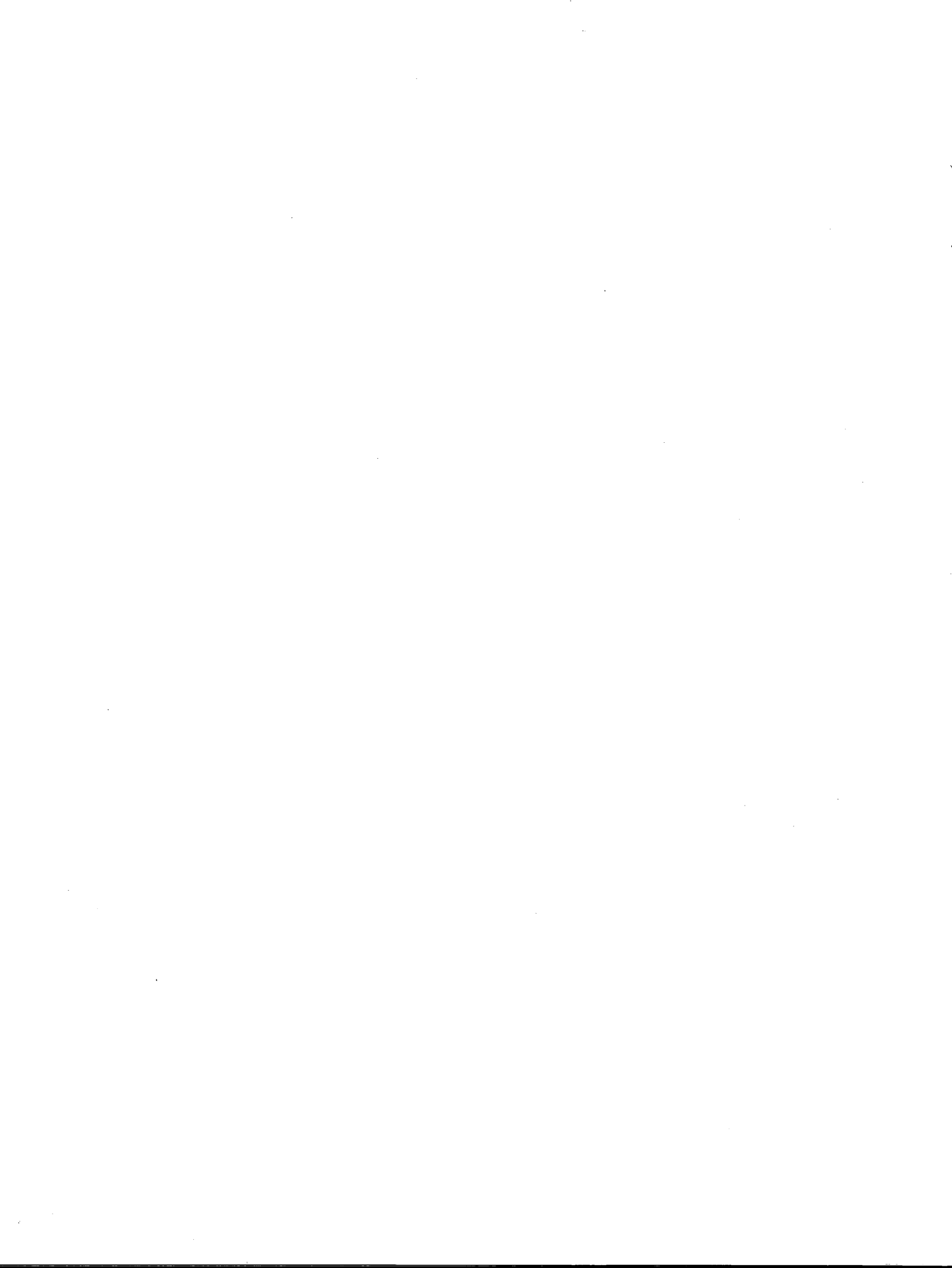


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SENATOR JOHN H. EWING (Chairman): We'll call the public hearing to order, please? The first person to testify will be Dr. Irene Douma, Trustee of Ramapo Indian Hills Regional High School, and also Ms. Badenhausen--

UNIDENTIFIED MEMBER OF AUDIENCE: We can't hear out here.

SENATOR EWING: Ms. Badenhausen will also come-- This microphone doesn't work. Don't worry.

Dr. Irene Douma, D-O-U-M-A, Trustee of Ramapo Indian Hills Regional High School. Do you two ladies want to testify together, or one after the other?

I R E N E K. D O U M A, Ph.D.: I think she'll take the testimony.

SENATOR EWING: All right. Fine. I apologize to you for the problems down in Cherry Hill.

These ladies came all the way down to Cherry Hill to testify, and the hearings were stopped before they could get up.

DR. DOUMA: Thank you very much for this opportunity. Do you have a copy of our written testimony from the last time? If not, I brought extra copies.

SENATOR EWING: No, I do not have it here.

DR. DOUMA: (gives copies to Aide) Senator Ewing, what you will be receiving is a document containing nine typewritten pages of testimony plus seven exhibits. I will not read these. It is not my intent to read these to you, but to discuss the highlights so that we can proceed.

First of all, I represent one of the J districts, and it's very important for us to understand what this represents. We are considered one of the "lighthouse districts" that has been used as a model for the QEA Act. This is what the urban districts are trying to come up to in terms of quality of education. I'd like to give a different perspective of what the QEA Act will do to our district.

We are a regional district made up of three communities: Wyckoff, Franklin Lakes, and Oakland. In setting forth the QEA, what had happened was the original intent was to provide aid for those 30 needy districts, and we have no problem with that; we applaud the intent of the QEA. However, what we have found by looking at what has been happening is that the QEA is not achieving its goals. It was fraught with errors because it was enacted without getting opinions from the experts.

If you take a look, starting from page 2 to page 4, there is a listing of 12 items -- problems that have been created through improper evaluation of the educational process. For example: We're talking about the impact of the "at risk" pupils. This has been addressed ad nauseum in criticisms about the QEA. We're also talking about what was the intent of the QEA, and that's to provide new educational programs.

I have received a copy of the report that Commissioner Ellis gave about the outcome of the QEA. I refer to item 5 on page 3: It talks about where the money was spent from the QEA. We would like to see the money spent for the children. And where is it being spent? In property tax reduction. I have in front of me the very newspaper articles that were used as a basis for making these statements.

In Jersey City, half of the money that was received went to reduce property taxes. In New Brunswick, money was used to reduce property taxes. This is not what the QEA was about. The children are not receiving those new educational programs. These are the things that were supposed to be the intent. What is this going to do to us?

One of the provisions of the QEA is that the pension costs should be passed on back to the districts. To Ramapo Indian Hills this will mean a \$2.2 million hit. If we reduce every after school activity program -- this is clubs, sports

programs, etc. -- we are saving \$1 million. My \$1.2 million will have to come from somewhere. The only place left is academic programs. Which course is it going to be? Is it English, history, science? I don't know. I would like someone to answer that question, so I could go back to my constituency and say that the State, in its imminent wisdom, will be able to tell us which of these courses--

If I try to increase our taxes at a 5 percent inflation factor over the next five years, we're talking about a 39.5 percent increase in property taxes. We are not rich, fat cats up in Bergen County. We have people who work who have trouble meeting their expenses. We have had budgets that have been defeated. How unconscionable can we be asked-- Can this take place? It is unconscionable for this to occur.

What we have come through with, on the last page, is a series of recommendations, and one of the recommendations is that we consider that the 30 needy districts receive the financial aid -- this is page 8 -- that was part of the original QEA, not the 432 that receive this aid.

We also recommend that there be a complete audit program to account for where this money is spent. What I found very disturbing was in the April 5 article of The Star-Ledger, that of the \$287.6 million that was identified for the QEA, only \$58 million of that could be accounted for through their educational check plan. This is their internal audit. I believe they call this the Educational Improvement Plans. This is their method of auditing.

We should have some accountability. We are being asked to subsidize educational programs. We would like to see the money being used for the children for the new programs. At the same time, do not dismantle and destroy the very programs that you're trying to emulate. It is very important that we try to keep a balance, because as yet, when I have testified before the Quality Education Commission, through New Jersey

School Boards -- I have worked on the pensions -- no one has yet been able to address which of these programs we're going to have to cut; because we're going to be between a rock and a hard place. The very things that you want to emulate, are going to be gone. And we're just one of the districts that's going to be affected.

I've provided you with a great deal of exhibits in the back, to give you some hard evidence about where the dollars are coming from. I don't think it's appropriate for me to read these numbers to you. I think you're perfectly capable to have your Committee members actually look at them and see where we're coming from. Thank you very much.

SENATOR EWING: Thank you very much.

Ms. Badenhausen, do you wish to testify?

M A R G O T B A D E N H A U S E N: No, I think Dr. Douma said it all. Thank you.

SENATOR EWING: Thank you very much.

I didn't announce it before but this is the last of the public hearings we're going to have throughout the State on this. The staff in Trenton has started to work in looking at legislation of redoing the QEA. There's no question of that whatsoever. We certainly plan to come up with legislation, hopefully this fall that's going to be in the best interests of the child no matter where he is, or she is, and make sure they get a proper education.

Assemblywoman Heck? And Rose, if you want to come up here afterwards--

A S S E M B L Y W O M A N R O S E M A R I E H E C K: Oh, all right. Fine.

SENATOR EWING: I took those two ladies first because, I don't know if you heard me--

ASSEMBLYWOMAN HECK: I realize that they were held over from Cherry Hill. That's quite a--

MS. BADENHAUSEN: Everybody knows that. (laughter)

SENATOR EWING: And they didn't ask for reimbursement for the gas and tolls.

ASSEMBLYWOMAN HECK: I believe that you're doing an outstanding job, Senator, in conducting these meetings. We in Bergen County, as well as the State, are very concerned about what's happening with the QEA. We know that in this year we have three priorities of equal importance and they are what I call the "three "Es," economy, education, and environment. You're certainly addressing a much-needed topic.

As far as my purpose in coming here today was to perhaps bring to you several people who might be able to help us put together our formula to aid our children, to bring up the methods of linking up urban and suburban without costing many, many dollars unnecessarily. I've worked with these superintendents of schools in different capacities, and they are really among our brightest and most innovative.

We have 68 applications that were made by the State of New Jersey to the America 2000 Grants Committee. We have a member here today, the Superintendent of Schools of the Hasbrouck Heights Schools, who will address you along with Harry Galinski who is becoming a familiar figure, but who will bring you new ideas today, and of course, Superintendent of Schools Van Zanten, who is from Garfield, who represents one of the special needs school districts.

What we're trying to show here today, is that we want to work with the special needs districts. Certainly we want them to get the best, but that's not throwing money at them. It's helping them to produce and do a better job with their children, and linking them up with the best ideas in certain schools throughout the State, and the district, that might enhance their programs. We've done this in Hasbrouck Heights.

As you know, I'm the Mayor of the Borough of Hasbrouck Heights, and with the help of our Superintendent of Schools and the business industry, we've linked up with a hands-on project

last year that won some recognition. That idea of linking up without costing money, to bring together the urban and suburban schools in an education hands-on setting, has proven very productive and very helpful. It is in the growth stage, but I will accede to our Superintendent of Schools to move in that direction.

Just to whet your appetite a little bit: Part of our proposal is that you invite the 68 school districts who did submit those applications, with new ideas to come together in a think tank situation, to go into groups and give you suggestions that might readily be applied in a very practical manner. These are the experts, and I'm sure that you would want to avail yourselves of people who have already put together programs of such importance and magnitude that some of them took over a year to put together.

So, if you would allow me to introduce first, Superintendent of Schools, Harry Galinski, and I would be happy to come up to your podium.

SENATOR EWING: Fine, Rose. Rose, how many--

ASSEMBLYWOMAN HECK: Three--

SENATOR EWING: All right, because there are also other--

ASSEMBLYWOMAN HECK: very succinct people.

SENATOR EWING: There are other individuals who came, who came down to Cherry Hill that did not get a chance to testify. I'll bring them up right after.

H A R R Y A. G A L I N S K I, Ed.D.: Senator, you've heard me speak ad nauseum on it, but let me just reiterate a couple of thoughts that we, in Bergen County--

SENATOR EWING: Harry, excuse me. Would you identify yourself?

DR. GALINSKI: I'm sorry. Dr. Harry Galinski, the Superintendent of Schools of Paramus.

SENATOR EWING: So the audience understands the two microphones -- one microphone is for the recording, because all public hearings are recorded and then a transcript is made up by State workers. On my right is Judy Peoples, who is the Education staff person for the Senate Education Committee, and Darby Cannon is the staff person of Education for OLS, the Office of Legislative Services which is a nonpartisan group down there which works for both sides of the aisle. Judy only works for us on the Republican side.

Harry, go ahead.

DR. GALINSKI: All right, fine. Let me just pick up on a comment that was made by a previous speaker. I don't think there's anything more threatening to the Quality Education districts in this State than the prospect of local boards assuming the costs of the pension. I think that would be a death blow for all districts in the State, particularly those districts who, under any funding formula, would receive much less money. In a district like Paramus, the tab for the pensions would come to about \$5.5 to \$6 million a year. It would be impossible to deal with that in any way that would not create a tremendous difference in the education quality. So, no matter what happens in your either division or design of a new funding formula, we plead with you -- that your intent which we know is good, is not to bring down the best school districts in the State; that the enormous problem that you face with the pension situation, if it's shifted to the local communities, will, in fact, produce a situation that you would not want to happen.

The second issue is that the very nature of the QEA, as well-intentioned as it is, created a very divisive situation between what's perceived to be the "haves" and the "have nots." We're all committed to the notion that those children, no matter where they are in the State, are entitled to the best education. I think we all recognize that there are districts

in this State that have very, very special needs. The formula produced 30 districts. If you were to visit those 30 districts, you would find districts that the formulas produced are not very different from districts in Bergen County that are being treated as foundation districts. And there are districts in the State who have not been included who are in desperate need.

So I'd like you to think about identifying districts in need, and funding them in a way that they can, in fact, provide a quality education. And that may produce 25 or 30 or 32, but those districts would be districts who, in fact, are not able to produce a quality education for children and that they have very unusual needs. They ought to be funded in a way that guarantees long-term planning, because those situations will not turn around in two years, or three years, or four years. You're seeing even in Jersey City and Paterson, you're receiving information that says the five-year plan will not produce their radical turnaround, that we need to commit ourselves to the fact that it may take as long as ten years. But they ought to be funded on a programmatic basis.

The issue of accountability out there -- about what happens to money -- can easily be rectified by identification of what it takes in those districts to provide a quality education. What are the programs that are not there? What would it cost to fund those programs?

You have a model which is called Chapter I, where you have to design a program for the Federal government that's easily audited because it talks about what you're going to produce, what it takes to make it happen. I think the public would feel much more comfortable if money was distributed in a way that could easily be identified. But don't take my comments to me that the money is not necessary; they need unusual help. If you pull those groups aside and funded them with certitude, I think the rest of the districts in this State can be funded on an equal basis.

Now the mechanism of that I think we're going to have to leave to you, whether it's a State property tax, some form of income tax, whatever it is. You need to have a rational way that we can plan education. We're criticized quite often for not making good management decisions. If there are board members here in this audience, they will tell you it's extremely difficult to plan an effective program when there's no certitude as to the kinds of funds you're getting.

Let me end on the note that -- and you've heard me say it before -- you hear a lot of criticism about the cap. I don't think there's a climate out there that would permit any legislation not to have some sort of cap, but I think the cap itself needs to be looked at in terms of flexibility. I believe that if districts can provide quality education under cap and bring it in -- and some of those caps as we hear, may be as low as 3 percent coming up -- that they should not be subjected to the prospect of still putting up a low cost budget and having it defeated, and further cuts. The issue of the vote on the budget needs to be faced, as difficult as that task is.

I think there's some courage that's needed out there. I hope you can pull together the kind of coalition in the Senate and the Assembly that would, once and for all, provide for New Jersey the kind of educational support so we can continue to provide quality education. Thank you.

SENATOR EWING: Thank you, Harry.

The next speaker.

H O W A R D J. H E R B E R T: Howard Herbert, Superintendent of Hasbrouck Heights.

R O B E R T V A N Z A N T E N, Ed.D: Mr. Chairman, I'm Bob Van Zanten, and I'm the Superintendent in Garfield, and we are one of the 30 special needs districts in the State of New Jersey. I've come before you previously, and I explained to you the difficult situation that many of our districts are

finding themselves, with facilities that are falling apart. As a matter of fact, I mentioned to Assemblywoman Heck just previously that last week during the rainstorm, two of my five elementary buildings had ceilings collapsing because the buildings are that run down. I've spoken to you previously of elementary schools where the principal was the "Long Ranger," a nurse every other day, no librarian, no science room, no art room, many of the buildings without the gymnasium. I've spoken to you of 10 percent to 15 percent enrollment increases. That's almost a full school for us without the money or staffing, or the facilities to put the kids in.

Now those are the woes. You know we've spoken about "lighthouse districts" in Bergen County, and they certainly are lighthouse districts. They're great. But I also want to report to you that there are lighthouse districts out there like Jersey City with schools that have great things going on. Like Newark that have great things going on without any help, without any funding behind them, and they still have great things going on. I think that's also lighthouse districts.

I'm here with the Superintendent of Hasbrouck Heights because we are appealing to you, not as an urban district or suburban district, but as school districts. We are partners. We are collaborators in many areas. We've shared computer labs. We've shared in-service programs. He shared with us the ability to reach beyond what we have currently. And we've turned the district around in Garfield and we're proud of that, but I need people like Howard Herbert and Harry Galenski to stand behind me and say, "Bob, you've gotten off your needs. You've turned a corner, but the door is not closed." And I would like to submit to you that one very important thing that you must remember when you do your funding is something that Dr. Galinski brought before you just previously, and that is you must fund programs, programs that specifically work. Don't give me the lump big time moneys that sort of disappear into

different areas of shades of gray, but hold us accountable. I want to be held accountable, because without you saying, "Show me what you do with the bucks," and make it work, and saying that also to the other 29 urban special needs districts, then it won't work. But don't ever stop helping us because without that, we'll never be an equal partner.

Mr. Herbert.

MR. HERBERT: Thank you, Bob.

My part in this is to share some ideas with you that have worked. I'm not going to go into great detail except hopefully whet your appetite to come up and take a look, again, at some of the neat things that are going on in Bergen County.

As a transitional aid district, we are in the position where we are trying to keep our school district vital, and we understand the importance of partnerships -- corporate partnerships, public care, like the Hackensack Medical Center. We're reaching out in all directions with the help of Rose Heck and other legislators.

And I'm happy to be here with Bob because we're walking our talk. We are not waiting around for funding from top down, we are starting to help each other from bottom up. I not only speak for myself and Hasbrouck Heights, Bob and I have met with thirteen members of a consortium, a small group consortium, and it was as simple as Bob said, "I need help," and every superintendent at that table said, "What do you need?" The first level of that was staff development and the point is, by asking the right questions we're starting to move in the right direction for kids. Yes, funding's important, but also a spirit of cooperation is necessary in order to get the job done for kids.

So I think it's a two-pronged effort. One is that, yes, we need your help from the top down, but we also need to be encouraged to help ourselves from the bottom up. Hopefully we can talk the two initiatives at the same time. Rose had

alluded to the fact that we are one of 33; I gave you the wrong information. We're one of 33 districts in the State of New Jersey who have applied for the America 2000 grant. I think the importance of harnessing the energy of people who've taken the time to submit for that grant is very important. I know how much time and effort we put into it, really are dying for the opportunity to share this information with someone.

We were invited to Trenton for the New Jersey 2000 Initiative. We applaud that effort and think that it's in the right direction. I'm waiting for a call where we will be called down to 33 partners, as part of the State, to share all of our ideas together, and perhaps out of the best of those ideas we'll create a vision for the State of New Jersey. I think that the work is in progress already, and we don't need to start from the beginning and reinvent the wheel. So, I'm really glad to be here and share that information with you and let you know that, on behalf of the Superintendents that I represent from Bergen County, that we stand ready to sit and talk and share these ideas with you, and hope to help all the children of this State move forward. Thank you very much.

SENATOR EWING: Thank you.

Now I'm going to call on individuals. I'm not sure whether they're here, but these are the unfortunate individuals who came all the way to Cherry Hill also, but were not heard. Is there a Mark Stanwood here?

J A M E S B. L E D E R E R, Ed.D.: (speaking from audience) Senator Ewing, I was speaking for him. I could either wait or speak for him now.

SENATOR EWING: Was he coming?

DR. LEDERER: No, he asked me to represent him.

SENATOR EWING: Well then--

DR. LEDERER: Senator Ewing, I distributed to Darby Cannon copies of the testimony. If you don't have them, I'd be glad to give you more.

SENATOR EWING: This gentlemen. is representing Mark Stanwood, Atlantic County Special Services.

DR. LEDERER: Yes. It's the County Special Services School Districts throughout the State.

Senator Ewing, thank you very much. Would you like me to begin?

SENATOR EWING: Yes, please.

DR. LEDERER: Thank you very much for the opportunity. As you know, County Special Services School Districts throughout the State service all of the counties and basically focus on the most severely disabled youngsters in public sector education.

Rather than reading to you the background that you already have in front of you, the critical point of the recommendations that we're making:

1) As has been said for regular sending school districts, County Special Services School Districts throughout the State also ask that the State retain pension and FICA responsibilities.

2) That categorical aid, specifically for special education continue to come off the top of State aid prior to any additional allocations.

3) Special education costs for all local and regional school districts in the State should be exempt from the cap.

4) Because of the need for 12-month programming and extended year services which are mandated, the allowable surplus should be higher so that cash flow problems will be avoided. At the present, that is not in the law and it's an additional burden to local school districts throughout the State.

5) The way the Quality Education Act was constructed, foundation aid was equalized for County Special Services School Districts. And our recommendation is that foundation aid for county entities should be prorated on the actual number of

students served from each sending district rather than based on county averages.

And last, our recommendation is that State aid be based on a formula for County Special Services School Districts similar to the way it was pre QEA. If it continues as is, what we will end up doing is passing on such tuition costs that property taxes can only go up. When we did an analysis across the State, it was our recommendation to increase the factor for County Special Services Schools Districts up to 1.7.

I can answer any questions you have on this, sir.

SENATOR EWING: Thank you, Dr. Lederer.

Ruth Schumacher, Bridgeton Public Schools. (no response) Rebecca Guest, Bridgeton Public Schools. (no response) John Deibert, Lebanon Township School District. (no response) Bruce Ransom, New Jersey Public Policy Research Institute. (no response) Michael Ash, Trenton Office of Public Studies. (no response) Dr. Ray Dawson, New Jersey Alliance of Educators. (no response) Dr. Jack DeTalvo, Perth Amboy Board of Education. (no response) Meredith Brady, Plainfield Board of Education. (no response) Gil Gladden, Plainfield School District citizen. (no response) Arthur Smith, Camden Board of Education from Haddon Heights. (no response) Shirleen Worthy, National Political Congress of Black Women. (no response) Kathleen Kwolowski, Plainfield Board of Education. (no response) Sheila Thorpe, Plainfield Board of Education. (no response) Guy Ersk, Superintendent of Haddonfield Board of Education. (no response) Kathy Howack, PTA and Board of Education. (no response) Eugene Campbell, Newark Board. (no response) Ms. Ruth Wise, Plainfield School District. (no response) Thomas Ryan and Gerald Theers, ESAH. (no response) Carrie Daniels, Plainfield Board of Education. (no response)

I would just like to remind those in the audience if anybody wants to testify we'd appreciate you coming up.

There's a pad over there to the right. Just sign your name, and we'll pick it up and then call on you.

The first is Stew Hartman, a citizen from Wildwood.

S T E W A R T J. H A R T M A N: My name is Stewart Hartman. I represent the Wildwood Education Association for the Wildwood Public Schools. You have heard from our Superintendent and I'd like to represent the professional staff in reiterating the problem we have at Wildwood. Wildwood School District is a foundation aid district which has lost all of its foundation aid for this year and has lost much of it from last year.

Because of a statistical anomaly -- Wildwood, a tourist community; tourism being the second largest industry in the State -- the State formula for figuring out QEA foundation aid has cost us all of our foundation aid because we appear to be a wealthy district, when, in fact, we are an urban district with many problems of other urban areas. Much of our wealth is involved in the tourism industry, and those entrepreneurs and tourists leave us in the wintertime, and we are left with a poor community of people that are deeply in need. Approximately half of our students are from minority families and non English speaking families and are the beneficiaries of AFDC aid, are in Section 8 and public housing domiciles.

The anomaly which affected us is similar to the one that states that Wildwood City is the second in the State in crime rate. That is, we have twice the crime rate of Newark, Camden, and Paramus, and three times that of the Oranges, Secaucus, Trenton, and Elizabeth. When people look at that they say, "Oh, of course that's not-- That's a statistical anomaly because you take the number of crimes that occur in the summer and divide it by the number of citizens that live in Wildwood in the winter." Well, that's exactly the same way the QEA figures out our funding. They take the property value and the amount of materials needed to support the summer population

of 300,000 and then we turn into a city of 3000 with only 737 students in our district.

We have a very small budget, and we lost over \$600,000 of our foundation aid which has a tremendous impact on our district. We have lost in the last two years, 15 percent of our professional staff to layoffs, and we have also lost programs. We're in a nearly turn of the century building, and we are in a town that has declining business rates, and are very much affected by the social ills of other urban centers. We are probably a district that should have benefited from the discretionary aid funds that were available. And even though our neighboring districts are listed as foundation aid districts and appear to be even less well off than we are-- We have, for instance, Upper Township near us which has no local purpose tax, no local police, no paid firemen, but receives nearly \$6 million in foundation aid. It is actually a wealthy, sprawling, suburban community and we are the ones, we believe, who should have benefited from the foundation aid. As matter of fact, we probably would have been better off if we had been a transition aid district.

I thank you very much for your time and your interest. We will be in contact with you. With our many problems, it does not look good for the next year. We hope that when the QEA is rewritten that you will keep us in mind for any possible discretionary aid or any changes.

I'm going to begin my long trip down to Cape May County now.

SENATOR EWING: Mr. Hartman, thank you very much for coming all the way up here. Couldn't you make Cherry Hill, or didn't you know about it?

MR. HARTMAN: I actually made Cherry Hill, but there was a time limit on the amount of time we were allowed to speak and our Superintendent spoke and took up the entire time limit; it was only five minutes at that point. We were well into the

hearing at that time so I did not get a chance to speak, but this is some indication of how important that we feel it is. We are in dire straits down there, and we appreciate this time.

SENATOR EWING: You certainly must be from what you say. Why doesn't the adjoining municipality have any local tax rate?

MR. HARTMAN: They have the electric company in their district--

SENATOR EWING: Oh, okay.

MR. HARTMAN: --and they receive huge windfalls of taxes from them. And what happens is, as in many other districts, if they lose any income the local municipality rather than start a local purpose tax, will cut the school aid and make the schools raise the school tax to people so the township officials can say, "See, we have no local purpose tax," but the school tax goes up. But we are-- It looks like our city and our county looks like East and West Berlin must have looked like in the old days. It's appalling. Thanks very much for your time.

SENATOR EWING: Thank you very much.

Angel Mossucco, Urban and Suburban Equality Education Committee.

A N G E L M O S S U C C O: Hello. I'll repeat, my name is Angel Mossucco. I'm from the Urban and Suburban Equal Education Committee. We are in full support of Abbott v. Burke which recognized what most parents in urban districts have known throughout the time that they were in school and throughout the time that their children were in school, that the education funding system in New Jersey is unconstitutional. And we believe that it remains such with the QEA, too. Therefore, we're in favor of new legislation that addresses all the problems that were recognized by the Supreme Court of New Jersey in its 600-page decision.

It was mentioned here, earlier today, that we shouldn't throw money at children in order to solve their problems. In this I have to fully disagree. Money is what is necessary. It's a grave and costly fallacy to believe or to promote the idea that money is not necessary to get an education for our children. When money is given to wealthy districts it is considered "allocated," yet many times when money is given to working class or middle-class districts, it is considered thrown at them. This is a political term and we have to oppose this.

I work with parents in East Orange and Newark, as well as South Orange and Maplewood. Our last Urban and Suburban Committee meeting was held at West Side High School in Newark. The science lab was archaic. I was shocked. There is absolutely no equipment that these students can learn anything on.

I read recently "Savage Inequalities" by Jonathan Kozol, who's an education activist, teacher, and an author. He explained that in Camden, plastic cocktail glasses are used in place of petri dishes because of lack of funding. And when the children are asked to do their lessons, and they report that the water is splashing, that's exactly what is happening because they do not have the proper equipment to conduct the experiments and therefore, to learn anything from them.

As far as I can see, the education system in New Jersey remains a class system, where children of wealthy parents are able to get the best education and directly proportionate to their wealth is the type of education you get. If your parents happen to not live in an area where the property taxes can afford a great education, then, well, you won't get one. Many people are graduating high school not knowing how to read.

What we're saying is that the legislation has to be passed that directly addresses all the problems that Supreme

Court recognized in Abbott v. Burke. What we're saying is that funding cannot be based on property taxes any longer. Funding has to be based on need, and as has been stated here earlier, correctly, the need is greater for those people with the least wealth, and that's how the education system needs to be funded.

SENATOR EWING: Thank you, Angel. (applause and loud disturbance in audience) We'll have no demonstrations. Everybody's got their own feelings and it's very good to express them. This is what we have these hearings for, so in turn we can take them back to the other legislators when we're drafting it.

Angel simply did a very impassioned plea and a lot of what she says is very, very correct. There's no correction of that whatsoever.

Edward Aldisi, a citizen from Wyckoff, New Jersey. (no response) Didisi Senaca, National Black Independent Party. (no response) James White, County President of Teaneck High School PTSA. President White. (laughter)

J A M E S W H I T E: Good afternoon. I'm sorry my writing is almost as good as a doctor's. In fact, I'm a lawyer and congregational leader, so I have no excuse.

SENATOR EWING: Will you just speak into the microphone your name and title.

MR. WHITE: Yes. I'm James White and I am next year's co-President of the PTSA of Teaneck High School. I state at this point that I speak simply as a citizen and a parent rather than on behalf of our PTSA, although we are definitely involved in considering each of the issues that I will raise, and may at some later date, as an organization, submit a statement.

Many have spoken very well in terms of overall funding facts. I would ask that each of you consider making a number of visits to a number of our schools over the next period of time. I'm also an active member and co-founder of the Equal Education group; the Committee that's talking to you tonight,

Urban and Suburban parents. And I've been privileged because of that to spend some time at West Side and East Side High Schools in Newark, and Columbia High School in Maplewood, and, of course, in Teaneck High School. If you came to visit Teaneck High School, you would find, as you'd find in each of these other places, wonderful things going on because of truly dedicated teachers, some very gutsy students, and, I might add, a number of parents, who are working around the clock to try and develop mass support for effective education.

But in Teaneck High School, if you enter from the right-hand side you will find crumbling masonry. My mother-in-law almost tripped, very dangerously, when she came to school to see my son perform this fall. You would find the area where girls have to dress for their basketball team is almost inoperable. You would find an excellent track team which has no track to run on. They have to go to neighboring districts because the track is so substandard.

And then this past spring, due to a number of cuts -- the cap due to a lessening of State funding -- we had to subtract \$2 million from our education budget. And that played out in some rather disastrous ways. What troubled me most was the program to tutor and teach children who could not graduate this June. It had to be dropped in our Township, and people had to take their children elsewhere, perhaps to areas they don't feel are hospitable to young people who have failed to get the credits necessary to graduate.

We will probably lose one of our nursing positions which to my mind is a disastrous blow. Latin for the middle school is being cut out. One creative writing class is being cut. Little by little, what people have fought so valiantly to achieve in a multiracial community like Teaneck, is being undermined.

But that sort of situation is nothing as what you find, as one of the previous speakers said, in those cities

where the "savage inequalities" are paying and where education has been decimated for two or three generations. To my mind, the unequal funding of urban versus suburban education is perhaps the chief way that institutional racism manifests itself in a deadly, pernicious form.

So I make an impassioned plea that you in Trenton exert leadership to back the philosophy of the Abbott v. Burke decision, an historic decision and a decision that I would submit is 20 to 25 years too late. It should have occurred right along with Brown Against Board of Education, which set a vision for us back in the mid-fifties of a genuinely integrated, excellent education system for all of our children, for all of the country. As you well know that has not happened and it is way over date that we do what we can to correct that.

Our committee, and it was partly founded by the congregation I lead -- the Essex Society for Ethical Culture -- has that as its vision to bring together parents, students, community people from each and every suburb, along with parents, teachers, and community people from Paterson, from Newark, from Camden, from Jersey City. Because there are gems in these communities; people struggling for education. And we have to learn that we only can support each other to accomplish this.

Finally, I'd urge that we set our sights beyond New Jersey. Clearly we cannot accomplish everything we need just by State funding. I would submit that the national push towards privatization -- toward voucher systems -- is a deadly attack on public education. I think that it's elitist. I think it is racist in an institutional fashion, and I would urge that you take up the leadership against that, and in part that you endorse all efforts to make national candidates accountable for education funding. My own feeling is that the massive military budget being dismantled piecemeal, and too

slowly now, has to be applied to human needs like education, like jobs.

I would urge you to join with our committee for equal education as we demonstrate at the convention in Manhattan this coming July, demanding that Federal funds for adequate education, for jobs for each of our graduates, for effective job training for each of the students in schools be not just lip service, be not just a platform, but be a fighting commitment for anyone who goes into national battle for the presidency this fall. Thank you.

SENATOR EWING: Thank you Mr. White.

Eugene Campbell, citizen. (no response) Houston Stevens, Newark PTSO.

H O U S T O N S T E V E N S: Thank you very much, Senator. My name is Houston Stevens. I live at 209 Ivy Street in Newark. My children go to school in Newark -- Newark Public Schools, and I happen to be a founding father of the Urban and Suburban Equal Education Committee.

I'm new to New Jersey. I just moved here four years ago this summer, in August. And I guess that shortly after moving here I read in the paper some of the reports on the Abbott v. Burke controversy and the litigation that was underway. When I read the decision that was reported in the newspaper, I was shocked. This is too good to be true. This historical period, you know-- We've got judges making these kinds of decisions calling for equality -- actually equality in distribution of funding, and they're mandating that a Legislature would, in fact, do what everyone knows is right.

This is my second hearing that I've attended. The first hearing I attended I just observed what people were saying at the Union County hearing and I was very pleasantly surprised because everyone that stood up and spoke -- and there was not a black person in the audience besides myself -- but all of these officials and so on, even from your town,

Bernardsville, the representatives from Bernardsville, not a soul stood up in opposition to the principle of Abbott v. Burke. Not a soul -- and I've listened to people in this hearing-- Not a soul has stood up in opposition to the principle of Abbott v. Burke. I think that's very significant.

When these hearings were first announced -- and I have a little bit of political savvy, maybe not a lot, but a little bit -- "Uh, oh," I said, "These guys are going to go around the State, and they're going to try to mobilize opposition." You know, I'm just telling you. This is my cynicism. Oh, I don't expect you to hear me out at this point, but I want to tell you, I didn't expect much. I really didn't. I didn't expect anything-- I expected to, when I come to one of these hearings, to hear a lot of disguised, really, in the final analysis, racist opinions being expressed about the whole question of equal funding for education. As I said, I've been very pleasantly surprised.

I know that it is, in fact, the case that the majority of people in the United States of America would like to see equality. I am a union organizer myself, and I've worked with workers in all kinds of classifications. I've worked with people who work with their hands, laborers, construction laborers, Italians, Poles, Irish, and you know, it's a funny thing. When you scratch a worker-- Actually, I found -- I know you may find this to be somewhat strange -- but the reality is, on the basis of my experience, when you scratch a worker you actually get someone who favors equality. It's only when we start moving up in the ranks that you find people that are actually opposed to equality and the principles of equality.

Now under the guise of trying to revise QEA, as far as I can tell, the reality is that what I can expect to see coming out at the Legislature is going to be an attempt to reverse this decision of Abbott v. Burke, to undermine it, to frustrate it, to stall it. You and I have been around long enough. We know. We've seen this. We've lived this history.

At the last hearing that I attended in Union County, you talked about there was going to be a riot of the taxpayers. I think you're really quite mistaken, Senator. The riot that you're going to see -- that we're going to see -- is coming not from "the taxpayers in the suburbs," the riots we've already seen are out in Los Angeles. They're in other places around the country, and it is based upon years and years of neglect.

The schools, all of the schools for all of our children have been under assault since 1975: cutback after cutback after cutback. Education is just one of the social services that they render. This, despite the fact, that really, education is absolutely essential to an informed and prosperous, efficient, effective citizenry. It seems that we want to maintain this hierarchical system. We want to maintain privilege. We want to maintain class inequalities. We want to maintain racial inequalities. But America, our nation, is falling behind in its competition with all these other countries around the world. And we're going to continue to fall behind so long as these misguided attempts to divide us, these misguided attempts to hold down a section of our population, because that, in effect, is what it amounts to-- The court decision says we are determining holding back these children. That's what the court says. And the court says, and what we say, is not only do we want to stop holding back these children, but, in fact, there is a crying need for an excellent education for us all.

I have a statement here that we developed. I know I'm speaking somewhat extemporaneously, but I do want to read it so that it's in the record. The primary reason that we came together is to unite parents and educators, both urban and suburban, so that we could advocate for an equal and excellent education for all children; that we want leveling up, not leveling down; that the court decision mandates leveling up;

that contrary to what was said at the Union County hearing -- Marilyn Morheuser, all of her arguments has been aimed at leveling up. All of her proposals have been aimed at leveling up. And that's what we're all about because we recognize that we'll all be better off if we level up instead of leveling down. So no one is in favor of leveling down.

And we don't want to hear too much about the straw man that's being put out here. We do know there are some problems with QEA in terms of the caps and so on, and they need to be addressed. They need to be addressed objectively. They need to be addressed with the objective of trying to ensure that all of the children, from Bernardsville to Newark, that all the children in the State of New Jersey receive an equal and excellent education.

Let me read my statement here: "We are a group of urban and suburban parents, educators and other concerned citizens who believe that best interests of Newark coincide with the best interests of its children. I'm sorry. The best interests of New Jersey coincide with the best interest of its children. We believe that our community is greater than the little towns, villages, cities, and school districts in which we have been divided, and we're committed to overcoming these divisions. We further believe that until all our children are given equal opportunity for truly excellent education, our whole State will be in endangered by the twin evils of crushing poverty and separation by race and class. We're not saying anything here that is not common knowledge."

"For these reasons we welcome the Abbott v. Burke decision of the New Jersey State Supreme Court. We support increased funding for the 30 special needs districts that will enable them to catch up with the I and J districts. I think Bernardsville is an I and J district? It will enable them to catch up with I and J districts after decades of operating with insufficient funds. We'd like to see all the children be able

to receive that kind of education. We think that's the standard. It's an excellent standard. We believe it is essential to bring the children of these areas to a level of education that will allow them to compete equally in our present economic circumstances. I guess that's close to the core of the problem. We don't want to have equality and opportunity to compete because, you know-- The fact is we live in a hierarchical society. We go one step further and say that it is essential for all children, suburban, rural, and urban, to benefit from increased funding that will enable them to have the best possible education."

"That's right. We want more for everybody. We deserve more. Let's give it to ourselves."

"We reject any proposal that would take funding away from any school budget. We therefore support those provisions of the Quality Education Act that furthers the goal of equal and excellent education for all children. We reject those parts that would limit any child's access to an excellent education."

"Since the law of New Jersey requires the State to provide a thorough and efficient education regardless of where the parents live, we believe that the State should undertake the full responsibility of paying for the education of its children. If we are to avoid the anger and destruction borne of unequal treatment based on race and social class that led to the recent events in Los Angeles, if we are to avoid the continued decline in the standard of living and quality of life of an increasing share of Jerseyans who must work for a living, New Jersey must fund equal and excellent education for all of our children and we must do it now."

I would like to invite those of you in the audience who may be able to do so, to a meeting that we're going to have at the Urban and Suburban Equal Education Committee. That's Saturday, June 27 at the Ethical Cultural Society in Essex County. That's at 516 Prospect Street in Maplewood.

Finally, Senator, I want to thank you for giving me the opportunity to say a few words here. I'd like you to know that we are working very seriously and vigorously at overcoming the divisions that are created between urban and suburban, black and white. I know from my experience in the military -- seven years in the Army is so long -- and working out in this world for the last 30 years that basically that's what's needed and that's what's wanted in this country, but that the racial divisions and the class divisions are promoted; they're organized; they're created; they're generated; they're maintained; they are sustained. As Lerone Bennett pointed out in 1972 in a very important article in "Ebony" magazine, and in that article he pointed out how it took 100 years for the landlords, the rich merchants, the minions of the King of England, and so on -- it took 100 years for them to build the divisions of color in the United States of America. They did it through the Legislature, they did it through the pulpit, they did it in the press, and that's how they did it. It took 100 years to create the concept and create the division between indentured servants who were white and create that special class, those chattel slaves who were permanently enslaved. It took 100 years because before that happened, these people were all together, the Indians, the Africans, and the European indentured servants.

I want to thank you for giving me an opportunity to come before you and to say it took you 100 years to build the divisions. It may take us 100 years to overcome those divisions, but we will overcome those divisions. We are definitely going to do that. Thank you very much.

SENATOR EWING: Thank you, Mr. Stevens. You say you don't know much about politics, but I think you'd make really an excellent one in a few more years.

Gene Campbell came in. Gene, we called you earlier, but we'll let you come take your place now. Nice to see you again.

E U G E N E C A M P B E L L: Thank you, Senator. It's a pleasure to address this august body. When we were in Cherry Hill, I did not have an opportunity to read into the record testimony that I prepared, and I'd like to have that opportunity at this moment, sir, with your indulgence.

The Quality Education Act in its original concept was to offer school districts opportunities to provide their students with resources and programs that would be available in any district throughout the State. These resources and programs would no longer be dependent on the property tax base of the local municipality. Instead, the State would assume its rightful role in seeing that all students have equal opportunities throughout the State of New Jersey. It also attempted to supplement the advantages that many of the students of this State are blessed with, but not all. This is a noble and just cause recognizing that certain school districts must provide their students with specialized programs. It gives urban and rural districts a chance to have programs that would offset the certain advantages that students in other communities have -- to level the playing field.

In the Newark School District, we provide over 60,000 meals every school day for our students. In one of our schools, we have a classroom set aside for clothing and canned goods that people in that community need for survival. We have a school that services a vast homeless population within the city. We have a school for dropout students who drop back in to receive a high school diploma. We have after school tutorial programs at 50 schools throughout the city. We have specialized schools to service the needs of our physically and mentally challenged students. We have all day kindergartens and prekindergarten programs in many of our schools. We even have day-care centers in two of our high schools for those students who have children.

All of the things that I've mentioned to you are valuable. Needed programs are giving our students many opportunities that never existed before, and yet, it is still not enough.

I am a Newark resident, born and raised in that great city. But I must be honest with you: The quality of life that exists in the suburbs gives their students so many advantages that in spite of all the programs available in Newark, we have only scratched the surface in leveling the playing field.

The issues we face in urban education are not Republican or Democrat issues. They are governmental issues which strike at the heart of the concept of governments. Placing partisan politics aside, government must be fair, equitable, and just. We seek no more than that.

I defy any of you to drive through the streets of Newark or Camden, and then drive through Summit or Saddle River and tell me that all students start on the same level. It is difficult to measure the quality of life issue, but I can tell you that the current funding law does not come close to leveling the playing field. It's always been easier to blame school officials than to look into the real causes of the problems in the cities of this nation.

Here, in Newark, we're trying to address these problems. We have many pockets of success that we might rave about: The Harriet Tubman School that is nationally recognized; Science High School which fields one of the finest debate teams in the country -- the only public high school debate program in the top 25 nationally that is made up of totally minority students; the East Side High School ESOP program -- East Side Opportunity Program. The program runs an expanded school day for 400 students all four years. This allows the students to take more advanced academic courses, and graduates of this program have gone on to schools like Harvard and Cornell.

The original Quality Education Act brought hope of expanding many of these programs into other schools. This was not an inexpensive proposition. In Newark you're dealing with approximately 50,000 students. To replicate these programs would take time and money. Unfortunately, we were given neither. Every day I read somewhere about the massive amount of money that was pumped into the special needs districts. This just isn't correct. Many of us have had the opinion that we would have been better off being fully funded under the former funding law. This occurred only once during the last 15 years.

It still amazes me to this day that people think that 50,000 students in the City of Newark are not worth the price of one B-2 Bomber with no bomb and no spare parts. Urban school districts are not throwing away money on useless programs. We tried to spread limited funds around to keep all the needed programs alive. These programs are crucial to the educational foundation of our students. There has to be a realization that all children throughout this State need the best education possible. Citizens of this State have a responsibility to support public education because a vast majority of young people will be educated in public schools. We can no longer afford to educate half and ignore the other half because they live in another community or have a different complexion.

Quality education should be what its name implies. If quality education can happen faster by regionalizing, then by all means, explore that possibility. It would be an interesting learning experience for people to have their eyes opened to the problems that students come to school with in urban communities. If there's another answer, then go and explore in that particular direction.

I watched a horror movie on television recently. It was a movie that took place in Los Angeles in the year 1992.

You'll not hear me defend any violent behavior that took place. Violence is never an answer. There were billions of dollars of damage to that great city. I just wish they had spent that money sooner by providing quality education and employment opportunities for their people rather than spending it now to rebuild a burnt down community.

I was in Newark in 1967, and made the mistake of going on Springfield Avenue when things were burning there. I hope I never, never witness that again.

Please, let's learn a lesson from others this time, particularly in New Jersey, the most racially isolated State in the nation. We have to refocus our educational priorities. We must level the playing field and stop pointing fingers to look for someone to blame. It didn't work in Los Angeles, and it's not going to work in New Jersey. Our students deserve the best education available, and it's imperative that we provide it immediately. Thank you very much.

SENATOR EWING: Thank you, Gene, very much.

Ray Dawson, Camden school district. (no response)
Mrs. Ernestine Harris, Parent Group Executive, County. (no response)
Dr. Patricia Kenschaft, Montclair State, Department of Math.

P A T R I C I A K E N S C H A F T, Ph.D.: Thank you. For those of you in the Legislature, you've corresponded with me most recently as a representative of the AAUP, where I'm immediate Past President and now Legislative Chair, and in that capacity I have been supporting full funding for higher education.

Today I want to speak about the importance of equal opportunity. I am very pleased with what my recent predecessors have said at the microphone, and will try to go off in a slightly different tack.

In the mid 1980s I was given a release time at Montclair State to interview black mathematicians of New

Jersey. I received responses from 75 black mathematicians of New Jersey; 49 on the telephone and the others in writing. Along with other questions, I asked what could be done to bring more blacks into mathematics? The number two answer was one I might have planted; it was role models. And there are many good black mathematicians in New Jersey -- as invisible as all mathematicians are.

However, their number one answer was overwhelming and a total surprise to me. It was: Give all American children a better opportunity to learn mathematics in the public schools. The way it is now, if you don't learn mathematics at home, you don't learn it at all. And therefore, any ethnic group that is underrepresented in mathematics will remain so until we drastically change our mathematical offerings in the public schools.

It was then my pleasure and opportunity to find opportunities to work with elementary school teachers. Elementary school teachers are terribly eager to learn mathematics. Most of them have never had an opportunity. The first elementary school I went to, not a single teacher in this K-6 school knew how to find the area of a rectangle; the area of a rectangle. I have found no child in Newark, in third grade, who has the least bit of difficulty learning that concept when I'm teaching it, or when one of my proteges is teaching it. The area of a rectangle is a very important concept for third-graders to learn, and a couple of weeks ago I taught it to a kindergarten class with no problems.

We've got serious problems. There are the buildings and many other things you've been talking about eloquently, but we need teacher help. I totally agree with Eugene Campbell that we must stop the scapegoating. It is not anyone's fault. It is our system. We have not provided mathematics education for elementary school teachers and it is coming out terribly for the children, especially in the QEA districts -- the most difficult districts.

Four years ago, I became a full professor, and my children graduated from college. And I was able to dump \$2000 of my own money along with a fair amount of my time into one public school in Newark. It has been amazing to watch not only the test scores jump in all fields -- because if you don't learn math, you don't learn the others -- but it is so wonderful to watch the teachers and children in that school enjoy mathematics and to explore patterns and the use of those patterns to solve problems.

I have two things I want to say specifically to you about this: one is bad, and one is good. The bad one is that the last time the QEA was funded it involved a lot of proposal writing for the mathematically-abled in the inner cities -- I mean the directors of mathematics. As Director of PRIMES, I am now working in urban and suburban districts. Having those few people who know mathematics write long proposals on how to do it, and then pull out the funding at the end is really destructive. It must not happen again.

The good news is that the teachers are truly eager to learn; eager to learn, willing to implement what is happening. I've been working, as I say, in a variety of different programs and I have here a newsletter and a parents' brochure and an article about my own work that I think would be interesting to you, that I can pass on. I hope you will try to focus some mass funding, if this is at all appropriate, specifically for helping teachers. There are many other worthy interests, but this one seems to be sliding through the cracks, and if we don't take some leadership from the top, our economy is in serious trouble and getting only worse. Thank you for your time.

SENATOR EWING: You should have been here earlier. Have you been through this special school they've got here, the vocational technical, the sci-tech school?

DR. KENSCHAFT: No, I haven't been to this particular one. Actually I've spent a lot of my time in Newark in the last years, but also several suburban schools, and it is horrifying the difference--

SENATOR EWING: Well, you ought to see what they're starting here in Bergen County. They're taking one or two students -- the top students from each high school, and the courses they're going to be put into starting in ninth grade-- And the equipment they have here is just unbelievable, in science and math. It's fascinating what they've been able to do with a lot of industrial help, as well as funding from the County. It's remarkable. Hopefully there will be more special units -- like this particular school is here -- throughout the State. I don't think every county could have one, but there ought to be more of what they're doing.

DR. KENSCHAFT: I just want to say that the majority of the children in the inner cities -- I've been working in Paterson and Passaic -- are in such need of things like scissors. The teachers bring up collections and bring in scissors. I mean we really--

SENATOR EWING: Oh, I know. We understand that.

DR. KENSCHAFT: And protracters and compasses-- I really want to see the money get down lower where it makes a huge difference to lots of children.

SENATOR EWING: Ernest Cole, Cerebral Palsy League of Union City.

E R N E S T C O L E: Union County.

SENATOR EWING: Union County, I'm sorry.

MR. COLE: My name is Ernest Cole. I'm the Executive Director of the Cerebral Palsy League of Union County. I also serve on the executive board for the Association of Schools and Agencies for the Handicapped. And, before I present what I was sent here to present, let me just reinforce what was just said.

I worked in an urban district; taught for four years. I worked at the New Jersey Department of Education from 1980 to 1984 as their Supervisor of Vocational Services for the Disadvantaged. In that capacity I worked with all the urban districts, and the main function was to attempt to develop good basic skills as well as vocational. The emphasis was on basic skills, and I can assure you that when those districts received the support from the State -- the technical assistance and minimal amount of funding -- great things happened. There are -- at least there were then, I'm not sure now -- a number of alternative schools throughout the State that were providing services for children that had dropped out of school -- young adults -- bringing them back into the system, not only giving them high school diplomas but having them go on to college as well. So I truly believe that it's not just money, but the technical assistance, the support of the professionals, and most of all, the grass-roots support for the children, and the teachers to get the job done.

Over the past six years, I've been working primarily with very severely handicapped children, physical disabilities, neurological disabilities, so tonight I'm dealing with an issue which may appear minor based on the presentations that have been given up to this point, but it is an issue of concern for us. Speaking on behalf of private schools for the handicapped, a change in QEA, based on this presentation, would not provide us with any additional funds. The issue we're addressing would assist the local districts from the funding point of view.

So on behalf of the Cerebral Palsy League of Union County and the Association of Schools and Agencies for the Handicapped, I'd like to address an issue related to the categorical cost factors of special education.

The Quality Education Act is intended to bring equality to the financing of the public education and thereby ensuring the provision of quality education to all students

enrolled in public schools. Speaking to the categorical factors used to determine the reimbursement for special education, we feel the intent of QEA has been violated.

The special education categorical factors can be separated into two groups: 1) Those that are based on special education classifications such as emotionally disturbed or multiply handicapped, and 2) those that are considered service providers such as County Special Services School Districts and Regional Day Schools. We would like to bring to your attention that a major service provider approved by the schools for the handicapped is not included in a special education category. Since there are 130 approved private schools for the handicapped in New Jersey serving approximately 10,000 children, we would suggest that this omission will have a negative financial impact on local districts. Approved private schools for the handicapped like County Special Services Districts and Regional Day Schools provide highly specialized programs and services not usually found in local schools, and are generally higher in operational costs than those programs that are offered in the local schools.

As you know, the cost factor for placement in programs operated by County Special Services School Districts and Regional Day Schools is generally higher than the special education classifications. For a local district to place a child in an approved private school, when they work out their reimbursement formula they use the special education category, such as emotionally disturbed or multiply handicapped, and that's what their reimbursement rate is based on. Hence, the absence of a categorical factor for approved private schools for the handicapped creates a powerful financial incentive for a local district to send a child to a County Special Services School District or a Regional Day School, even if the placement is not appropriate. And thank God not many districts are doing that.

We would rather see equity in reimbursement so that the appropriateness of the child's placement is a primary concern and not a budgetary concern. Therefore, we respectfully request that the Committee support the addition of approved private school for the handicapped to the list of the special education categories and that the cost factor be assigned to and equal to that for the County Special Services School Districts and Regional Day Schools. I believe right now it's 1.38.

I would like to thank you very much for affording me this opportunity today.

SENATOR EWING: Thank you, Mr. Cole.

Patricia Bradford, Newark Board of Education.

P A T R I C I A B R A D F O R D: Good evening, Senator Ewing. Unfortunately, this isn't my first time before your group in order to testify on behalf of the parents of the children in the City of Newark. But once I heard that you again were going to discuss QEA, I wanted to share with you some of the things that we have had to contend with during this controversy..

I am currently the President of the PTSA at West Side High School and Chestnut Street School. West Side High is what the other speakers from SEEC, the Urban Suburban Equal Education mentioned. We've become notorious, not in terms of violence or any type of acting out, but for the fact remains that I've been a parent at West Side High School since 1983. It is an atrocity what has happened in terms of education for our children. I had three children to graduate, none of which had much science. Much emphasis is placed on math, and indeed, we need people to be able to compete in science. However, that science lab-- We're not even going to discuss it. It's been all over the TV and everything because everyone is interested. They like to make a mockery of us, make us stand up and hold ourselves as we see the media roll in and show off all of the

things that we have to deal with on a daily basis; not educating our children.

Since you have made a determination in QEA and you sent us other dollars, our municipal council in its infinite wisdom finds out how they should remove dollars from us. Some of the programs that we found that were working, positive to help increase our children's attendance and continue their interest in education, even though they have had social problems being in these disadvantaged situations. Instead of our children having enrichment programs, they're having sex as recreation -- Chestnut Street School -- 30 to 40 percent of our students in 7th and 8th grade. I watched program modification happen, and it ripped all of the things out of our school, music, art. We almost don't even have a department anymore because we don't have bands anymore. We used to have lively marches down Broad Street, but our children don't have music anymore.

They're not prepared from elementary school because they're in basic skills. My children went through the basic skill center in Chapter I, and I realize how many things my children and I can do together, but I heard about Abbott v. Burke. I thought we were doing great trying to-- But I never realized until I took on the challenges of being parent leadership under Chapter I to go to the various places across the country and see how many things our children are in need of and what they truly lack.

Our teen pregnancy student program has been cut. Music and art, again, has been cut. Instead of our children functioning in driver's ed. they're doing doughnuts in our city streets, causing accidents. That doesn't mean that they don't want to live and don't want to drive, it's just that if they had to go and take the test, they're not going to pass it in many cases.

We've watched that our gifted and talented program-- I hear parents complaining that elementary students, you gave us QEA money, we were able to provide some transportation to get those kids from across the city. Now I hear G and T, they're taking away elementary buses so we won't have provisions for those young children who are indeed at the top of the list. We're going to just pull them right on back into the mainstream with the rest of us.

We've been inundated with what we've had to do with special ed. We've mainstreamed children, but we don't have resource teachers to take on that load. It has not reduced class sizes. We have 37-40 kids in a lot of classes. We're talking about the things that we've been set back about since QEA.

I don't want to touch on segregation or integration. I want to touch on the fact that we're all human beings, and we're entitled to a quality education so that we can end this welfare cycle for our children. We want to end the jails. I see how many of our people are in jails waiting on waiting lists to take on elementary-- They're sitting there and still don't get educated. And they are waiting, saying, "Can you give me some vocational training? Can you give me some--" But you know what they do? They do the time. And while we have the time, we're not educating them, and we bring them right back on the streets so then they give the rest of our children another type of education. We can't compete with that unless we have the dollars, equitable funding.

I'm here to appeal to you that whatever it is in there, suburban and urban, let's make it equal. Let's not take away their education. We know the top people-- I am admiring people who challenge and learn, but I also realize that they were given the opportunity to learn. And I've watched our children massively being passed through the system, and they're not given dollars.

Now I know we touch bases on the fact our Board is doing a lot of things. I've been watching up close. Those who have done something have been identified. And whenever anybody continues to sit down and talk all these things, I want you to understand that the only people you shame are the parents and the children who attend those buildings. Everybody else don't live here. They go everywhere else when they get off of work, and they don't live in our town.

So we have to deal with retraining. I realize the importance of retraining, and our Board of Education is mobilizing on that. From the top down, there is inservice training, and I am an example as a parent on what happens when a parent does get realistic training. And I'm not talking about trained how to go for the jugular vein of our elected officials. I believe in humility. I believe in respect and honor, and I honor you for the position you're in, to sit down and make decisions, fiduciary responsibility to us as people. We have a need. It's called quality education.

I have been a community activist over the years, and I've watched the deterioration of whatever we build up, surely enough, municipal councils, as well as State, flip-flop and turn over, and by the time we get finished we don't even have a parent resource center anymore. It was a plan we thought that we could implement along with additional dollars, a place where people could come together from all across the town and get computer literacy, combat it, have parents and students be able to read, and math, and learn not just the child learn, but adult education, so that the parent, too, may be able to learn and further themselves and go on for a GED or college education. These parents here, they value education. They came on a drop of a dime because I gave them four days notice. I said, "Please, let's come. Let's ask, and it shall be given unto us."

We expect quality education. We thank you for being the decision makers because we realize you have a very tough job. You have people pulling at you more than we have people in our local districts pulling at our leaders. However, all of that pulling doesn't have nothing to do with the value of significant education for people.

And, here today, we are asking that whatever these bills are -- because they're so thick and so long, a lot of our parents and people in the community are not literate enough to be able to comprehend all of those things in there-- However, whatever it is that you can give, now is the time. We have a need that has been expressed too long. I thank you for having let me have the opportunity to speak and I hope that I said some of the things that make you understand again, not just from all of these bureaucratic people because all the time I don't agree with Mr. Campbell. When he cut down that program for Chestnut Street School and our pregnant girls-- Well, then I was at his jugular vein. Still, with humility, still understanding the respect and understanding moreover than that, the task that he has when he has a budget and he has restraints-- I've watched that cap. I've looked at how when you put one there it makes our people in those districts scramble. Now they're looking for money which--

We were supposed to have a summer program. Every year we have to watch and make sure that a-- Pardon me, but I have a problem with it when you have 1200 students being remediated over the summer, and you have 22,000 classified as bas c skills. That, to me, is not equitable. That, to me, is deplorable. We will have all of those children out in the city streets with no programs for them and by the time they come back to school they won't retain how to spell "the" in too many cases. Now, I understand that type of situation because I was there.

I group up on Hillside Place in the City of Newark, and I went to education in Newark schools. When I came out of school and I worked for the Board. I went to the County and worked, and I realized just how deficient I was in my vocabulary. I realized how deficient I was in my skills, but I thought it was maybe just me and so long as I thought that way, I didn't do anything to improve my circumstances. But one day I came out and I got hooked on what education really means for our people and I don't mean our people saying, black or African American: our country, our cities. Our city is a mosaic of different types of people and we respect and love and endure every situation that we have to about education, but we also understand that all of our love, caring, and all of our skills and techniques will not do one bit of good without a dollar. We can't pay rent without a dollar. We can't buy groceries without a dollar, and we will never educate our children until the funds--

Now, I don't want to hear Ms. Morheuser anymore. I've served five years as the DAC chairwoman, and I heard the lady from the time her hair was black till now it's white. I feel that she's great to come out and keep us conscionable of what we're doing.

So I'm going to end my comments with that, and thank you for allowing me to speak. I'm hoping that I'll hear a boom come out there with quality education that urban and suburban people will be proud of. Thank you. (applause)

SENATOR EWING: Thank you, Ms. Bradford. I guess Newark is very fortunate to have people like you and Gene Campbell up there, working for all the children. And also, your children are very fortunate to have somebody such as yourself pushing behind them.

Grover Furr, Urban Suburban Committee for Equal Education. (negative response) Not here, okay. Mark Tucker, University High School PTSO President.

M A R K A. T U C K E R: Good evening, Senator. I haven't come here this evening really prepared to speak, just leaving a PTSO Teacher/Executive Board meeting, but I thought it was important for me to bring a message, not so much from parents, teachers, educators; I want to bring a message from the children of University High School.

Last year some time, I had an opportunity to sit in on a basketball meeting. The meeting was put into effect because our children were acting out at particular basketball games. They had an opportunity to go to one of the suburban games and they performed admirably, but their attitude was very poor. And afterward, our athletic director and the coach to rectify this situation, called a team meeting. I had an opportunity to be in the building on other business, and I happened to step into the gym. The kids were livid about their conditions. They asked the athletic director, "How can you expect us to be proud of our locker rooms, our gym, when we have to go to Verona, Montclair, all the suburban districts, and look at the type of facilities that they have. How can you expect us to be proud of our condition?" Well, you'll have to excuse me because I'm very emotional about this particular aspect.

When we subject our kids to these deplorable conditions, it makes us less than moral when they have to look at this total inequality in their education. It pulls on their self-respect to have to go out into the suburban communities and look at these fantastic facilities, and it makes them feel less than human. This is an immoral situation and has to be rectified.

On behalf of the kids, we formed a technology committee. Within this technology committee we had an opportunity to look at other suburban schools and compare them to urban schools. We went to Maplewood and South Orange districts and looked at Columbia High School. I an opportunity to go to Montclair High School. I also had the opportunity to

visit Central High School in Newark. Let me give you some of the things that I found and some of the observations that we made.

Upon entering Columbia High School we saw a multitude of computer labs, oh, I would say about three or four, maybe five or six computer labs. We saw the type of educating going on that was positive, inspirational. We saw teachers working overtime as far as the computer labs are concerned.

Let me tell you what I see at University -- one outdated computer lab -- very much outdated. The children have no inspiration to work on the equipment because there's no challenging effect. University happens to be one of three magna schools in the Newark School System. University is supposed to be "the cream of the crop." And yet as far as technology is concerned, we are way, way behind.

Believe me, our children see this. They tell us about these things. My daughter happens to be involved in computer science. She's also participating in different computer program functioning. She's going to Detroit to work on a computer program in a competition. She has the opportunity to see some of the things that the suburban schools have, and when she brings that information back to me, it makes you want to cry.

One of the observations I had was, I had the opportunity to look at Central High School. In Central High School, when I walked in I got the feeling I was walking into a penitentiary. The attitude of the kids was negative. The atmosphere was negative. I can only guess that the teaching in the classroom was negative. But, in Central they have a Panasonic Room; a room donated by Panasonic. And this room, upon going into this room the whole atmosphere changed. This room was a beautiful room that anybody could feel positive about themselves. The children were sitting at the modules working hard, dressed very nice. And even when a group of

parents were there, they did not stop working -- it was about business. The point I'm getting across is: I went through the penitentiary and stepped into hope. And that hope was dollars; dollars donated to Central High School in a grant from Panasonic. That particular room was hope that the rest of the school someday might look like that Panasonic Room. Along with the fact that the penitentiary atmosphere outside of that room the children were in chaos, once they walked into this positive atmosphere their attitudes changed also.

So what I'm saying to you is dollars aren't the total answer, but it's a start. It gives us an opportunity to show our kids that they're more than just meat on the street. It gives us the opportunity to show them that we care. So, firsthand knowledge, it makes a difference to atmosphere. The attitude of the children will change once you show that you care. Thank you.

SENATOR EWING: Thank you very much. It's so true.

Ann Prewett, Past President of the Board of Education, Middletown Township, Monmouth County.

A N N P R E W E T T: Thank you, Senator Ewing. This is the second hearing that I have been to, and I have been hearing a lot of testimony being given to the Committee from the urban districts. I come from a middle-class district. Middletown Township is about 70,000 people. We have about 10,000 students with 17 schools.

SENATOR EWING: Speak up a little bit.

MS. PREWETT: Oh, I'm sorry. We have about 10,000 students in our school system. I agree with everything that you've heard here on behalf of the urban districts, but I ask you to also be concerned with that middle-class district; that suburban district.

Let me give you an example of the constraints that the State put upon a middle-class district. This past year under the QEA, we received notification a week before Christmas that

we were going to lose \$7 million of our aid, which was about 10 percent of our budget. Our township at that particular time went into a lot of hearings around our community trying to figure out how we, as a community, wanted to deal with this, and as you can imagine, the frustration that it caused within the community, the dissension. We did get our aid restored but that dissension stayed. The budget in our community was not passed. We were one of the 25 percent across the State of New Jersey that did not pass it, and I think some of that goes back to the fact of the frustration of our taxpayers and our communities of not really having the knowledge of what the funding for our schools were going to be.

As you look at QEA, I ask that you keep a consistent knowledge of funding for all districts there, and to have adequate time and adequate planning that your districts can do when they receive that knowledge. Because the damage that it can do within a community I think is something that can hinder far beyond the effect of just the loss of the dollars.

I ask you also to think about that middle-class district there; that if you're going to be reducing funding anywhere -- I think most of your middle-class districts realize they're not going to be getting a lot of additional money in the future because there are so many needs across the State -- but I ask you to not create another plaintive class there, another shell of education in that. So consider your funding very carefully for them.

If they're not going to be getting more money -- these middle-class districts -- I ask that maybe you take some of the constraints off of them for other things. A lot of the negotiations that you are doing with your different unions-- Within the last four months I sat down with two different unions within our district, and we went to PERC to have a mediator come in. We were trying to address our insurance at that point. Both of the mediators from PERC told us that they

would not touch it with a ten-foot pole; that to put that in their report was going to be too large of a step for them to consider. If local taxpayers are going to have to take on more of the burden then at least release some of the constraints that are upon them in the bargaining unit.

You have a difficult task ahead of you. I thank you very much for all the consideration that you've given. Thank you.

SENATOR EWING: Thank you very much.

Edward Vanderbeck, Oakland Board of Education.

E D W A R D V A N D E R B E C K: Yes, I'm Ed Vanderbeck. I'm the Vice President of the Oakland Board of Education. I want to address the allocation of QEA funds, but before I do, I'd like to comment on the various people who spoke from Newark.

I worked in Newark for 27 years. I've seen much of it and I hear the problems that they talk about. And you've got to really feel that the money in Newark does not get down to the children. Because part of my remarks-- My research shows that the City of Newark spends more than 80 percent of the rest of the State per pupil, and it very obviously doesn't get down to where the kids need it. I don't know what the problem is, but certainly the people who have spoken here have got to be the hope for these kids, because there's a lot of money that gets into Newark from whatever resource.

Now if I may, I'll go back to my original remarks. The gentleman from Wildwood who spoke about his adjacent town getting QEA funding because they had a generator station: This is not recognized in QEA that there are other funds available. There's a town down in South Jersey -- Lower Alloways Creek -- they have no municipal tax rate, they have no school tax rate, and last year you gave them another half million dollars in aid. There's something wrong with it. What we do have -- gross receipts and franchise taxes throughout this State. There's almost a billion dollars paid out in this State. It's

not part of your formula for distributing your aid. You have other miscellaneous revenues -- payments in lieu of taxes -- not recognized in your formula. The various port authorities, Newark being one of-- Newark Airport-- Many, many funds get into Newark, not part of your allocation of aid formulas. There's almost another billion dollars in miscellaneous revenues. Now we're talking almost two billion bucks.

I'm not here to talk about the Borough of Oakland or the Board of Education and how it is hurt. We're hurting. We've lost State aid. But I think if QEA recognizes some of its deficiencies, the problem we have is pretty much going to disappear and it's recognizing all forms of income to the various communities. There are 150 communities, board of eds in this State that get more than 25 percent of their revenue from miscellaneous revenues. It's not part of your formula. So you have communities that are getting aid maybe shouldn't have quite as much as they do, and if they don't need it, there will be more for those communities that do.

The other thing I want to mention, the whole QEA formula works around a single dollars per pupil. That's like saying that the cost of living throughout the entire State of New Jersey is equal. I think all of you know that that is not true. There are many, many areas where the costs are much higher, where many of the costs are much lower. You have formulas that recognize it. Auto insurance has always been a regional cost recognition. You passed some legislation not long ago--

Even the legal towing fees that can be charged recognize regional differences. The Federal government in how they salary their people recognize regional differences, but you work with a single figure: to some it is probably more than enough for what their cost of living is, for others of us where we live in high cost areas -- we also maybe have some high wealth -- but they're extremely high cost areas-- The town of

Oakland in Bergen County is probably in the lower quarter, yet we spend almost -- probably more -- than almost any other community. We're dedicated to education. We've always done it and now we're hurt because the formulas that recognize some of the resources throughout the State, the differences in cost of living, the differences in miscellaneous revenues comes to hurt us.

I mentioned the town of Newark as having more dollars per pupil than over 80 percent of the rest of the State. In this most recent advertised City of Newark budget, about 85 percent of the money was other than tax revenue money. In the town of Oakland, there's 11 percent that is other. There's a big difference, and all I'm saying is I think there should be some recognition of all forms of revenue.

And if I may, I have another piece on here. I'm going to leave you with the paper. I think it gets too far afield, but it does deal with the equitability of the income tax. This is part of your funding and I don't think it belongs here now, but it's part of my paper which I presented to other legislative groups. But I do recognize the State Legislature has changed a number of faces this past year, so it might be something that many of you have not seen before. Thank you.

SENATOR EWING: Thank you, Mr. Vanderbeck. What is the tax rate in Oakland?

MR. VANDERBECK: I really don't know the tax rate specifically. I hear people talking about tax rate -- I think it was East Orange; their tax rate was about six times what ours is--

SENATOR EWING: No, no, I'm asking you about Oakland. You live in Oakland, don't you?

MR. VANDERBECK: Yeah. I don't know what the specific rate is.

SENATOR EWING: Because I think Newark -- and Gene can correct me -- is around \$10 or so?

MR. CAMPBELL: (speaking from audience) Twelve.

SENATOR EWING: Twelve plus?

MR. VANDERBECK: But you must recognize at what rate they assess people. The tax rate is not-- You would need to know the equalized tax rate, not the tax rate of the community. East Orange is about six times our tax rate and they assess at about one tenth of what we do in property value, so--

SENATOR EWING: Well, that's part of it, sure.

MR. VANDERBECK: There are things-- To give you a number does not put things into perspective.

SENATOR EWING: But the other thing you've got to remember is there's no question whatsoever, that certain of the special needs districts as they're so-called now -- and I think eventually some of them will be subtracted and taken off the list and others might be added -- they have problems that other people do not have. Gene Campbell spelled out some of those. I don't know. Do you have security guards in the playgrounds and the in the halls of the school in Oakland?

MR. VANDERBECK: No, we don't need them.

SENATOR EWING: No, we don't either in Bedminster, but that's an expense that they have in their educational system and we've got to take that into consideration. There are many factors like that that do not occur in--

MR. VANDERBECK: I understand, and I have trouble comprehending all of the factors. I know a lot of it is a municipal expenditure. I don't know how much is covered municipally, how much comes out of the board of ed budget. Are we spending half of their board of ed's budget for security, and the kids don't get the educational dollars? I recognize there's a real problem.

SENATOR EWING: That's it. We're going to be looking into that part of it to see what some of the problems do cost in the various so-called special needs districts and see what

can be done, because those sort of areas have to be taken care of.

MR. VANDERBECK: Because I think one of the comments was, money wasn't everything. And I'm saying they've been spending on a per pupil basis, recognizing what you're saying about problems, they have the money per pupil. How it's allocated, obviously, is a big source of the problem. Whether it's siphoned off for other purposes before it gets-- Or whether it's used for your special ed problems, your security problems, I really don't know. But certainly dollars per pupil, they have the dollars. But they have different problems; severely different problems. Thank you.

SENATOR EWING: Thank you very much.

Is there anybody in the audience that did not sign a sign-in slip but would like to talk? Yes, ma'am?

C L A I R E W A R R E N: (speaking from audience) My name is Claire Warren.

SENATOR EWING: Claire, why don't you come up to the microphone?

MR. CAMPBELL: (speaking from audience) While she's coming, Senator, just for clarification, our security bill is \$7 million. We spend over \$20 million to feed children in the City of Newark. That's \$27 million for just two programs.

SENATOR EWING: Gene, I've Judy here to write to the superintendents of the special needs districts to get some of these costs and what some of the programs they have that we do not see in other areas. And also to ask you, now you've got to write down so it will be simple--

MR. CAMPBELL: If we could deal with an equalized tax rate-- If you looked at our equalized tax rate and looked at Oakland's, I'm more than sure that when your tax rate goes up you spend a few pennies, we spend dollars. We can deal with that.

SENATOR EWING: Yes, will you give your name?



MS. WARREN: Hello, my name is Claire Warren. I'm a parent of four children. I live in the City of Newark. When you speak about education and what is happening to the children in the City of Newark, as a parent I'm not educated about what is happening, but that I know of myself. And I can speak for myself because my son is in special ed. He is classified neurologically impaired. I have my nephew I have temporary custody of him, and he was emotionally disturbed. He's also in a school in the City of Newark. After a few years he was declassified and mainstreamed to a regular classroom, but my son who is a neurologically impaired student in the City of Newark right now-- At first, as a working parent, you know, I had a child in the preschool and they motivated me and encouraged me to work with my children, and from working with the Newark preschool -- which is UCC -- and encouraging me, my daughter, who's 22 now, is a graduate from Fairleigh Dickinson University of Teaneck. (applause)

As a parent, and from husband and wife relationship-- My husband's a low-income worker. He's been working at (indiscernible) for 17 years. I worked at preschool for 8 years. I was injured, and because of my injury I'm only working part-time, but with grace and faith, and the way I was brought up, it kept me from being on welfare -- working. Because with my husband making a little money, I could have gotten on welfare but by them encouraging me to go to work I was able to go out there and work and build up my kids, that they would be productive citizens. But they are shortchanged in the school system. Because my daughter went to school for computer science. Once she got in Fairleigh Dickinson she said to me, "Mommy, the children were so much advanced of myself in computers, that I had to go to take--" She took a course and she is in business administration because she could have dealt with it. But what I'm dealing with now, she is from school and trying to find a job. It's hard and everything, but I'm trying to encourage her.

But I'm speaking about my son, Paul, and I have to go back to that because when I was working, I was able to pay a day-care \$65 a week for my child to go to school, and he stayed in school. They took him to kindergarten. And in kindergarten when he came back in the afternoon, because he was in a day-care center, they were able to help him. So that make him able to pass the kindergarten test to go on to first grade. But when he left that day-care and went to the first grade, they call me every day from school: "Ms. Warren, we are having a problem with Paul. He is not listening and he-- Something's wrong with him." Well I knew as he was growing up, because I was a very concerned parent, took my kids to the clinic, and they tested him and they told me something was wrong with him because his development wasn't up to the children his age. So I didn't pay it any mind because my husband said nothing is wrong with him. And I left it at that.

But when he got into first grade, he had problems because he was in a classroom with 30 kids, no extra help, and he could have been helped if he had a teacher's aide in the classroom; because he was helped in the day-care with a teacher's aide that enabled him to pass the test to go into the first grade. But what kept him back when he got into special ed, was they didn't have no extra help. They promised me that they were going to help my child, with nine children in the classroom. But what happened? They assign my child to a classroom. The teacher at that time was expelled -- for whatever reason -- my child was in the classroom, lost. As a parent I went there, and I said to them, "What's wrong? You all have sent my child to a Mr. William and he's no longer there."

He wasn't there the first day, and they put my child in a class. The teacher there was Ms. Simms. She was fine. They took him out of that environment which I was pleased of because it was conducive for learning, put him in an empty classroom. My child was fighting everyday. I call them up and

I said, "If you all do not take him out of that classroom--" I was going to call Trenton and let them know what was going on in the City of Newark with my child. I fought with them, but not being consistent -- because I got tired of fighting with them-- I could speak for Eugene Campbell, our Superintendent. Today I could proudly say when I go to the meeting, that he could speak to us as parents, whereas before, he wasn't able to do it. But I thank God, somehow, my faith now, in front of your face, I'm pleased that he is able to talk to us parents, because with communication we can get somewhere.

I'm saying that program that you all come up with, it's fine, but how about my child being lost eight years? My child is now 14 and I'm fighting hard that he can get some kind of trade that will help him, that he will be a citizen as his Mom and Dad working to make ends meet and don't have to depend on public assistance, because that's not the way we were brought up. We were brought up to make it the best way we can, anything that is honest. I'm living in public housing and I'm proud to live in public housing. And it helped me. And in my neighborhood my kids say, "Mommy, why you be cleaning the streets?" I said, "It represents that I live here, and we live in this community." And I'm proud to say that my children is no street kids. I do not have problems with them being street kids. I'm not educated as I ought to, but I'm in school. I'm enrolled at West Kenny Alternative High School. And I'm going and I'm going on. My vocabulary may not be as the other speakers here, but I'm proud as the parent of four that I'm standing in front of you all. Whatever you can do for our kids, the ones that are already hurt in the public school, do not put them in a regular classroom because they are lost if you put them in there. They will be lost. Help them. Get a special group of people that will enhance the kids.

Last year I could speak that I haven't been running in school all year because my child have been placed in the school

that they made -- it was all special ed -- but this year they made it a regular school, primary school that special ed and regular ed are together. And my child entered a Jeopardy contest with the regular eds and special ed, and he got fourth prize, and he is very proud being there. He entered another contest that is "Wizard of Education," and by their performance and the teacher working with them harder now, because Eugene Campbell recognized now that we as parents and staff, working together with our children, we can make something. The kids are doing beautifully. So whatever you all can do to take back to the State and let the State Legislature know, I'm a voting citizen and whatever you do for our kids is going to benefit them to be productive citizens in this land that we are living in. (applause)

SENATOR EWING: I think we all better stand up. (applause) We'll all clap for her.

Ms. Warren, you're excellent and your children are very, very fortunate to have a mother like you. We pray to God there could be more like you and your husband for all the families of these so-called special needs districts, for the interest that you've taken and you've seen what it takes and realize the opportunity can exist there. And we've got to do what we can.

This concludes the meeting. We expect to have some legislation later on this summer, and we expect to have some hearings on that legislation before it finally goes through, because the Republican Party feels very strongly that we want the input of people. This is the fourth public hearing we've had. The Assembly and Senate had seven meetings -- regional meetings -- with the superintendents, business administrators, and principals in seven different areas of the State -- three counties at a time -- about 25 or 30, getting those individuals' input to our groups. This is all being digested and being worked on. This information is extremely helpful and

I'm certainly not going to sit here and promise you anything at all. We all read in the papers the unfortunate financial circumstances of not only New Jersey but the nation is in, but we certainly feel and recognize that there are needs in areas, and it is our responsibility to make sure that the young people get an education. We've got to take into consideration, as I said earlier, that there are special problems that should not really take away from the educational part of the child.

But I want to be very frank, also. What we come out with is not going to be a panacea. Not everybody's going to be happy whatsoever. It's going to be extremely difficult, but all I can assure you is that we're going to do the very best we can on it. And also we hope to set up something that it will be stable on a basis, so it's not a constant up and down all the time in education which is so hard for the people in education to plan, not knowing this year what they're going to get next year, and things of that nature.

So we're going to do the best we can. We appreciate your taking the time to come up here to talk to us and give us your input. Thank you very much.

(MEETING CONCLUDED)



APPENDIX



REPORT TO THE JOINT SENATE AND ASSEMBLY COMMITTEE
ON
THE QUALITY EDUCATION ACT OF 1990

**Ramapo Indian Hills Regional
High School District**

**Represented by:
Irene K. Douma, Trustee and
Chair of Finance Committee**

**Margot Badenhausen, Trustee and
Chair of Committee on Policy and
Legislation**

**Contributions by:
David Rinderknecht, Secretary and
Business Administrator
Harry Stein, Curriculum Coordinator**

May 6, 1992

INTRODUCTION

Thank you for this opportunity to share our concerns with the existing provisions of the Quality of Education Act of 1990 (QEA). We are one of the Districts that has been classified as a Transition Aid District because of our "relatively high wealth". We are here to express our concern with specific provisions of the QEA because of the negative impact they will have on a "lighthouse" District.

Before dealing with specific provisions of the QEA, we wish to share the mission statement of the Ramapo Indian Hills Regional High School District.

to establish and maintain educational programs that support effective teaching and meaningful learning

to provide a caring and nurturing environment that encourages all students to achieve their maximum potential

to promote this mission efficiently within the resources available to the district

Accordingly, we wish to indicate for the record that we are not opposed to providing financial support to the 28 Special Needs Districts that were indicated in the Abbott v. Burke decision and the two additional districts that were added by the Legislature.

HASTE MAKES WASTE

On June 5, 1990, the New Jersey Supreme Court mandated several changes in the manner that public education would be funded. At the same time, the Court cautioned

the Legislature and gave them time (one year) to implement the necessary changes.

The Administration did not heed this advice and in less than one month passed the QEA without properly obtaining relevant data, analyzing this data, field testing and consulting educational experts. The result is legislation that is based on the assumption that more money means better education. Resources are essential to the providing of educational opportunities. However, the current system does not insure that all the funds are used for the education of children and does not provide a true system of accountability.

Since this time, much testimony has been given, much has been written and much has been said about the flaws of the QEA. It has been openly acknowledged that the QEA did not generate all the cures that were expected for public education. There have been piecemeal approaches toward providing additional funding to school districts negatively impacted by the QEA. We as a District have been a casualty of the shifting of resources within the State of New Jersey. However, our premise is that at best we are dealing with the symptoms of bad legislation and that the problems associated with the QEA of 1990 still exist and need to be addressed. The following areas are indicators of current flaws within the QEA:

1. The QEA was passed to include 432 school districts in its financial aid package. *Abbott v. Burke* specifically addressed 28 districts.
2. The legislation was done so quickly that the impact on other school districts was not adequately reviewed.
3. How are these "lighthouse" districts going to maintain educational programs that were used as a criterion in *Abbott v. Burke* without creating an undue burden on taxpayers that are already paying high property taxes, higher sales taxes, higher income taxes and more of the "revenue enhancers?"

4. The northern part of the State experiences a higher cost of living and therefore must pay more for similar services provided in the southern part of the State.

This was acknowledged in the QEA for transportation aid where Bergen County was acknowledged as a very high cost county. However, there was no further acknowledgement of higher costs such as teacher salaries. This should have been done if we were to speak of comparable education.

5. According to the Star-Ledger, (April 2, 1992) the 30 special needs districts have been identified as recipients of \$1.6 billion dollars of financial aid. This represents \$287.6 million dollars of increased state aid for the 1991-92 school year. The QEA required accountability for these funds through the use of external review teams. A special report Profiles of Accomplishments in the Special Needs Districts--1991-1992 School Year, dated April 1, 1992 was released by the New Jersey State Department of Education. This report is to provide the public with data as to how the 30 special needs districts spent their QEA monies.

While the report is fairly extensive and detailed in what it does list as improvements, it does fail to tell the whole story and is misleading. For example, if one looks at the Long Branch school district one is left with the impression that money is being well spent on educational programs. However, on April 5, 1992, the Star-Ledger discloses on p. 22 that Long Branch received \$6.4 million dollars of aid and \$3.6 went to property tax relief; \$1.5 was applied to salaries and administrative costs and less than \$900,000 went into educational programs.

Jersey City also applied approximately one-half of \$29 million dollars to decreasing property taxes. Likewise, Newark received an additional \$50.1 million dollars of financial aid. Of that amount \$4.7 million was spent on new programs and an additional \$2 million was spent on educational reform. Where were the additional funds spent?

We are sure that we can list other districts that have received financial aid from the QEA and have not applied the dollars to directly benefit the very children in question. Why is QEA money being used to provide property tax relief for these 30 districts, while such transition districts as ours are being asked to accept projected tax increases of approximately 16.2% ($45.9\% - 29.7\% = 16.2\%$ from Exhibit II). Something is wrong!

Furthermore, the series of articles on the April 1, 1992 report by the Star-Ledger undermines the credibility of the report on the improvements resulting from the implementation of the QEA. In addition, the articles support our contention that the QEA was flawed in its inception and in the system that was supposed to insure accountability for the proper use of scarce resources.

6. The amount of transportation aid for Ramapo Indian Hills is inadequate based on the costs incurred. For example the costs for the 1991-92 school year are estimated to be \$800,000. The amount of aid the District is scheduled to receive in 1992-93 is \$661,577 which is an 83% reimbursement. Prior to the QEA, the District received funding that was close to 90%.

7. Our budgeted expense for special education for the 1991-92 school year is \$1,397,153. However, the state aid to be received in 1992-93 for the 1991-92 expenditures is estimated at \$453,953 or a 32.5% reimbursement rate. We would like to see the State provide the funding for the programs that are mandated by the State.

8. The at-risk pupil aid is based solely on the number of pupils in the district who are eligible for free lunch or free milk. The cause and effect relationship of such an

assumption has not been proven and completely ignores children who are or may be at-risk and do not qualify for free lunch or free milk. A better instrument of defining at risk children should be developed and used.

The QEA provides that funds generated by these at-risk children (defined through free lunch and free milk) can be used in a flexible manner for preventive or remedial programs or for other measures that will enhance the education of students. The assumption given is "that children from poor families often have unmet needs which interfere with their ability to do well in school." Where is the accountability for the use of these funds to deal with the unmet needs? How do these unmet needs differ from the needs that were addressed in *Abbott v. Burke*?

This at-risk pupil aid appears to be a "gravy train" that many school districts have recognized and are attempting to make sure that every eligible child (free lunch or free milk) is registered in order to obtain funds that can be used without accountability.

9. The QEA provides \$110 per pupil as capital outlay or facilities aid. This amount will be adjusted each year for the CPI index. Normally capital outlays are considered fixed in nature in that once a project is undertaken and paid for it is completed except for normal maintenance expenses which become part of normal general operating expenses. The QEA does not make this distinction but treats capital outlays as variable components that have to be replenished every year even though discrete projects are completed. In effect, the capital outlay acquires the attributes of general revenues and general expenses that are incurred by school districts on an ongoing basis.

This is further supported by the fact that the QEA permits boards of education to freely transfer funds between current expense and capital outlay. In the past, voter referendum was required to make such transfers. Where is the accountability?

10. We do not believe that school districts should assume the pension and social security liability. This was incurred by the State and administered by the State. These benefits were not subject to negotiation by the local school boards. *Abbott v. Burke* does not mandate or require school districts to assume these costs.

The report of the Quality Education Commission, All Our Children: A vision for New Jersey's schools in the 21st century recommended that pension and social security costs be retained by the State.

12. Why should districts be held responsible for post-retirement health benefits that were legislated by the State outside the parameters of negotiation. This is a significant liability that the business community is recognizing and attempting to mitigate its effect through plan modifications and labor negotiations. School districts do not have this authority or power yet they must bear the financial burden.

If health benefits continue to escalate at a annual rate of 16.8% for 1991 (25% to 30% for previous periods), how are districts to cover these liabilities without impacting educational programs? The spending caps will prevent us from maintaining our current levels of educational programs and still fund the health benefit programs that have been mandated by the State.

The items cited above clearly indicate that the QEA was passed without much thought

being given to its ramifications and now has created inequities in some school districts. This legislation is beyond amendments. It should be repealed and educational assistance for the 30 Special Needs districts should be developed and implemented as quickly as possible. The financial aid programs should be developed with great care, deliberation and ACCOUNTABILITY to insure that all children have an opportunity for a quality education within constrained resources of the taxpayers.

PENSION AND SOCIAL SECURITY COSTS

While the Supreme Court, in *Abbott v. Burke*, found state aid to fund pension and security costs (TPAF) to be counter-equalizing, the Court did not reach the conclusion that TPAF was unconstitutional. The Court let its previous ruling in *Robinson v. Cahill* prevail whereby the state's payment of pension and social security costs was permitted because of "administrative considerations."

We recognize that the TPAF and social security costs are directly related to salary levels and therefore represents aid to school districts. However, the terms of the pension benefits, including payments made on behalf of the participants and administration have always been beyond the control of individual school districts. These benefits were beyond the scope of negotiations. Now, as a result of the QEA, school districts are expected to assume the current portion of pension expense as well as the unfunded past service costs. The Quality Education Commission, in its conclusion (p.44) has recommended that pension costs and social security costs be retained by the State and

at the same time be evaluated in terms of costs incurred and benefits provided. In the evaluation process comparisons should be made with the private sector (p. 41).

The simple fact is that for the Ramapo Indian Hills Regional School District pension expense is estimated to be \$2.2 million in 1993-94 (Exhibit IV). If these costs are to be borne by the District and taxes not increased to absorb the costs, educational programs will be affected. For example, if we eliminated every after school sport program and every after school club activity we would be saving approximately \$1 million. Where are we to save the other \$1.2 million. Will this Committee, the legislature or Governor Florio tell us which specific math, science, history, or English course we should eliminate. Perhaps, another alternative would be to increase our class size from 25, which we believe is educationally sound, to 35 so that we can effect some savings. If that is the case would this Committee, the legislature or the Governor tell us which class we should increase so that this Board of Education can tell its constituency of the state government's solution to maintaining high quality education.

Recently, the response we heard has been, raise your taxes to generate the revenues that you need. A preliminary analysis of this \$2.2 million increase in expenses would yield a cumulative school tax increase of 45.9% assuming a 5% inflation factor (Exhibit II). The cash outflow for a taxpayer with a \$200,000 assessed home would increase approximately 39% over the five years (Exhibit III). This is unconscionable in light of the increased income tax, increased sales tax and increased local and county taxes.

The issue becomes more critical when one realizes that with the increased costs of pension and social security and the compounding effect over time. The original \$2.7 million becomes \$3.9 million assuming an increase of 10% per year, which is considered conservative (Exhibit VII). The problem will be further aggravated by the establishment of caps that will prevent school districts from seeking relief through increased taxes. Please note that at this time, we do not know what the caps will be. We have not been able to determine what these caps are or their impact on our school district. We also do not know what the impact is on budgets where there have been appropriations from surplus. The difference or shortfall will have to be derived from educational programs. Again we are back to the question which programs to cut and/or which class size do we increase. Please remember, state mandated programs are required but not funded by the state. We would appreciate that any future mandated programs be required only if the corresponding funding is provided by the legislature.

Where does this current QEA leave us? Based on the financial data presented, this district will be forced to turn a "lighthouse" district into one of mediocrity. The current system of internal checks and balances for the districts receiving aid will not guarantee "lighthouse" status, but will insure that mediocrity is perpetuated. Our taxpayers will not be able to shoulder the unconscionable burden that this State Administration has inflicted upon us.

RECOMMENDATIONS

- We recommend that the current QEA be repealed and that new legislation created. Particular attention should be paid to the fact that 30 districts should receive special consideration and not the 432 under the current QEA. We support this with the proviso that strong internal controls be in place to insure accountability and to see that the children are the beneficiaries of this educational reform. Property tax relief in one community should not be provided at the expense of another community.
- The dollars spent on educating children should be calculated based on cash flows and not on calculations that can vary from community to community. For example, monies received by the City of Newark from the Port Authority should be considered in the cash flow analysis of monies spent on education.
- Pension and social security costs should be the responsibility of the State.
- Post-retirement health benefits should be funded by the State since it had initiated the program and the school districts have no control over their costs. These benefits were generated by the state legislature and are not subject to labor negotiations.
- If any of these foundation aid districts do not choose to use all the funds allocated to them, the excess should be remanded back to be used for education by other districts.

Excess unused funds should not be put into the State's general treasury!

- Care should be used in developing formulas that will provide categorical aid. Educators and specialists should be consulted on a timely basis and potential solutions should be field tested before they are implemented.

Categorical aid such as aid to at-risk students should be based on a reliable means of identifying students who are in need of special assistance. There must be full accountability of how the funds should and were spent.

- Appropriate consideration should be given to the fact that cost of living in the northern part of the state is greater than the central or southern part of the state. While this was recognized in theory in providing transportation aid, it was not recognized in the general cost of providing education. For example, ZIP codes can be used to identify school districts that experience a higher cost of living.

CONCLUSION

We express our thanks to this Committee for giving us the opportunity to share our concerns for the quality of education in our school district and the concerns of our respective communities. Please take the time to listen and analyze our recommendations. We want to maintain the quality of education in our district and recognize that we will have to meet additional financial responsibility due to the loss of minimum state aid. We do not quarrel with the recommendations of Abbott v. Burke, but we do question the State's response to those recommendations. We are hopeful that our recommendations will be considered in evaluating and revising the QEA.

Source:

Roeck, Jeanne and Kaelber, M. Esq. The Quality Education Act of 1990, A Comprehensive Guide. New Jersey School Boards Association, Trenton, New Jersey, 1971.

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

ASSUMPTION:

5/ 5/1992

1. Annual Budget Increase projected 5.0%
2. District pays full cost of T.P.A.F. Pension and Social Security costs.

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
CURRENT EXPENSE							
Property Tax	18,749,087.00	19,792,861.00	23,027,427.25	24,717,921.61	26,369,056.69	27,756,184.53	29,160,168.75
State Aid							
Pension, FICA, etc.	2,555,130.00	1,979,951.00	.00	.00	.00	.00	.00
Transition Aid *	710,720.00	533,040.00	355,360.00	177,680.00	.00	.00	.00
Transportation	622,863.00	661,577.00	629,425.10	660,896.36	693,941.17	728,638.23	765,070.14
Categorical Aid	471,538.00	491,232.00	565,791.00	594,080.55	623,784.58	654,973.81	687,722.50
Federal Aid	130,866.00	130,866.00	123,500.00	123,500.00	123,500.00	123,500.00	123,500.00
Tuition	130,000.00	130,000.00	136,500.00	143,325.00	150,491.25	158,015.81	165,916.60
Misc. Revenue	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Approp. from Surp.	700,000.00	500,000.00	600,000.00	300,000.00	100,000.00	50,000.00	50,000.00
TOTAL CURRENT EXPENS	24,220,204.00	24,369,527.00	25,588,003.35	26,867,403.52	28,210,773.69	29,621,312.38	31,102,378.00
CAP. OULTLAY (Prop. Tax)	175,000.00	.00	.00	.00	.00	.00	.00
DEBT SERVICE (Prop. Tax)	241,008.00	226,304.00	.00	.00	.00	.00	.00
TOTAL BUDGET	24,636,212.00	24,595,831.00	25,588,003.35	26,867,403.52	28,210,773.69	29,621,312.38	31,102,378.00
TOTAL PROPERTY TAXES	19,165,095.00	20,019,165.00	23,027,427.25	24,717,921.61	26,369,056.69	27,756,184.53	29,160,168.75
Note: Projected cost of pension and social security for TPAF members in budget		1,979,951.00	2,197,745.61	2,439,497.63	2,707,842.37	3,005,705.03	3,336,332.58

BUDGET/TAX IMPACT SUMMARY

	1993-94	1994-95	1995-96	1996-97	1997-98
BUDGET INCREASES					
Dollar	992,172.35	1,279,400.17	1,343,370.18	1,410,538.68	1,481,065.62
Percentage	4.0%	5.0%	5.0%	5.0%	5.0%
TAX INCREASES					
Dollar	3,008,262.25	1,690,494.36	1,651,135.08	1,387,127.83	1,403,984.23
Percentage	15.0%	7.3%	6.7%	5.3%	5.1%
Tax increase under existing plan	810,516.64 4.0%	1,448,742.35 7.0%	1,382,790.34 6.2%	1,089,265.17 4.6%	1,073,356.67 4.3%

XII

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

5/5/1992

IMPACT ON HOME ASSESSED AT \$200,000 - SCHOOL TAXES ONLY
 "FLORIO PLAN"

	1992	1993	1994	1995	1996	1997	TOTAL TAX 92-97
Franklin Lakes							
Tax Rate	.4589	.506	.562	.601	.637	.670	
Annual Tax	917.80	1,012.90	1,123.46	1,202.09	1,273.58	1,339.25	5,951.27
Increase	10.8%	10.4%	10.9%	7.0%	5.9%	5.2%	45.9%
Oakland							
Tax Rate	.3964	.437	.485	.519	.550	.578	
Annual Tax	792.80	874.94	970.45	1,038.37	1,100.12	1,156.85	5,140.74
Increase	3.4%	10.4%	10.9%	7.0%	5.9%	5.2%	45.9%
Wyckoff							
Tax Rate	.5094	.562	.624	.667	.707	.743	
Annual Tax	1,018.80	1,124.36	1,247.09	1,334.37	1,413.73	1,486.63	6,606.19
Increase	6.2%	10.4%	10.9%	7.0%	5.9%	5.2%	45.9%

12X

IMPACT ON HOME ASSESSED AT \$200,000 - SCHOOL TAXES ONLY
 Current Funding Pattern

	1992	1993	1994	1995	1996	1997	TOTALS
Franklin Lakes							
Tax Rate	.4589	.481	.507	.540	.570	.595	
Annual Tax	917.80	961.18	1,014.34	1,080.97	1,139.14	1,190.02	5,385.66
Increase	10.8%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%
Oakland							
Tax Rate	.3964	.415	.438	.467	.492	.514	
Annual Tax	792.80	830.27	876.19	933.75	983.99	1,027.95	4,652.16
Increase	3.4%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%
Wyckoff							
Tax Rate	.5094	.533	.563	.600	.632	.660	
Annual Tax	1,018.80	1,066.96	1,125.97	1,199.93	1,264.49	1,320.98	5,978.33
Increase	6.2%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

PROJECTION OF TOTAL MUNICIPAL TAXES

IMPACT ON HOME ASSESSED AT \$200,000 "Florio Plan"

5/5/1992

	1992 (Estimated)	1993	1994	1995	1996	1997	\$ INCREASE	% INCREAS
Franklin Lakes								
County	.305	.320	.336	.353	.371	.389		
Local Sch. Dis.	.419	.462	.513	.549	.581	.611		
Reg. Sch. Dis.	.459	.506	.562	.601	.637	.670		
Municipal	.238	.250	.262	.276	.289	.304		
TOTAL RATE	1.421	1.539	1.673	1.778	1.878	1.974		
TOTAL TAXES	2,841.80	3,078.02	3,346.55	3,556.84	3,756.46	3,948.11	1,106.31	38.9%
Oakland								
County	.270	.284	.298	.313	.328	.345		
Local Sch. Dis.	.970	1.071	1.187	1.270	1.346	1.415		
Reg. Sch. Dis.	.396	.437	.485	.519	.550	.578		
Municipal	.653	.686	.720	.756	.794	.833		
TOTAL RATE	2.289	2.477	2.690	2.858	3.018	3.172		
TOTAL TAXES	4,578.80	4,954.25	5,380.37	5,716.26	6,035.98	6,343.72	1,764.92	38.5%
Wyckoff								
County	.406	.426	.448	.470	.493	.518		
Local Sch. Dis.	1.077	1.189	1.318	1.411	1.494	1.572		
Reg. Sch. Dis.	.509	.562	.624	.667	.707	.743		
Municipal	.504	.529	.556	.583	.613	.643		
TOTAL RATE	2.496	2.706	2.945	3.131	3.307	3.476		
TOTAL TAXES	4,992.80	5,412.54	5,890.30	6,262.45	6,614.93	6,952.58	1,959.78	39.3%

1. Assumed annual rate of increase for Municipal and County taxes

5.0%

2. Annual rate of increase calculated for RIH also used for K-8 districts
Varying rates used as calculated on previous page under "Florio Plan".

13X

EXHIBIT III

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

ASSUMPTION:

5/5/1992

1. Annual Budget Increase projected 5.0%
2. State retains cost of T.P.A.F. Pension and Social Security

CURRENT EXPENSE	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Property Tax	18,749,087.00	19,792,861.00	20,829,681.64	22,278,423.99	23,661,214.33	24,750,479.50	25,823,836.17
State Aid							
Pension, FICA, etc.	2,555,130.00	1,979,951.00	2,197,745.61	2,439,497.63	2,707,842.37	3,005,705.03	3,336,332.58
Transition Aid *	710,720.00	533,040.00	355,360.00	177,680.00	.00	.00	.00
Transportation	622,863.00	661,577.00	629,425.10	660,896.36	693,941.17	728,638.23	765,070.14
Categorical Aid	471,538.00	491,232.00	565,791.00	594,080.55	623,784.58	654,973.81	687,722.50
Federal Aid	130,866.00	130,866.00	123,500.00	123,500.00	123,500.00	123,500.00	123,500.00
Tuition	130,000.00	130,000.00	136,500.00	143,325.00	150,491.25	158,015.81	165,916.60
Misc. Revenue	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Approp. from Surp.	700,000.00	500,000.00	600,000.00	300,000.00	100,000.00	50,000.00	50,000.00
TOTAL CURRENT EXPENS	24,220,204.00	24,369,527.00	25,588,003.35	26,867,403.52	28,210,773.69	29,621,312.38	31,102,378.00
CAP. OULTLAY (Prop. Tax)	175,000.00	.00	.00	.00	.00	.00	.00
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TOTAL PROPERTY TAXES	19,165,095.00	20,019,165.00	20,829,681.64	22,278,423.99	23,661,214.33	24,750,479.50	25,823,836.17
Note: Projected cost of pension and social security for TPAF members in budget		1,979,951.00	2,197,745.61	2,439,497.63	2,707,842.37	3,005,705.03	3,336,332.58

BUDGET/TAX IMPACT SUMMARY

	1993-94	1994-95	1995-96	1996-97	1997-98
BUDGET INCREASES					
Dollar	992,172.35	1,279,400.17	1,343,370.18	1,410,538.68	1,481,065.62
Percentage	4.0%	5.0%	5.0%	5.0%	5.0%
TAX INCREASES					
Dollar	810,516.64	1,448,742.35	1,382,790.34	1,089,265.17	1,073,356.67
Percentage	4.0%	7.0%	6.2%	4.6%	4.3%
Tax increase under existing plan	810,516.64	1,448,742.35	1,382,790.34	1,089,265.17	1,073,356.67
	4.0%	7.0%	6.2%	4.6%	4.3%

X 41

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

5/ 5/1992

IMPACT ON HOME ASSESSED AT \$200,000 - SCHOOL TAXES ONLY

"FLORIO PLAN"

TOTAL TAX
92-97

	1992	1993	1994	1995	1996	1997	
Franklin Lakes							
Tax Rate	.4589	.481	.507	.540	.570	.595	
Annual Tax	917.80	961.18	1,014.34	1,080.97	1,139.14	1,190.02	5,385.66
Increase	10.8%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%
Oakland							
Tax Rate	.3964	.415	.438	.467	.492	.514	
Annual Tax	792.80	830.27	876.19	933.75	983.99	1,027.95	4,652.16
Increase	3.4%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%
Wyckoff							
Tax Rate	.5094	.533	.563	.600	.632	.660	
Annual Tax	1,018.80	1,066.96	1,125.97	1,199.93	1,264.49	1,320.98	5,978.33
Increase	6.2%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%

15X

IMPACT ON HOME ASSESSED AT \$200,000 - SCHOOL TAXES ONLY

Current Funding Pattern

	1992	1993	1994	1995	1996	1997	TOTALS
Franklin Lakes							
Tax Rate	.4589	.481	.507	.540	.570	.595	
Annual Tax	917.80	961.18	1,014.34	1,080.97	1,139.14	1,190.02	5,385.66
Increase	10.8%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%
Oakland							
Tax Rate	.3964	.415	.438	.467	.492	.514	
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Increase	6.2%	4.7%	5.5%	6.6%	5.4%	4.5%	29.7%

RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT

PROJECTION OF TOTAL MUNICIPAL TAXES

IMPACT ON HOME ASSESSED AT \$200,000 "Florlo Plan"

5/ 5/1992

	1992 (Estimated)	1993	1994	1995	1996	1997	\$ INCREASE	% INCREAS
Franklin Lakes								
County	.305	.320	.336	.353	.371	.389		
Local Sch. Dis.	.419	.439	.463	.493	.520	.543		
Reg. Sch. Dis.	.459	.481	.507	.540	.570	.595		
Municipal	.238	.250	.262	.276	.289	.304		
TOTAL RATE	1.421	1.490	1.569	1.663	1.750	1.831		
TOTAL TAXES	2,841.80	2,979.09	3,137.81	3,325.13	3,499.27	3,662.62	820.82	28.9%
Oakland								
County	.270	.284	.298	.313	.328	.345		
Local Sch. Dis.	.970	1.016	1.072	1.142	1.204	1.258		
Reg. Sch. Dis.	.396	.415	.438	.467	.492	.514		
Municipal	.653	.686	.720	.756	.794	.833		
TOTAL RATE	2.289	2.400	2.528	2.678	2.818	2.950		
TOTAL TAXES	4,578.80	4,800.27	5,055.48	5,355.62	5,635.67	5,899.38	1,320.58	28.8%
Wyckoff								
County	.406	.426	.448	.470	.493	.518		
Local Sch. Dis.	1.077	1.128	1.190	1.268	1.337	1.396		
Reg. Sch. Dis.	.509	.533	.563	.600	.632	.660		
Municipal	.504	.529	.556	.583	.613	.643		
TOTAL RATE	2.496	2.617	2.757	2.922	3.075	3.218		
TOTAL TAXES	4,992.80	5,233.77	5,513.10	5,843.75	6,150.18	6,436.70	1,443.90	28.9%

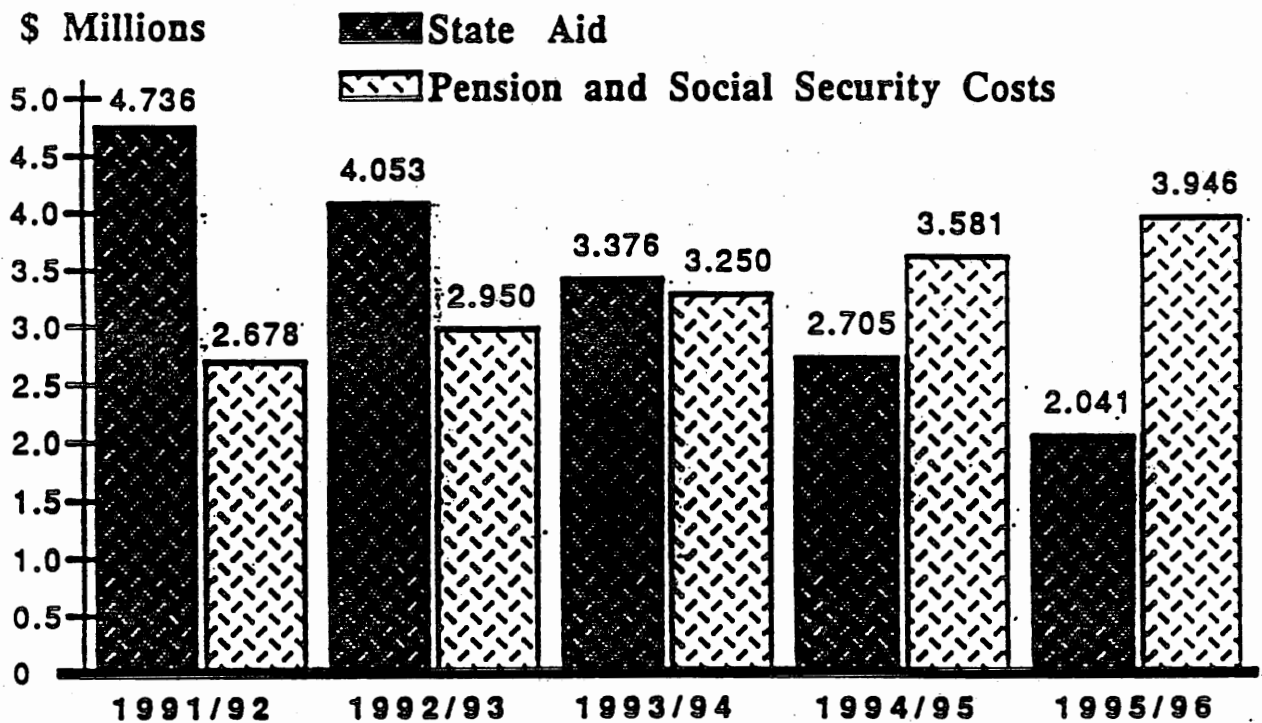
1. Assumed annual rate of increase for Municipal and County taxes

5.0%

2. Annual rate of increase calculated for RIH also used for K-8 districts
Varying rates used as calculated on previous page under "Florlo Plan".

X 91

Ramapo Indian Hills High School District Estimated Five-Year Impact State Aid and Pension Costs



Note: State aid figures were obtained from a report from the Commissioner of Education on July 11, 1990. 1991-92 Pension and Social Security costs were also obtained from the same report. Costs for 1992-93 through 1995-96 are increased at a conservative annual rate of 10%.



Wildwood Education Association
Wildwood, New Jersey 08260

June 8, 1992

Senator Matthew Feldman
Senate Education Committee
New Jersey State Legislature
Trenton, New Jersey 08625-0068

Dear Senator Feldman:

The Wildwood School District is a Foundation Aid District which has lost all of its Foundation Aid. Wildwood City is a resort town located on a barrier island with the bulk of its industry being tourism. Because of the transient nature of its populace, the number of people in Wildwood ranges from a peak of 300,000 on a summer holiday down to only 3,000 in the winter. The property ratables give Wildwood an equalized valuation, as per the October, 1991 figures, of just under \$625 million and the district income is just under \$48 million. These figures, when factored with a resident enrollment of only 737, leaves Wildwood unqualified to receive any Foundation Aid. Despite its apparent wealth, Wildwood is suffering. The permanent residents benefit very little from the tourism income; those that do either are not year-round residents or are absentee proprietors. These departing entrepreneurs not only take a large share of the wealth of the city with them, additionally they, along with the tourists, take their votes leaving us, a town that contributes \$35 million a year in sales tax into the state treasury, virtually disenfranchised. Although these aforementioned ratables produce tax income which is comparable to our neighboring districts on the mainland, they escape paying for the maintenance of our beach and boardwalk, our full-time paid police, fire and ambulance workers and for the maintaining of the streets and utilities of a city that must serve the summers' quarter million tourists by levying the highest tax rate in Cape May or Atlantic County. These taxes fall on a community characterized by business failures and all of the problems of an urban center with an AFDC count of 587 children, 84 of whom are younger than six years of age. Public housing and Section 8 housing are the domiciles of 274 (37%) our students. Neighboring Upper Township, on the other hand, is a sprawling, wealthy suburban area and has no local police, a volunteer fire and rescue squad, no local purpose tax and receives nearly \$6 million in Foundation Aid.

June 8, 1992

Page Two

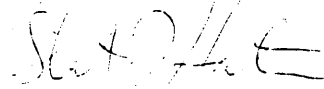
Senator Matthew Feldman
Senate Education Committee

This statistical anomaly has cost us not only all of our Foundation Aid of \$600 thousand, but has devastated our already strained educational system with two years of layoffs impacting fifteen percent of our professional staff, delayed maintenance on our aging physical plant and worsened a decade of classroom shortages. This anomaly is generated by the same statistical analyses that makes Wildwood second highest in the state in crime--a rate twice that of Newark, Camden and Paramus and three times that of the Oranges, Secaucus, Trenton and Elizabeth. But the 1990 "New Jersey Uniform Crime Report" states no less than fifty-four times,

"all...rates are based on permanent, year-round population. Comparisons...rates between individual municipalities should not be made without giving major consideration to the volume of seasonal population, transients, tourists and labor forces."

This is sage advice for the state leaders to ponder when deciding what to do with Discretionary Funds, funds which are designed for districts just like Wildwood. An addition of one-third of what our adjacent county districts receive in Foundation Aid to our budget would be a welcome relief and start us back on the road to offering the quality, thorough and efficient education that was the case prior to the Q.E.A.

Sincerely yours,



Stewart J. Hartman

SJH/cd

January 29, 1991

Senate Forum on Budget and Revenue Alternatives

Re: I. Allocation of Monies Under the Quality Education Act
II. Income Tax Revenue Excess

The Quality Education Act(QEA) and the revenue sources needed for its implementation have been shown to be replete with problems. This paper will provide a perspective related to two of the problem areas.

I. Allocation of QEA Monies

- A. The first of the significant problems dealing with the aid money allocation of QEA funding is best understood by two examples.

Example 1- A small town in southern New Jersey called Lower Alloways Creek exhibits the following facts:

1. It has a zero school tax rate
2. It has a zero tax rate for municipal purposes
3. Of its annual revenue of over \$12,000,000(1989) only about \$750,000 is raised by property taxes and that is only to cover county taxes.

Despite this absence of any significant property taxes the QEA will provide an additional half million dollars in state aid on top of the \$700,000 already received - to a town with no apparent need.

How is this possible?

This community receives over 80% of its revenue, almost \$10,000,000 in payments, from the State of New Jersey and from other miscellaneous revenues. None of this income is considered in the allocation of QEA educational aid.

Example 2- Our first example was a look at a small community - now let us look at the City of Newark.

1. Of total municipal revenues of \$430,000,000 only a little more than 30% comes from property taxes.
2. In addition to municipal aid of \$65,000,000 from State and Federal sources Newark takes in over \$230,000,000 in "miscellaneous" revenue

The City of Newark already spends more money per pupil than 80 to 85% of all other municipalities in New Jersey. The failure to recognize the \$230,000,000 of "miscellaneous" revenue qualifies Newark to receive another \$50,000,000 in new school aid on top of the \$270,000,000 in school aid it already receives.

This is not a paper written however about Newark or Lower Alloways Creek but about the inequities of our present system in allocating financial aid. The QEA, the prior educational aid system, and even the newly proposed property tax relief bill all substantially use equalized property values in their formulas. This is not adequate.

There are approximately one billion dollars in payments made to municipalities by the State - mostly from Gross Receipts and Franchise taxes. In addition there is close to another billion dollars in "miscellaneous" revenues collected by municipalities from sources such as state payments made in lieu of taxes, airport operations, various port authorities etc. It should be noted that more than 160 municipalities receive in excess of 25% of their funds from "miscellaneous" revenues.

The consideration of this almost two billion dollars would certainly change the magnitude of where funds are allocated and in fact might well reduce some of the apparent need for additional funding. Any additional monies to be disbursed by the state should consider all financial resources available to each municipality.

- B. The second major problem of money allocations of QEA funding is the establishment of a single base standard of \$6,835 per student for the entire state. This is totally wrong, inequitable and must be corrected.

The single \$6,835 cost standard says in effect that the cost to buy, maintain and live in a home in northeastern New Jersey and to educate children there is the same as anywhere else in the state. We all know that this premise is absolutely wrong.

The State of New Jersey (except for education) has recognized regional cost differences such as the following:

1. Auto insurance rates are set with regional cost differences.
2. Unemployment insurance is paid on a percent of salary basis to allow for regional cost differences.
3. The state legislature recently passed a law regulating auto towing charges which recognizes a North-South cost difference.
4. Transportation aid in the QEA recognizes area cost differences
5. The Federal Government just approved pay increases for Northern New Jersey government workers in recognition of their higher cost of living.

How can the State not recognize regional cost differences in calculating a justifiable distribution of aid funds. If such differences were to be recognized then lower state expenditures might be realized for low cost areas of the state, more funds available for high cost areas and certainly a far more equitable distribution of aid money throughout the state.

II. Income Tax Revenue Excess

The major premise of the recently increased state income tax is that it would primarily be used for increased educational aid and that only the wealthy, 17% of the taxpayers with incomes over \$70,000 would pay for it.

If our average family taxpayer were to enjoy a modest 5% annual salary increase for five years, we would find that over 30% of our taxpayers had crossed the magic line of \$70,000 per year and by state definition can now be classified as "rich".

The \$70,000 family income after 5 years at 5% increases would have reached an income of \$89,600, an increase of 27.6% (see attached exhibit). The QEA in its wisdom said that state aid would increase as per capita income increases, so we could also anticipate state aid increases of 27.6%. It does sound like a good idea but there is a hitch. The taxes on \$70,000 are \$1850 but the taxes on \$89,340 would be \$2957 or an increase of 59.8% and not the 27.6% that income when up.

If over five years, salaries and state aid increase by 27.6%, but taxes increase by 59.8% the only conclusion is that the state has built in a tremendous tax revenue windfall.

The Federal Government has indexed its tax brackets to recognize the impact of inflation. It is incumbent upon the State of New Jersey to recognize this significant factor and make similar adjustments to be fair to the people.

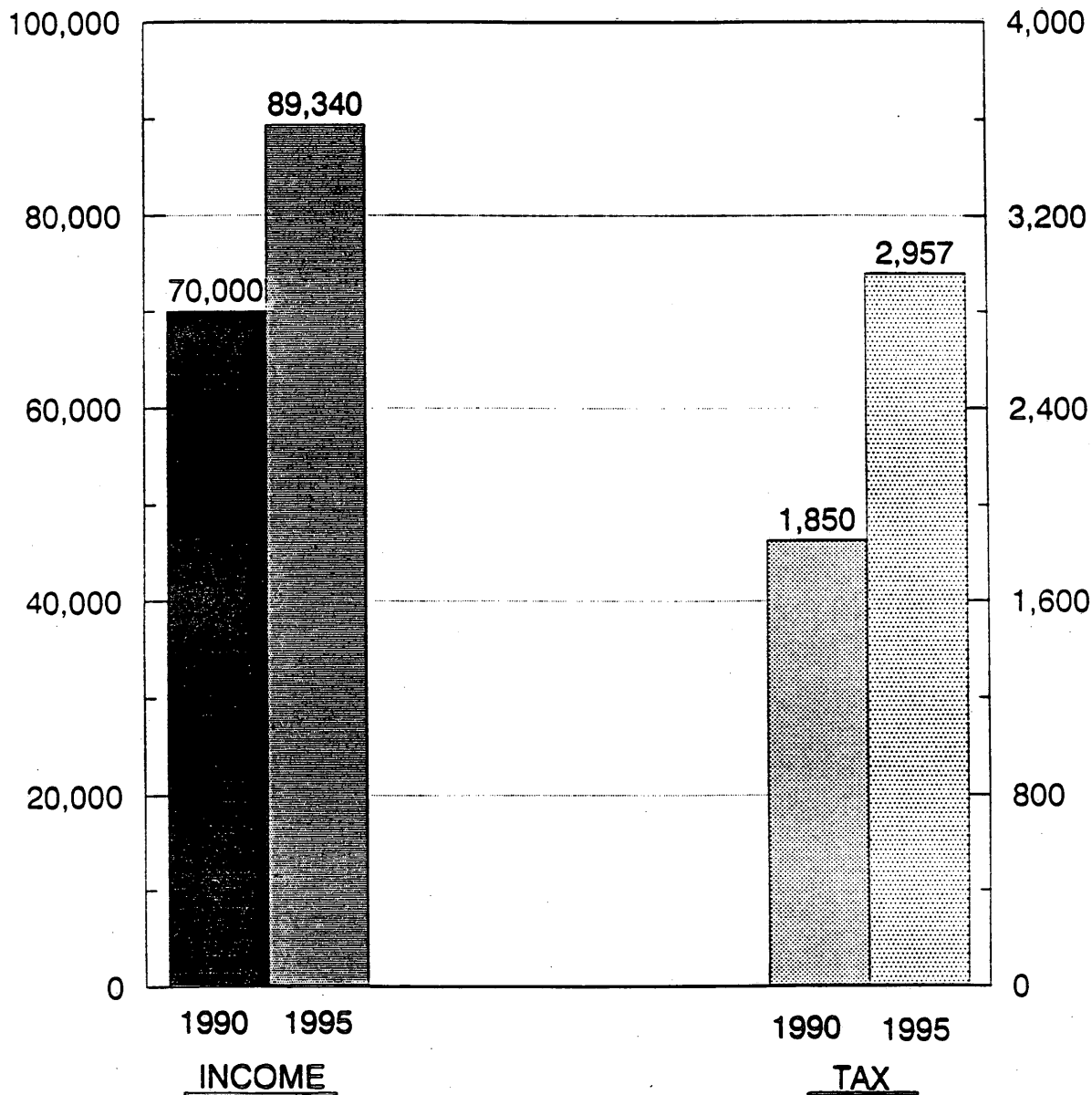
Submitted by,

Edward Vanderbeck

President

Oakland Board of Education

JOINT TAX RETURN FIVE PERCENT INCOME GROWTH RATE



INCOME = 27.6% INCREASE
TAXES = 59.8% INCREASE

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Joint Council of County Special Services School Districts

c/o Bergen County Special Services School District
327 East Ridgewood Avenue
Paramus, New Jersey 07652-4897
201-265-6300

Excellence in Special Services

TO: Members of the Senate and Assembly Education Committees
FROM: Members of the Joint Council of County Special Services School Districts
DATE: April 9, 1992
RE: QEA Impact Survey

With regard to the questions generally being raised related to the effects of the Quality Education Act and its impact on the State's most severely disabled youngsters who are serviced through County Special Services School Districts from every County in the State, survey results are as follows:

Observations

Severely handicapped special education youngsters across the State are not being adequately funded via State aid, causing the following: huge variations in tuitions across the State have resulted in tuition in certain Counties being extremely low and tuition in other Counties being increasingly extremely high, based on QEA; IEPs may not be fully implemented; students may be denied admission. Further disparities will result unless the following recommendations are addressed.

Recommendations

1. The State should retain the Pension/FICA responsibilities.
2. State categorical aid for mandated programs should continue to come off the top of State aid prior to additional allocations, to prevent shortfalls in funding for such mandated programs.
3. Special education costs for all local and regional school districts in the State should be exempt from the cap.
4. Because of the need for 12 month programming and Extended School Year services, the allowable surplus should be higher so that cash flow problems will be avoided.
5. Foundation Aid for County entities should be prorated based on the actual number of students served from each sending district, rather than based on County averages.
6. State aid should be based on a formula, as it was pre-QEA, rather than upon a head count average cost model. If the head count model must remain, then because of the high costs for counseling, nursing, occupational and physical therapy, Extended School Year programming requirements, and increased staff ratio requirements, the County Special Services School District State Aid factor should be raised from 1.38 to 1.70.

cc: NJASA
NJEA
NJSBA
NJSBOA
Legislative Delegations

Atlantic Bergen Burlington Cape May Gloucester Mercer Salem Warren

Servicing Every County in the State

26 X