

# Committee Meeting

VJ  
10  
E24  
1992m  
v.1

before

SENATE EDUCATION COMMITTEE

and

ASSEMBLY EDUCATION COMMITTEE

"Quality Education Act of 1990 (QEA)"

**LOCATION:** Committee Room 8  
Legislative Office Building  
Trenton, New Jersey

**DATE:** April 6, 1992  
1:00 p.m.

## MEMBERS OF SENATE COMMITTEE PRESENT:

Senator John H. Ewing, Chairman  
Senator Joseph A. Palaia, Vice-Chairman  
Senator Andrew A. Ciesla  
Senator Joseph M. Kyrillos, Jr.  
Senator Dick LaRossa  
Senator Matthew Feldman

## MEMBERS OF ASSEMBLY COMMITTEE PRESENT:

Assemblyman John A. Rocco, Chairman  
Assemblyman Robert J. Martin, Vice-Chairman  
Assemblyman Fredrick P. Nickles  
Assemblywoman Mary Virginia "Ginny" Weber  
Assemblyman David W. Wolfe  
Assemblywoman Stephanie R. Bush  
Assemblyman Joseph Charles, Jr.



## ALSO PRESENT:


Darby Cannon, III, and Joyce W. Murray,  
Aides, Senate Education Committee  
David C. Hesper  
Aide, Assembly Education Committee,  
Office of Legislative Services

### **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

# CONFIDENTIAL

CONFIDENTIAL



CONFIDENTIAL



John H. Ewing  
CHAIRMAN  
 Joseph A. Palara  
VICE-CHAIRMAN  
 Andrew R. Cicola  
 Joseph M. Kyrillos, Jr.  
 Dick LaRossa  
 Matthew Feldman  
 John A. Lynch

New Jersey State Legislature  
 SENATE EDUCATION COMMITTEE  
 ASSEMBLY EDUCATION COMMITTEE  
 TRENTON, NEW JERSEY 08625-0068  
 (609) 984-6843

John A. Rocco  
CHAIRMAN  
 Robert J. Martin  
VICE-CHAIRMAN  
 Fredrick P. Nickles  
 Mary Virginia "Jimmy" W.  
 David W. Wolfe  
 Stephanie R. Bush  
 Joseph Charles, Jr.

**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 MEETINGS

*The public may address comments and questions to Darby Cannon, III, or Joyce W. Murray, or David C. Hesper, 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 series of joint meetings in order to receive public testimony on the following subject:

**The Quality Education Act of 1990 (QEA)**

The meetings will be held at the following places at the dates and times listed:

Monday, April 6, 1992  
 1 P.M.

Committee Room 8  
 Legislative Office Building  
 Trenton, N.J.

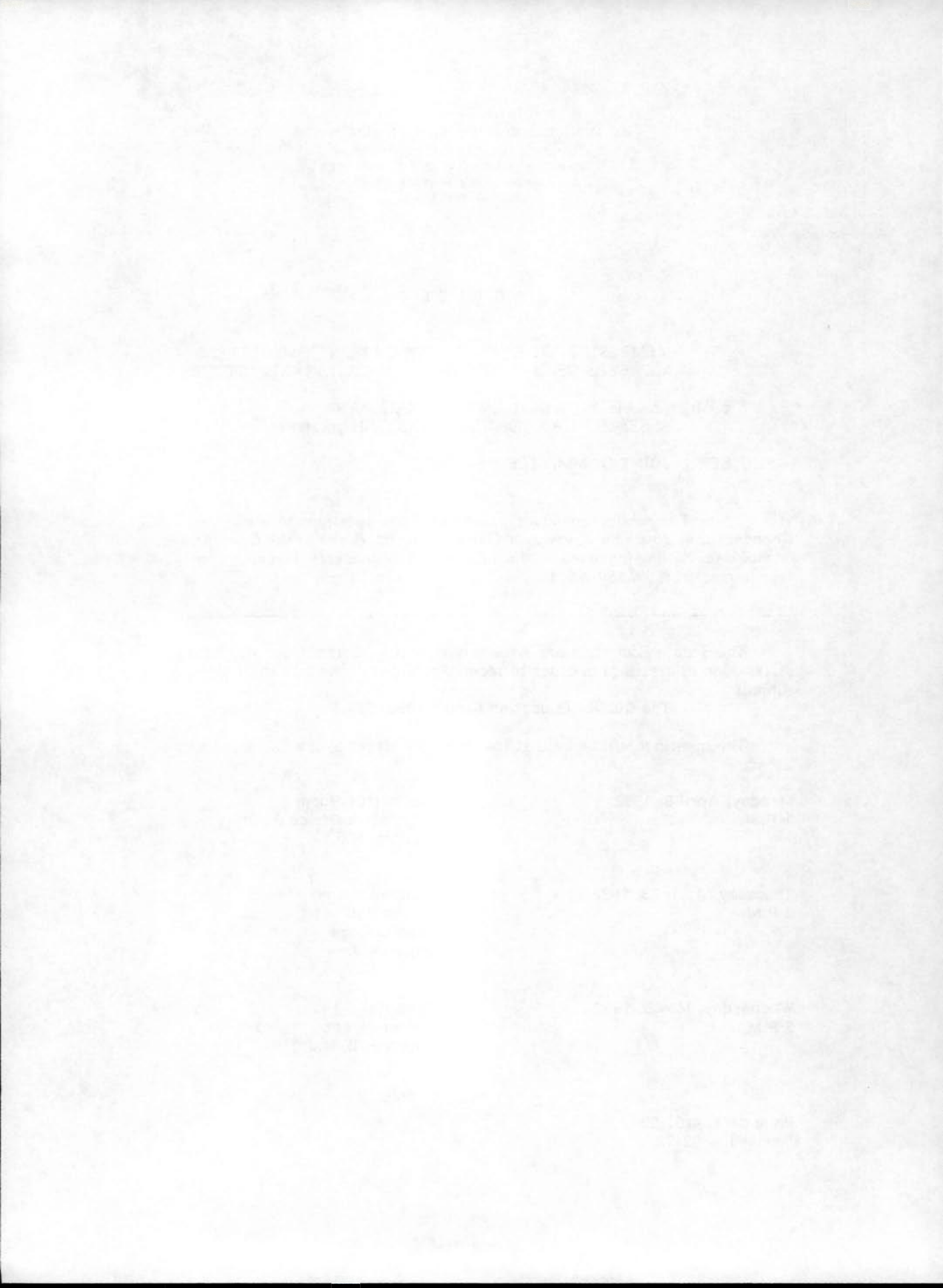
Thursday, April 23, 1992  
 3 P.M.

Alumni Lounge  
 Downs Hall  
 Kean College  
 Union, N.J.

Wednesday, May 6, 1992  
 3 P.M.

Town Hall  
 Mercer Street  
 Cherry Hill, N.J.

Issue date 4/01/92  
 Revised 4/02/92

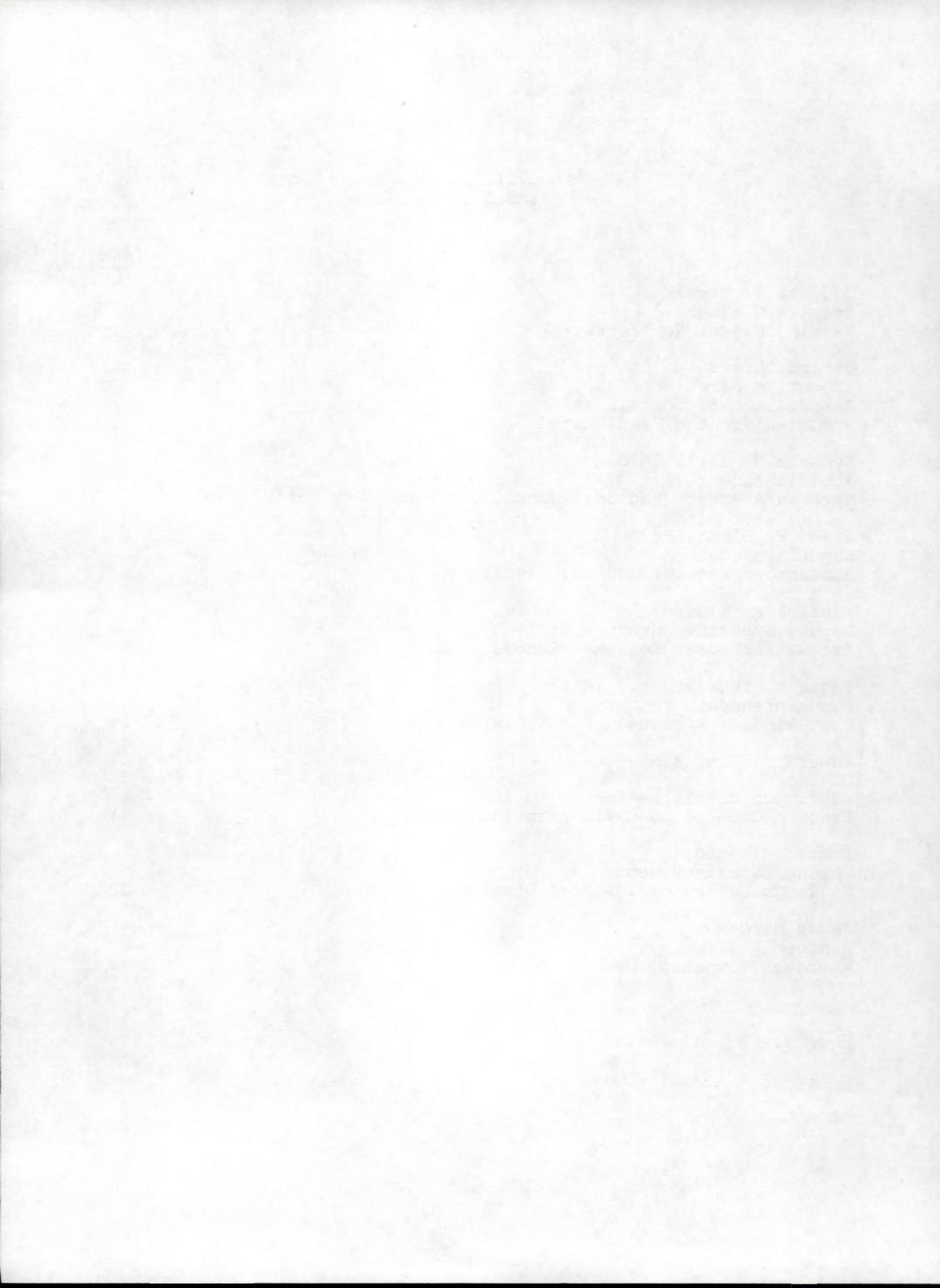


## TABLE OF CONTENTS

	<u>Page</u>
Douglas E. Wicks Private Citizen Basking Ridge, New Jersey	2
Gerard Thiers Executive Director Association of Schools and Agencies for the Handicapped	5
Kenneth D. Hall, Ed.D. Superintendent Matawan/Aberdeen Regional School District	6
James F. Black, Ed.D. Superintendent Bordentown Regional School District	6
Michael K. Klavon Deputy Superintendent Matawan/Aberdeen Regional School District	21
Edgar C. Thomas, Jr., Ed.D. Superintendent East Windsor Regional School District	29
Edward P. Cortesini Chairman Education Committee for Trenton Council of Civic Associations	31
Austin E. Gumbs Acting Superintendent Willingboro Regional School District	38
James M. Cox Manager Aberdeen Township, New Jersey	49

bgs: 1-62

\* \* \* \* \*



SENATOR JOHN H. EWING (Co-Chairman): We'll now go into the public hearing. I thank you all for coming. This is first in a series of three joint meetings of the Senate and Assembly Education Committee to determine the true impact of the Quality Education Act and QEA II on the education system New Jersey.

Here today for the Senate Education Committee are Vice-Chairman, Joseph Palaia and members Andrew Ciesla, Joseph Kyrillos, Dick LaRossa, Senator Feldman. My colleagues, I appreciate you all being here today.

Before we begin today's hearing, let me clarify one issue. Contrary to some newspaper reports, there is no bill dealing with QEA on the agenda today. This is an open discussion on the impact of the Quality Education Act of 1990, and education in general. There will be two more public hearings in this series before any legislation is drafted. We've already completed a series of field review briefings with supervisory staff from local school districts, hosted by their associations and representing all the counties in New Jersey. We'll continue to meet with the education groups across the State. Once legislation has been drafted, we'll ask you to review the draft and make suggestions for improvement. Not everyone will be satisfied with the end result of this process, but it's critical to the process that everyone who has the students of New Jersey at heart, be heard.

This is what did not happen with QEA, nor with QEA II, and we're going to leave no stone unturned. As a matter of fact, I even plan to get a group of education reporters from various newspapers to sit down with us, because they're always expounding in their columns. It would be interesting to see what they have to say, you know, to us in session. And I apologize for not recognizing the Assembly members who are over here, before: Stephanie Bush, Ginny Weber, Assemblyman Charles.

The first person we'll hear-- Not everybody has signed a slip, but that's all right; we'll call on you anyway

because we'll keep going as long as we have to so everybody will be heard. Douglas Wicks, who's representing himself, from Basking Ridge, New Jersey.

D O U G L A S E. W I C K S: Thank you, Senator Ewing. Do you want me to sit here?

SENATOR EWING: Yeah. On the black microphone, would you make sure the button is up so the people in back-- Good. Thank you.

MR. WICKS: Okay. I came here, Jack, to save you some fax paper, because I know I've been burning up your fax with the QEA and my constant complaints with the QEA. Coincidentally, I am quite vocal today in The Star-Ledger. I'll take a little credit. I have an editorial about how the tax distributions are allocated, and I think you'll see in there in the New Jersey Income Tax -- before the QEA impact and the change in the tax rate that affected the upper income people -- the top 50 percent of the New Jersey taxpayers paid 88 percent of the income tax in the State of New Jersey. So, there's been some call that the wealthy aren't sharing the burden, and I think if you look at the distribution numbers, you will find that that may not be so.

Basically, I'm here to talk about the QEA because I think there's a fundamental underlying problem with that. I discussed this at the school boards' meeting last year, and it had to do with the constitutional question of how money should be distributed. I have a copy of the Constitution here which addresses school funding, and school-- The legislative acts-- This constitutional amendment was spawned in 1875. I did some history on this, and I found out that in 1947 they just continued the 1875 provisions, except they reversed the sequence; paragraph one became paragraph two, and vice versa.

But there's one question that always stuck in my mind in reading the Constitution had to do with the equal benefit for all the people situation, which told how the money should

be distributed. I never have seen this particular provision of the Constitution addressed in either Robinson v. Cahill, the Landers case -- actually which was the first case had to do with it -- or Abbott v. Burke. They always, from my impression reading all of those cases, the courts have focused only on one word: "thorough." They've neglected the word "efficient" in the Constitution, and I think that that's one thing I hope you people would address.

I've sent to Senator Ewing many studies that show that money does not necessarily buy a good education, in fact, to the contrary. I think when you take into account any revision of this particular law, that you review the most current studies on this because I think there's a flawed concept behind the Abbott v. Burke case, and I think that until you address that, you're never going to resolve the problem.

In 1976 we were promised that if we gave the State an income tax, education would get better. I think the facts speak for themselves.

The other provision as a problem I have in the QEA and in the Abbott v. Burke case is that they cite a case, Carr v. Baker, and in that case they use a phrase "discrimination based on wealth and property, like race, is to be discouraged." That's a quote from the United States Supreme Court. It's my contention that the QEA does exactly that. It discriminates on the basis of property and wealth. It takes the wealthy towns and discriminates against them. It's government transference of discrimination. And for that reason, I think that-- I would hope the Legislature in its wisdom, when it passes a new QEA, takes into account three things: 1) Article 3 of the Constitution which defines separation of powers. I understand that you have to appreciate what the court says, but you do not have to follow it. 2) I think that you should take into account the equal benefit of all the people -- find out exactly what that means, and find out why it was put there. It's my

impression it was put there because in the 1870s when the cities were powerful and the suburbs were weak, they didn't want the cities to hog all the money, so they wanted it to be distributed equally throughout the State, and now we want to see the reverse of that. Thank you very much.

SENATOR EWING: Wait just a minute, Doug. There might be--

I'd also like to introduce Assemblyman Rocco, Chairman of the Assembly Education Committee.

ASSEMBLYMAN JOHN A. ROCCO, (Co-CHAIRMAN): Hi, Jack.

SENATOR EWING: Are there any questions?

ASSEMBLYMAN ROCCO: Yeah, Jack, I have a question.

You mentioned money doesn't necessarily do it. Do you have any examples? I can think of some, but, I mean specific examples?

MR. WICKS: Well, I can say that if you want to take parochial school education versus public school education, that's a prime example. I found out very late about this particular hearing. I know I did fax Jack an exhaustive study which was done back, I think, three or four years ago, which demonstrated that there is no correlation between spending and educational prospects.

ASSEMBLYMAN ROCCO: Well, you might say Montclair and some others--

MR. WICKS: Yes. Well there is-- The other thing is that I think "Scientific American" has a study about Asian-American children being able to achieve much higher than American children and that these children are in the United States. It says it's an attitudinal problem. It's not a money problem. It's a cultural problem, and I think until we address that particular aspect of it, you're going to keep on throwing money after something which you may not achieve.

SENATOR EWING: Any other members of the Committee? (negative response) Thank you.

Gerry Thiers, please. Association of Schools and Agencies for the Handicapped.

GERARD THIERS: Senator Ewing, Assemblyman Rocco--

SENATOR EWING: Talk into the little black one.  
(referring to microphone)

MR. THIERS: --members of the Committee. I'm Gerry Thiers, Executive Director of the Association of Schools and Agencies for the Handicapped. We represent 88 approved private schools for the handicapped, educating about 6000 severely handicapped children here in New Jersey.

I wanted to call to your attention an inequity in the Quality Education special education reimbursement factors. This was caused by the addition of a factor for Special Services Districts and Regional Day Schools. It's generally higher than other categorical factors that are listed in the law, and as a result, the districts which make placements to these programs, generally pay less tuition than districts which place students in approved private schools for the handicapped.

This reimbursement factor creates a powerful financial incentive for districts to send children to certain programs regardless of whether the placement is appropriate. It discriminates against children referred to public and private special education programs by not providing them with the same resources that are available to children referred to Special Services and Regional Day School Programs. I might add that this appears to be contrary to the spirit of the Federal law, where placements had to be made based on what the individual child's needs are, not what's the lowest tuition rate, or whatever.

The table that I have here indicates that for many of the classifications, there is a financial discrepancy which could be as high as \$6500. We respectfully request that both Committees support the addition of approved private schools for the handicapped to the list of categorical factors in the QEA

so that we receive the same level of reimbursement as Special Services and Regional Day School Programs. The amendment would benefit local school districts by allowing them to choose the most appropriate programs for their students. We ask you to add this proposed amendment to the Quality Education Act when you're considering amendments to this law. Thank you very much.

SENATOR EWING: Thank you.

Are there any questions from the Committee members?  
(negative response)

Thank you, Gerry.

Dr. Kenneth Hall, foundation aid districts.

K E N N E T H H A L L, Ed.D.: Mr. Chairman, if I might? I have some superintendents with me that I'd like to bring forward, if I might?

SENATOR EWING: Some? You've got quite a few. That must be all of them. (laughter)

DR. HALL: They each have some contribution to make this afternoon, I hope.

SENATOR EWING: I'd also like to recognize Assemblyman Wolfe who just arrived.

Now each individual that you have come up, would they give us their name? It will be interesting to see what district they're from, too, please.

DR. HALL: I'd like to introduce--

SENATOR EWING: Well, let them do it individually.  
Talk.

DR. HALL: All right. We'll start with Jim Black.

J A M E S F. B L A C K, Ed.D.: Good afternoon. I'm James Black. I'm Superintendent of Schools of Bordentown Regional School District.

DR. HALL: Let's go around. Could we go around so we can introduce each of them? Is that the way Senator--

SENATOR EWING: Well, no. If they get up to talk we'll get their introduction.

DR. HALL: Okay, if I might start, then?

What we would like to do this afternoon, sir, is to call attention to some of the very serious inequities in the Quality Education Act, most especially with the formula that drives the funding mechanism of the Act. We're passing out to you a list of some 100 school districts that have been very seriously and substantially impacted in that they've lost over the last three or four years anywhere between 30, 40, as much as 50 percent of their State aid. These are districts that are taxing at \$1.35 which is 25 percent above the State average. A number of these districts are having to tax in their local municipalities up to 40, 50, 60, 80, 90 percent above the State average. And inasmuch as the law is very specific in what the Act should, indeed, do with regard to those moneys coming from the State to the local school districts -- should indeed be primarily for the equalization of the tax burden in each of those municipalities that the school district is located in. And we're passing out a copy of that law to you, which is 18A:7A-2.

We've been before you on a number of occasions already this year. We have some districts that have their tax rates rising at 10 to 15 percent a year for the last three or four years. In our particular district, Matawan-Aberdeen, our tax rate has risen some 40 percent, and the reason that has happened is because the State aid under 212 was at about 42 percent in our district. Under QEA now it's dropped down next year to at least 20 percent, perhaps might be a little bit below the 20 percent level, which means we lost \$4 million to \$5 million in State aid each of those years and that burden has had to be shifted over to the local level.

Now there are a substantial number of districts that have that problem in a very serious way, and some districts will be represented here this afternoon to tell you in particular about some of the problems that they're having in their districts.

Amongst the handouts that we've given you are some data, and I'd like to pass this data out which is especially significant. And while Michael is passing it out--

We've taken a specific look at two or three of the legislative districts that have a substantial number of those school districts that are having to tax at these very high levels. There was an article in the Asbury Park Press this weekend, calling attention to the fact that we have been trying to provide enough information and data to the Legislature to call attention to our problem, and there were some statements and quotations there that really upset us, and I think were very serious because it does demonstrate really a lack of understanding of what the problem is in our school districts.

Mr. Pascrell was quoted in the paper this weekend. When he was asked about QEA and whether or not the equity was there in the bill, and whether or not it was fair, he indicated that he thought that QEA did, indeed, treat school districts equitably. As a matter of fact he was asked if the middle income districts had--

He was asked a question: Do the middle income districts have a valid argument regarding reduction of their funding? His answer to that was a very adamant and specific no. He said the suburban districts have grown so accustomed to spending at a certain level that they're finding austerity hard to accept and are refusing to make cuts. And he goes on to say, "My job is to make sure we're playing on a level playing field." He also said, "The problem is not with the QEA. The problem is with the implementation of the court order."

If you would look at the sheet that has his quotations and take a look at those school districts in his legislative district, you will see that each of those school districts is taxing really substantially below the State average. The State average tax rate is \$1.08; the school equalized tax rate is \$1.08. You'll notice each of those districts is taxing below

that, with the exception of Paterson which is at plus 5 percent, which is almost at the State average. Then if you look at the second sheet where we show Assemblyman Rocco's district, and also Assemblymen (sic) Dimon, Cottrell, and Singer, you'll notice that the school districts in those two legislative districts are substantially above the State average. We have one district, Fieldsboro, which is -- and Jim Black here will talk about that in a moment -- really a bankrupt district at the present time. Those districts are taxing at \$1.50, \$2.61, and so on.

I think that's-- If we're going to deal with Mr. Pascrell's statement about a level playing field, I think this is most significant as we look at this, because we do not indeed have a level playing field in the disbursement of State moneys for education in this State.

You also have a list of 100 school districts that are going to have very serious problems. Most of those budgets will be defeated. We looked at 35 of those 100 districts, in detail, and we found that amongst those districts they've already, for next year, cut more than 410 staff -- teachers. In my district last year we cut 44 teachers. If we don't receive some additional help with tax relief in our district next year--

SENATOR EWING: How many students do you have now?

DR. HALL: How many students do we have in the district?

SENATOR EWING: Yeah.

DR. HALL: Three-thousand-eight-hundred.

SENATOR EWING: And how many teachers?

DR. HALL: Around 300.

SENATOR EWING: And how many administrators?

DR. HALL: We have-- Our administrative ratio is about 5 percent. We have a superintendent, a deputy superintendent. We have a director of elementary education.

We have a part-time director of secondary education. We have a director of child study services. We are really down to the bare minimum in terms of administrative help in our school district.

SENATOR EWING: What does the director of calisthenics-- Does he give classes or he's just a director?

DR. HALL: The director of calisthenics? No, sir. We don't have that.

SENATOR EWING: I thought you said-- What was the last director?

DR. HALL: Director of child study services. That's special education.

SENATOR EWING: Oh, child study. Okay. I misinterpreted that -- way up at this end of the room. Well, I'm sure some schools do have directors of calisthenics. (laughter)

DR. HALL: More than likely. Well, sir, if you looked at our district you would find in the last 10 years our administrative staff has been cut 30 to 40 percent. And that's true for the other districts that are going to be speaking here, too.

In New Jersey, most of the districts are not overstaffed administratively. It's just that we have so many school districts. When you have 600-almost school districts, of course you're going to have more administrators. So, the solution is not, you know, at the local level in a one particular school-- Yes?

ASSEMBLYMAN ROCCO: Let me start by saying Bill Pascrell does not speak for the Legislature, and we do, in fact, want to hear from you, and we want to hear from you often.

Let me tell you: Jack and I probably received a ton of material in regard to QEA over the past eight to ten weeks, I guess, 12 weeks -- whatever it's been since we've been in our position -- and some of the best material I've received has

been from you and your organization. Suffice it to say that the concern that you have-- You can see, at least in my district and many districts throughout the State, our concern is, in fact, the leveling down of education in the State of New Jersey, that the QEA does not, in fact, take the total across the State and increase it. It, in fact, decreases the educational quality in many, many school districts.

We know that 192 districts in the State of New Jersey will receive less money from the State than they did in this school year. And some districts, such as my own and in Cherry Hill where I served as a principal, will lose as much as \$1.5 million. Now there's no way in the world that a system can function when we continue to take away the programs -- obviously when you take away the money, you're taking away the programs -- the programs, the personnel, and the factors that make those systems good. Cherry Hill was, in fact, rated as one of the seven or eight best school districts in the nation by the "Business Journal." That's a New Jersey school system. We ought to take pride in that. We ought to try to maintain that quality.

And what we asked the State Board this morning is how do we make certain that good districts -- good districts in the sense those that are doing the best job possible with the money they have available -- continue to provide good programs, and continue to help us to compete internationally and nationally, as far as the State of New Jersey is concerned? We can't verbally give all the bull about we want to compete against the Japanese and then be taking away and destroying good districts, which is exactly happens in QEA. And that's the frustration of so many legislators; the frustration of the loss of money to those school systems. So, certainly there's a need to help the 30, and that need will continue to be expanded. But what's enough? Is 10 percent enough? Is 15 percent enough? Is 20 percent enough? Or do you have to have 26 percent, which is,

in fact, in many cases occurring? So much money that they can't spend it. And 11 to 13 million in Camden goes back to property tax relief. Fine, if that's what we want: property tax relief. But let's not call it school aid. It's not school aid. It's property tax relief.

So, I can only say to you that we need this data. We need this information. We need your expertise. In order for this Committee, both Committees, to provide the State with the kind of program -- whatever QEA ultimately becomes, because I think I'm committed -- and I can't speak for Jack -- to seeing that QEA is bombed; grenaded; destroyed; turned upside down; whatever you want to call it. We want it out of here. And that's what I plan to do, and that's what I will continue to work for.

So, Mr. Pascrell has his position. We've debated 452 times on this, and I'm sure we'll probably have many, many more to come. But we want to hear from you, and we don't want any of the free flowing information to be retarded or slowed down in any way, shape, or form. I can only tell you that these 100 districts that you're showing here that are above the average of the State, I mean those people in towns listed you have here, are paying more from the local fair share than they should. That is, in fact, a travesty as well. That's why the people of this State got up in arms and said they wanted change. When they said change they meant change the QEA, and that's what I feel our commitment is. I speak for myself, and I think others will let you know as well. So, please, keep the information coming.

SENATOR EWING: And put on your helmet and flak vest.

ASSEMBLYMAN ROCCO: Yes, among other things.

SENATOR EWING: I'd like to welcome Assemblyman Nickles.

ASSEMBLYMAN NICKLES: Thank you.

SENATOR EWING: Senator Kyrillos.

SENATOR KYRILLOS: Ken, do you have more to say?

DR. HALL: Well, only this. This is some additional information on the 30 special needs districts. Let me say that we have felt welcome in coming here and expressing ourselves. It is survival for us. It's simply survival. I can't imagine-- I know our district budget will be defeated tomorrow. I know that they will ask for probably another million or two be cut from our school budget. I know that's going to mean 30, 40, maybe 50 staff. In two years, that will represent almost a third of our staff being cut. Our programs are going out the window. Our class sizes will go up, and it's just not Matawan-Aberdeen. It's that 100 districts plus others that are even taxing at 10, 15, 20 percent above the State average.

Jim Black from Bordentown, Superintendent Jim Black-- I'd like for him to just mention some of the problems that he's having.

DR. BLACK: Thank you, Ken.

As I said before, I'm Jim Black, Superintendent of Schools of Bordentown Regional District. I'm not here to kill QEA. QEA is the fourth funding system I've worked under as Superintendent of Schools. My purpose here is to urge whatever funding system you come up with and whatever name we put on it, that it takes into consideration some very vital things in reference to the school children of the State of New Jersey.

A little background of what I'm working on right now: My school district is K-12. I have about 1600 pupils. We are a growing district. We are growing significantly enough so we had a bond referendum that was absolutely killed last December, and within all of this we are functioning-- The building level budgets have been frozen for the last three years. No new money has been put into instruction. We have curtailed any expansion of programs, and still I'm faced with the budget this coming year that without the questionable input or the

controversial input of funds on January 24, I would have been cut \$1.6 million. I only received \$1.9 million in State aid under foundation aid. For the '92-'93 school year I will still receive less school aid to operate the budget than Bordentown Regional received in 1989-'90. So over a four year span with all the other increases, we are still in less in State aid than where we were before.

We are stuck with the situation that to get to the cap level for next year -- and the budget I'm going out with is a cap budget plus a cap waiver for special education-- Our special education costs, alone, have risen in the past two years in excess of \$2 million. Over the past year-and-a-half I've had over 100 students move into my district, already classified or classified in the first three months of moving. The special education costs are killing me.

We talked about QEA and the impact. Bordentown Regional School District is one of the last districts to regionalize K-12 in the State. By order of the State Board we received, as a tuition basis, Fieldsboro School District as a total sending district. They were created as nonoperating in '82. As a result of that, we receive tuition on an annual basis from Fieldsboro. Going into this year, because of an increase in enrollment in Fieldsboro, the cap law did not permit them to go to cap for my tuition. They had to go out for what was originally an nonappealable voters' cap. It went out; it was defeated. The local municipality further reduced that. We applied discretionary aid from the State to the tune of \$250,000; we got \$75,000.

To make a long story short, as I'm sitting before you today we're expecting a \$400,000 shortfall in revenues that are already in the budget based on a contractual agreement with Fieldsboro because they can't borrow the money. The banks will not loan the money. They can't raise the money, and right now we have legislation that we're trying to work on through

Senator Dimon's office to present to you, and also litigation against the Commissioner to try to recoup some money. If Bordentown does not get paid, I'm faced with \$100,000 deficit in any surplus as of July 1. We're faced with Bordentown having to borrow the money which is for in lieu of anticipated tuition, and since no one knows how they're going to raise the tuition, it's questionable whether the banks would even loan me the money.

Right now, Fieldsboro has an average assessment for schools on the average home of \$900. Next year that will go to \$3000. As a makeup for what they were cut, they've got a basically selective three to one. The municipal government gave them a tax cut last year of \$500 per household. It has to collect that for two years, plus the next year it will go up to \$3000.

Something has to be done with QEA legislation. Something has to be done with the funding to take these different things into consideration. I suggest to you that we take a look at education as program equivalent, not funding equivalent. It is very difficult to sit in a community such as myself, not being able to provide an ongoing program of computer education at the elementary level, but to see other districts who are getting excess funds being able to do that and even have some computers in storage. So I suggest we take a look at program equity, not dollar equity, and whatever it takes to achieve the program equity, then we should achieve it.

I suggest that you develop a system that takes a look at the tax burden. It is very difficult. Yes, I have an average-- I have a budget that I expect to be defeated tomorrow. It calls for an average of \$150 increase for the average house. It is fifth year in a row I've gone out with taxes which would increase \$100 or more for the average home in both communities.

I would also suggest that if in your formula you include income, you include it in a way it could be properly determined. As you know, a lot of the income now is determined by zip codes. Bordentown itself has five different zip codes we feed from, and two other communities feed from Bordentown's, some which are very wealthy. However, we don't have the benefit of that either in real estate or in income.

I would also hope that if you do, whatever formula that you use for allocation of money, as a regional district we can also use the same type of formula. Because while our aid is determined based on income and tax dollars, we can only distribute on a regionalized basis while each community is responsible for by real estate values, so that is also inconsistent within the law.

In short, we have a very difficult row where we are in the field. We've cut deeply. If the budget goes down tomorrow, I'm expecting more programs to be cut. Yes, Senator, to preempt your question, we have cut across-the-board: teachers, administrators, custodians, maintenance people -- everyone we could absolutely cut. Our class sizes at the elementary level next year will be approaching 30 in some areas, and we are growing. It could be in a lot of areas. My administrative staff at this point in time will be, as of July 1, myself, a business administrator, four principals, two assistant principals, and a director of special ed. I don't think that's overstaffing on an administrative level.

So, we've cut. We need help now to maintain an organization before we have a whole new sense of what districts in need are all about. Thank you.

SENATOR EWING: Thank you. Any questions?  
Assemblyman Rocco.

ASSEMBLYMAN ROCCO: Thanks, Jack.

As superintendent, obviously I've supervised student teachers in your district, as you know, over the years. Let's

take a look ultimately at the child sitting in the classroom, average kid, average situation, fourth grade. What does all this mean to that student?

DR. BLACK: Next year in fourth grade it means the average class size from this year's third grade will jump approximately four kids per room -- 4 to 6, depending on how much growth we have. It means next year that the amount of health and physical education, plus a supplemental health program we put in will be cut. We'll be back to the minimum, and that will be shared back and forth to try to redistribute the time spent on health as opposed to physical education. It will mean that the time spent in areas such as instrumental music next year-- We've cut our instrumental music program by one third. So if you're interested in taking it, you'll still have the opportunity, but the groups will be a lot larger and the time will be a lot less.

You won't have the computer education program and the computer network available to you that we planned three years ago that I'm unable to implement. The assistance in the classroom with teacher aides have been eliminated. As a matter of fact, the whole organization in one school has been changed. There's a lot of change in the fourth grade classroom for next year.

ASSEMBLYMAN ROCCO: Would you call that a leveling down?

DR. BLACK: I'd say it's dropping, not leveling. And we don't have much better hope for the year after. Right now we know going into next year that at best will be the deficit of \$300,000 in free balance because we won't have enough to match what I've got in there now.

ASSEMBLYMAN ROCCO: Do you consider your district much different than many of the districts in the State of New Jersey?

DR. BLACK: I consider my district right now about average. Except for the special needs districts, I would say

an awful lot of districts in New Jersey are facing the same problems. As a matter of fact, I'm better than some; much better than some. Of course, all of these predictions are contemplated on some other certain things like negotiations. We're now negotiating with every unit in the district very conservatively, and hopefully we're successful in that.

Insurance increases have been killing us. We budget at the rate of 30 percent increase in the Blues for next year. We just received notification they're planning on going up 45 percent. We do have our dental capped. We do have our prescription capped. So the only thing that's not totally capped is hospitalization. So we've been working on those ends too. So yeah, I think I'm about average; maybe a little better than some.

ASSEMBLYMAN ROCCO: Mr. Black, your district really epitomizes what I've been saying and others have been saying, that this QEA formula has been devastating to the State of New Jersey. That it is in fact has been so detrimental to so many districts that it must be scrapped. And as I told Assemblyman Charles on a few occasions, it's probably the worst piece of legislation in the history of the State of New Jersey. It is atrocious. We want to change it for the very reasons that you've identified today. Hopefully with enough support on these two Committees we can move ahead with it. Thank you.

SENATOR EWING: Assemblyman Charles.

ASSEMBLYMAN CHARLES: Dr. Hall, what's the size of your school district? How many kids in your school?

DR. HALL: Thirty-eight hundred.

ASSEMBLYMAN CHARLES: Thirty-eight hundred? That's

K-12?

DR. HALL: That's correct. Yes.

ASSEMBLYMAN CHARLES: And, your name is Dr. Black?

DR. BLACK: Yes.

ASSEMBLYMAN CHARLES: What's the size of your--

DR. BLACK: Seventeen hundred.

ASSEMBLYMAN CHARLES: Seventeen hundred, that's K-12?

DR. BLACK: Yes, sir.

DR. HALL: Mr. Chairman, if I might, I'd like for Dr. Edgar Thomas to have an opportunity to speak?

ASSEMBLYMAN ROCCO: Excuse me, before you start? Mr. Nickles?

ASSEMBLYMAN NICKLES: I want to ask a question concerning the-- Since both of you gentlemen have been superintendents for a number of years, how does the QEA or-- How would you feel that the old Chapter 212 T&E guaranteed tax base formula would be affecting your district if that was still in effect today? Would it be as negative? Would it better? You know--

DR. BLACK: Would you be funding it?

ASSEMBLYMAN NICKLES: If it were funded.

DR. BLACK: Much better.

ASSEMBLYMAN NICKLES: I'm sorry I didn't hear what you said.

DR. HALL: If it were fully funded, we would be fine. As a matter of fact, Chapter 212 was probably as equitable a funding mechanism that we could possibly have, if it were fully funded and if indeed the special needs districts were taken into account and given some attention. Under 212 that could have been accomplished.

You see, the income factor is what has killed us and all the foundation aid districts. When you have-- Say you have ratables. The average ratable behind every child in the State is about 440 some thousand dollars, 444. If a district has, say 25 percent less than that, say \$340,000, but their income factor is at or above the State average, that automatically skews away about 30 percent of your State aid. You reduce the income factor by 30 percent for any one of these districts and they will pick up enough State aid to almost get

back to where they were under 212. So, we question the validity of the income factor. But really, that's not the problem. The problem is the way the factor is used in the formula. You just can't give that 50 percent weight and come out with an equitable situation for those school districts. It's just impossible to do that.

question,

if you funded the 212 fully and had a plus factor, whatever that plus factor may be for the 30 special needs, do you see that as something worthy of review by these Committees?

DR. HALL: I do, indeed. I do, indeed.

DR. BLACK: I would concur on that.

SENATOR EWING: Just one question. What is the average teacher's salary in your district would you say, roughly?

DR. BLACK: All I can tell you is the report card just came out. We're almost dead average. For the years of experience and whatever I think, our maxim is lower. Our maxim is about 44 on the MA guide. Our average right now, with 18 years' experience is around 36,000.

SENATOR EWING: Senator LaRossa?

SENATOR LaROSSA: Just one question. In terms of where or what causes the disparity -- just a little bit of a count here -- and what is missing from the sheets that you handed out-- You've got 27 of the districts -- not the school districts, but in terms of the legislative districts -- that have these kinds of inequities, 13 of them that don't. I was specifically looking, just as a basic comparison, between the 23rd and 15th where I believe all of the districts, or all of the school districts in the 23rd are all regional high school districts, and the 15th which is missing from this, are all with the exception of one, K-12 districts. Is there any relationship between those two elements in terms of the types of districts we're talking about in the first place?

DR. HALL: Michael, do you want to--

He's worked with this data. He knows it better than I do.

M I C H A E L K. K L A V O N: No, sir. The primary factor is the ratables that are found within the municipalities so the size of the regional districts could perhaps lead to some economies. But that does not, to answer your question directly. What's attributable to the--

SENATOR LaROSSA: Not the size, the specific type of district. There's a K-12 district which is throughout Mercer County, and in Hunterdon County the ones that are at least listed on this sheet, unless I'm mistaken I believe all of them are strictly 9-12, or if you will, high school districts. My question is, is there any factor that takes into account or anything that addresses K-12 as a factor, and if you will, a specific kind or type of district, be it K-6, K-12, or junior high school?

DR. HALL: Yes. One way that it's different is with regard to the way the income factor is applied to a regional high school district, because, you see, a regional high school district has sending districts, and the income factor in each of those sending districts has to be calculated into that formula. What they really do is add up the aggregate of each of those sending districts and then get a per pupil cost based on that. So, that does affect rather drastically the amount of State aid that a district would receive if it were a regional high school district. I can name one in particular -- I don't want to mention the name because they didn't really get a windfall of money -- via State aid, some \$14 million State aid, simply because of the way that income factor treated that particular regional high school district.

SENATOR LaROSSA: So it's both the income factor, and if you will, the structure in terms of how these districts are laid out.

DR. HALL: Absolutely. Yes, very definitely.

SENATOR EWING: Senator Kyrillos?

SENATOR KYRILLOS: Thank you, Mr. Chairman. I just wanted to add my welcome to Dr. Hall and his Deputy Superintendent. They are in my legislative district. And I don't know if the Joint Committee understands, maybe they do-- I don't know who's clearly stated that Dr. Hall has been serving as President of the Coalition of Middle Income School Districts.

I noticed in the handout, Ken, that Matawan-Aberdeen was not in this list of districts that has a tax rate of 25 percent above and beyond the State averages. Is that because they're below it or is that--

DR. HALL: No, Senator, we're on the last page because we have a split district. If you'll turn to the last page of this document you'll notice that we are there with a number of other districts that have split legislative districts.

SENATOR KYRILLOS: Because Matawan is in the 12th Legislative District and Aberdeen in mine in the 13th.

DR. HALL: That's correct.

SENATOR EWING: We're missing one sheet for Assemblyman Rocco, I believe.

SENATOR KYRILLOS: The angle that you're concentrating on, is it the districts that are above and beyond the statewide property tax rate or is it the factor? Or does the income factor drive that--

DR. HALL: Okay, the answer to the latter question: The income factor does, indeed, drive it, but we concentrated on those-- You know we had to be somewhat arbitrary, and we said well we can't help all of these districts, but those are more than 200. But if we took the districts that are taxing at 25 percent above the State average, that would be at a tax rate of \$1.35. So this list that you have, this 100 districts, are all taxing at above \$1.35 which is 25 percent of \$1.08 which is the equalized tax rate for the State.

SENATOR KYRILLOS: Above and beyond 25 percent State average.

DR. HALL: Yes, that's correct.

SENATOR KYRILLOS: Above the State average.

DR. HALL: Yes, sir. Those are the ones that are most-- As we looked at those districts, they were the ones that were most impacted. I have a list here. We surveyed some 35 of the 100 districts and we found that amongst those 35 or so districts, they had cut 461 staff. They cut \$56 million in programs already; \$56 million to get to the budget where they are now. They appropriated \$29,900,000 in surplus so they would not have to increase taxes in those districts.

SENATOR KYRILLOS: How many districts is that statewide?

DR. HALL: That's about 37, 38 districts of the 100. We haven't surveyed all of them yet, so I would say probably 30 to 40 percent have been surveyed so you might double these numbers if you looked at every one of these districts in detail.

SENATOR KYRILLOS: Matawan-Aberdeen is 42 percent above the State average?

DR. HALL: We're 60. What are we about, Mike?

MR. KLAVON: Almost 65 percent.

DR. HALL: Sixty-five percent above the State average. It's taxing \$1.76 next year.

SENATOR KYRILLOS: I know it would be an informal survey, but where most of the rhetorical heat has emerged from as it relates to QEA I, II, or whatever, is it in fact districts that you're discussing? There are probably some noticeable absences, but they're in large measure the districts that are most concerned are represented in the handout that you've given us.

DR. HALL: Yes, that's correct.

SENATOR KYRILLOS: You helped-- Senate President DiFrancesco and I put together a bill that would have

reallocated some of the State aid for the State education needs for the next fiscal year. It was the bill, in fact, that the Senate President had gotten the Speaker to sign off on after the Speaker presented his proposals. This was proposal number 2. Then the Governor dismissed it, and I think the very next day he said he would sign the bill that would enforce the school election date for tomorrow.

Do you want to just briefly, Ken, touch on what it was in this bill-- Essentially it codified--

DR. HALL: Really, it provided for the redistribution of some \$52 million in foundation aid that had been allocated to districts throughout the State who were going to have to use this money not for programs in their school district, but for tax relief. I think all of that money was designated either for dealing with the cap problem -- I think some \$10 million was set aside for the cap problem-- And your bill, I think, proposed that \$21 million be redistributed to the foundation districts based on the formula that you indicated there, and that \$21 million go into an escrow account for next year. That's primarily the elements of that bill.

SENATOR KYRILLOS: And the Matawan-Aberdeen's of the State received extra money -- were, in fact, these districts that have such an inordinately high tax rate.

DR. HALL: Yes. That addressed the problem in some of the districts. Yes, sir, it did.

We have a big problem as you well know, because once money is allocated to a school district and you have to take it back, so to speak, even though it is destined for tax relief, that creates a lot of problems. As a matter of fact, our Association, our Administrators Association, is split in three camps -- well, really four camps, now -- and it's a very deep split. We have the superintendents representing the Foundation Aid districts, we have the superintendents representing the special needs districts, the superintendents representing the

transition districts -- transition aid, the more affluent districts, and then we have that group of vocational districts that receive substantial State aid. None of those districts are going to want to give up anything, and that's where the problem lies.

We've been trying to find a way in which we could sit down with those groups and work out some kind of a way that we could at least come together for the benefit of all the children in this State. But as of now, I have to be very careful when I walk into some of those meetings where we have some of the guys that look you right in the eye and say, "What are you trying to do to us?" That's the kind of attitude and atmosphere that we're dealing with now.

To be frank with you, we really don't have any alternative. We must, as Edgar will tell you, deal with our own situations in our local school districts and then try to work with those that are having the problems.

SENATOR EWING: Ken, just a second.

Any other questions?

ASSEMBLYMAN ROCCO: Yeah, I do.

SENATOR EWING: Yes, Assemblyman Rocco.

ASSEMBLYMAN ROCCO: Ken, we need about \$27 million to bring those districts up to hold harmless. Is that correct?

DR. HALL: Well, sir, they would not bring them up.

ASSEMBLYMAN ROCCO: I'm not talking necessarily-- Just that the 100 you have here with the 192 total, all the districts that lost money from this existing--

DR. HALL: To hold harmless? Yes, sir. I would say so.

ASSEMBLYMAN ROCCO: It's about \$27 million.

DR. HALL: Yes, sir.

ASSEMBLYMAN ROCCO: Do you realize -- and our Committee had hearings in this regard -- and the data we have basically indicates the at risk went from \$150 million to \$290

million. That's an increase of about \$140 million in a two-year period. I don't know what percent that would be over the two-year period, but suffice it to say it's a huge amount of money and certainly \$27 million would seem to me could easily be found within that formula somewhere. We looked at the at risk and found that if you compound the 20 percent over a two-year period that you would still have approximately \$75 million above a 40 percent increase over a two-year period, which would seem to be enough for any district. But apparently not enough for the people in the front office to say, "That's the place where we can get the \$27 million to at least hold those districts harmless to the numbers they received in this school year."

I would ask everyone on both the Senate and Assembly Committee, to just keep this in mind: that the at risk pool went from \$150 million to \$290 million in a 2-year period, based on free lunch, a very poor means of determining whether or not a child needs help in reading. So I would say to you that even at 20 percent per year, there was \$75 million left that could be utilized for other purposes, and we ought to keep that in mind.

SENATOR EWING: Senator Palaia.

SENATOR PALAIA: Ken, good to see you again. I know we have talked in trying to work things out. Ken, have you ever had, or any of the individuals that you've brought with you today, have had an occasion to come and speak before a group like this in the last two years when QEA started?

DR. HALL: No, sir.

SENATOR PALAIA: Never?

DR. HALL: No, sir.

SENATOR PALAIA: You see that was one of the problems that we faced initially. As you know, the Supreme Court said a few things about the special needs districts. One of the most important things they said that people have overlooked-- The

Supreme Court said you have one year to put the package together; one full year. And I'm saying that because that year is like just starting with us. It's going to take us a great deal of time to try to coordinate everything you are telling us. The problem is, some of those who have gotten large increases, next year they might not get those, and we're going to be faced with the same problem all over again with those districts saying, "Why are you cutting us?"

We have a superhuman job to do and that takes six to eight months to try to put legislation together. We have to take our time in doing it so, you know, I can only say don't get impatient with us because I think what our Chairman and Cochairman of this Committee are saying to you in effect is, we're doing this because we have to understand what the problems are out there, and obviously they're tremendous. They're numerous. But my major point to bring to you is, you've never had an occasion to come and say this is what's happening to us. Help us. You've done that now, and I think it's registered with all the members that we have here today, Ken. Just be patient with us as we go through this legislative process.

DR. HALL: Thank you very much. We look at the long-term Joe, and it is critical, but we also have that short-term problem of operating next year and what we've proposed here-- We looked at how \$30 million might impact on that 100 districts that we've given you. It shows you what additional State aid would go to those districts and I would say to you that 99 percent of that money will go for tax relief in those districts to take care of that problem that we're going to face after tomorrow when we have to cut those budgets. Those cuts are going to come at us.

I have Mr. Cox here, Jim Cox who is our Manager of Aberdeen. You know, we're already sitting down with our municipal leaders, letting them know how critical it is for us,

but I think he'll tell you in just a moment that in our district we're collecting at about 8 percent below the average in terms of collection of taxes. Our municipalities in those districts are having a very serious problem. So, on one hand we've got the school problem and then we've got the municipal one, too.

SENATOR PALAIA: See that's a fine line we all walk, especially as legislators and educators. We walk that fine line between school funding and taxes. But, you know, I think one of the major problems we have in education is that we improvise too well. We've improvised for the last couple of years. I see you all nodding your heads because the next thing is even more important. I think now, as a former educator, that we have reached a very critical point in education. Right now, in April 1992, we are at a critical stage where we are cutting programs and staff to a very, very serious level -- very serious. When the speaker, Jim Black, said something about 30 students in an elementary school, let me tell you, don't pass that off too lightly. Don't pass that off too lightly. That's a serious number to be teaching in a school day, trying to get through all the discipline problems, what have you. As you know Ken, I am not overstating. We're in a serious condition in education right now.

ASSEMBLYMAN ROCCO: Thank you, Joe.

Ken, before you continue, how many more speakers do you have?

DR. HALL: I have Dr. Austin Gumbs from Willingboro and Jim Cox from the municipality.

ASSEMBLYMAN ROCCO: Okay, let's hear from this speaker, and then we'll turn to Ed Cortisini, and then come back to your speakers, okay?

DR. HALL: Fine, sir.

Dr. Edgar Thomas.

E D G A R C. T H O M A S, JR., Ed.D.: I'm Edgar Thomas. I'm the Superintendent of the East Windsor Regional School District in Mercer County. We're a K-12 district and have approximately 3900 students. Let me say just some things, if I may, because much of it has been said before.

I think that we need to protect our students under our Constitution from any partiality or deprivation because of the accident of their birth. And we feel, in districts such as ours, that we are taxing at 68 percent above the State average in school taxes. We feel that there is really a deprivation being exercised on our students. We have felt this over a long time. You ask about Chapter 212. I think Chapter 212 fully funded would meet the requirements about which we're speaking.

However, we all know what Chapter 212 was in force. What happened was each time there would be a reduction, it was reduced in those districts needing the foundation aid and reduced in an equal percentage basis. Consequently from those who needed it most, the most was taken, and from those that needed it the least, the least was taken. It was one of those things that if we-- If I have a loaf of bread and you have two slices, we take one slice from each and we're being treated equally. No, we're not. If we get into that type of funding again, I think we really need to look at what happens if there is some sort of deficit.

ASSEMBLYMAN ROCCO: Well, what we really need is the gubernatorial election every year, maybe. (laughter) Just a joke. Just a joke.

DR. THOMAS: That's a point. I think the matter of tax equity is the fundamental issue with which we're involved. If we take a look at the Title 18A:7, and you've been given a copy of that, it does say tax effort must be considered, and I don't think that that has been observed. One of our speakers has said we observed thorough but not efficient. I don't think that part of the statute has been observed because otherwise we

would not have districts such as East Windsor which is taxing at a 68 percent level above the State average. It just isn't an equal treatment of our people across the State.

I think one of the things that I'd like to address is that matter of efficiency. So many times I have read in the papers, and I've read statements of people who say the problem with the school districts is an overabundance of administrators. I think that really has become a phrase which is tossed off lightly without any backing. I asked our business administrator if he would, from the budget and educational research service, get the information concerning the administration -- executive manager's relationship to per 100 people. Now I can tell you that in the East Windsor Regional School District our research shows that we have 4.7 of those people for each 100 of our employees. If one then examines transportation, it's 10.8. If you examine manufacturing it's 14.1, if you do printing and publishing it's 18.2, communications is 21.3, public administration is 27.8. I think that if we're considering that aspect of efficiency we're operating at a fairly efficient basis, and I know that any further cuts will have some erosion of the supervisory function necessary to ensure a quality education.

So my basic concern is that we need to really consider the matter of tax equity. I think it is fundamentally unfair that students in one district have a tax base which is reported at 20 to 25 percent below the State average while their neighbors just a few miles away are paying 68 percent above the State average. That's the message I'd like to bring to you, because I think it's an important one. It's one we need to consider unless we are going to destroy the great number, the 100 or so suburban communities which Dr. Hall has spoken about, the information about which you have.

That's my testimony, Senator.

ASSEMBLYMAN ROCCO: We thank you very much.

Ken, so that everyone on the Committee realizes, you are in court at this time. Is that correct?

DR. HALL: Yes.

ASSEMBLYMAN ROCCO: And the foundation districts are in court looking for change for the upcoming '92-'93 school year. Is that correct?

DR. HALL: That's correct.

ASSEMBLYMAN ROCCO: We'll get back to your people after we hear from Edward Cortesini.

E D W A R D P. C O R T E S I N I: Chairman Ewing, Chairman Rocco, is it?

ASSEMBLYMAN ROCCO: Yes.

MR. CORTESINI: My name is Edward P. Cortesini. I am Chairman of the Education Committee for the Trenton Council of Civic Associations. I'm here in favor of QEA. Apparently I'm in the minority. I'm a taxpayer. I am totally unprepared for this session this afternoon because I saw it in the paper this morning -- late this morning. At the last minute I decided to attend to say a few words in regards to the QEA.

Quite frankly, I think it's much too early to determine what the results of QEA have been. I can tell you that in the Trenton School District that there are good things in the plan, in the works, for our school budget this year. We are going to be able to bring back programs that have not existed in our school district for many years. I hear some of the speakers talk about wanting to maintain the programs that they have for their children. We want to get those programs back that we have lost many years ago, because of lack of funds.

I guess the best way to approach some of my comments is maybe to go down some of the things that were said here this afternoon:

The money doesn't make a difference in education. I can't agree with that totally.

Mr. Rocco, I'd like to ask you a question. Do you have public housing in Cherry Hill?

ASSEMBLYMAN ROCCO: Mr. Cortesini, we ask you questions, sir, not to be--

MR. CORTESINI: Thank you, sir. I'll assume you don't. And, I don't mean any disrespect, sir, but the City of Trenton--

ASSEMBLYMAN ROCCO: Just continue with your testimony, please.

MR. CORTESINI: Sir?

ASSEMBLYMAN ROCCO: Just continue with your testimony.

MR. CORTESINI: Thank you, sir. No disrespect intended. The City of Trenton has 4500 public housing units who do not pay taxes or contribute towards the school tax. Their children deserve an education as well as anybody else. That, therefore, is paid for by those taxpaying members in the City of Trenton. So, money does make a difference in education in an urban environment.

Quite frankly, I think there's a need required by legislators on how schools are funded. QEA is not the sole answer, but with QEA we have been able to seek programs as I indicated we have not had in the City of Trenton for a number of years. This year with QEA we've been able to increase our school budget, bring those things back. With those programs we're able to provide extended day programs and full day kindergartens, which are desperately needed and enjoyed by some of the other school districts.

Schools on extended day programs and open in the evenings are of a magnitude and a major necessity in urban school districts. We've got to have something for these children to do. We've got to get these kids off the street. We have to have an alternative to street drug activities. Opening schools is one way to do it. That takes money.

We have a new Superintendent in the City of Trenton. The Superintendent is a breath of fresh air from what we've experienced in the past, and she has an outstanding program that received full support of the community. It's taking some extra dollars. Our school budget had to increase by some \$8.4 million this year in order to bring some of these school programs back.

Our organization has been critical in the past of our school budget. We're concerned about too many administrators and such high costs. We've addressed those issues, and we've been very outspoken on them. Now this year, for the first time, we have seen a school budget that the taxpayers in Trenton can support.

The Trenton Council of Civic Associations enormously supported that school budget for this year. We're doing other things to try to help ourselves, too. We have deteriorated schools; old schools, older than most of you, or some of you perhaps in this room. We're addressing that with a bond issue that the taxpayers are going to take care of to renovate those schools to provide a decent atmosphere for these children. So we are trying to help ourselves.

I am, quite frankly, disappointed to hear the Assemblyman Chairman give a very strong and biased opinion that we should do away and destruct QEA. I thought this was a public hearing and I would expect these Committee members would be here would be open-minded and would listen to comments and suggestions for both pro and con and then come up with a reasonable decision rather than having a biased opinion from the start. I'm very disappointed in that.

SENATOR EWING: Well, let me just interject there. I think we're looking at all different things, and we can have our opinions of what we feel about QEA. I don't think it's the greatest thing that ever came down the road either, and I think there are going to be major changes in it. And certainly,

that's why we're going to the effort that we are, having public hearings and having other hearings. We've had seven regional meetings and we're going to be having many more. We'll be meeting with Ken's group here separately in the so-called -- as Common Cause likes to name them -- secret meetings. Because we feel strongly that education is for the child, not for individuals that have jobs. We've got to get people to give us their very frank opinion about things, and they don't necessarily do it when the press and the public are present. But there are going to be many, many meetings throughout the State on this type of thing. We can all have our own opinion; if we want to bomb it, fine.

MR. CORTESINI: And I respect everyone's opinion -- pro or con, for or against, but I think, also, the Committee has the responsibility to listen.

SENATOR EWING: We are.

MR. CORTESINI: There were some other comments made. The Vice-Chairman said we need to understand what's out there. Then I think that's the reason that you should be listening to perhaps what some of the taxpayers are saying, as well, and should also seek to see what those problems are.

I've heard the organizations who come here. They're very well prepared and very well organized, and I compliment them for that effort. Most of them are all professional educators. I am not an educator; I'm simply a taxpayer and concerned citizen. I am not prepared, only because of the last minute notice.

If such public hearings are going to be scheduled, I think also that they should be announced well in advance so people can make some preparations and come with some specific facts that maybe will help you in making a realistic decision.

I could go on, but I'm sure there are other people that want to talk. And I think it's nice for the Superintendent of Bordentown Schools to sit here and talk about

his school district and the number of his administrators. I think he's attacked that very well, and it sounds like he has an appropriate number of administrators for his school district, but he does have a school district of some 1700. In the City of Trenton we're talking 12,500, and in other school districts we're talking up to 30,000, or 35,000, or 55,000, so they are significant numbers, and what the number of administrators are-- I personally am opposed to too many administrators.

And as I say, I can continue to ramble on about a lot of things -- not being fully prepared, I want you to know there are taxpayers out there who are fully in support of QEA. Thank you.

SENATOR EWING: And also, just to let you know, I've already had a meeting with your Superintendent in Trenton, and the Mayor, going over different details with them and we'll probably continue to do so. And if you and others feel there should be other public hearings, you let us know and we'll schedule them because we're not going to close anybody out, whatsoever, on this. I agree with you that this one was not much notice given on it, but the others have been publicized and one is North Jersey and South Jersey. But we can have another one if enough people would like to.

Yes, I'm sorry Assemblywoman.

ASSEMBLYWOMAN BUSH: Thank you, Mr. Chairman. I'd like to just express my comment that-- I am sitting here, and I'm sure many of my colleagues', with an open mind to get the public's opinion and so even though we may not be saying things when we're hearing statements being made about bombing it out of the water, that's not the impression-- And I want to thank you for, such short notice as for everyone it is here who may have had more notice than those who didn't, to participate in this process.

MR. CORTESINI: Thank you very much.

SENATOR EWING: Senator Palaia?

SENATOR PALAIA: Just a comment. You know there's another term that you said about money, and you needed money-- There's another word in there that the taxpayers better be aware of -- and you should be, too. It's called, "accountability." Don't you think that you, as a taxpayer, wants to know what's happening in the Trenton School District, in your particular case -- about what's going on, and how's the money being spent, and is it being spent wisely? We don't mind putting money into districts, but we want to know if the money is being spent wisely. Most of the time it is. Most of the time it is.

So, it seems to me as taxpayers, you want to check with your school district and find out is the end result of this money getting down to the level of the students. That's very important. Is it getting down to that level? Because that's where we ran into trouble with some of the other school districts in our State. The money wasn't getting to that level. So, as a taxpayer, maybe when you go to a board meeting or speak to the superintendent, just ask, you know, "How much of this money that we've gotten from the State have gone into childrens programs as opposed to other things that may be going on in the school district?" Just keep it in mind.

MR. CORTESINI: Sure, Senator, you're absolutely right. I couldn't agree with you more. Our organization has been very much involved with the Trenton School District. I've attended every budget meeting and every school meeting in the Trenton School District for two years. I have not missed one single meeting. My attendance at those budget meetings are better than all of the school board members or any one individual's.

Number 2, as far as accountability, I would really like to think that our organization was very, very instrumental in replacing our last superintendent because of lack of

accountability. He wasn't doing the job of providing the programs for the kids. And we're watching our new superintendent very closely, who I might say, as I said before, is definitely a breath of fresh air -- an outstanding lady who has the right ideas and the right programs on track. She needs help, and she needs money to do it if you're going to turn around the urban school districts. We house the poor in the city. We have a lot of problems as any other urban school district does, and you're not about to address those problems with the QEA. But if you want to centralize because we have the low cost housing, because we have the public housing, and you want to keep them in the urban districts, you've got to support those. If you people in the urban districts of suburbia did not have the same problems we did, they would have the same problems we would have.

ASSEMBLYMAN ROCCO: Mr. Cortesini, before you leave, obviously you differ with some of my opinions, but at the same time, maybe you're not hearing what I'm saying. At all time we're looking to help and aid all of the children in the State of New Jersey including those in the urban 30. The point is how do we do it, and how do we do it best, and how do we do it so it doesn't negatively impact other districts? How do we do it fairly?

In my estimation, once again, the QEA is not doing it. It's doing it to the fault of other districts, and I think that there's a better way to have the Trentons and the Camdens and the Newarks served, as well as other districts, other than what we have with the QEA. It is absolutely essential that we look at all of it, but I've seen enough of the QEA to know that I don't want it. I don't like it and it's counterproductive for many, many districts.

But that doesn't mean in any stretch of the imagination that we're not looking to do the very best for the 30, and we'll continue to do that.

MR. CORTESINI: The easiest solution may be to find an alternative means of funding schools.

ASSEMBLYMAN ROCCO: That's what we're looking at.

MR. CORTESINI: But we're not going to do that with QEA. Thank you.

SENATOR EWING: Thank you very much.

Other than the 40 members that came up with Ken, are there any other members in the public there that would like to testify? (no response)

Ken, do you want to--

DR. HALL: Yes, sir, one more. Dr. Gumbs, Superintendent of Willingboro.

A U S T I N E. G U M B S: Good afternoon, ladies and gentlemen. I'm Austin Gumbs. I'm the Acting Superintendent in Willingboro. Willingboro is in Burlington County. We presently have a school district of 6000 students, K-12, one high school--

SENATOR EWING: Wait just a minute. Pull your button up, the black one, up towards you. That's it. Thank you.

MR. GUMBS: All right. --one junior high school, and seven elementary schools.

Willingboro is in the same predicament that the other districts you've heard, so I won't bore you with those details. What I would like you to know is that there's another side of this. Willingboro is a middle-class school district. It is one that's being impacted upon by incoming students who are part of the extended family; where people in Willingboro who have the room and have the need to take in the children of their relatives, are doing so. This impacts greatly on our schools.

In September we sustained a four day teachers' strike which ended at the time with the lowest settlement in the State, approximately 6 percent. We have a split board of education -- pro education and a conservative board -- and they

flip flop back and forth, year to year. More than that, I had to, upon assuming the Acting Superintendency 20 months ago, preside over rebuilding a school district after three elementary schools were closed because of the loss of the budget. We've lost the last four budgets.

In the current budget now operating Willingboro schools, the taxpayers are paying 65 percent above the tax rate for the rest of the State. We are nearing 30 students in each classroom. Our insurance benefits are up 135 percent. We have a tax levy increase in the last three years of 19 percent, 12 percent, and if we pass tomorrow, which I doubt, 9.3 -- 73 percent. Although we know that if our budget goes down tomorrow we're probably facing a cut of perhaps \$1 million. One million dollars represents 31 school teachers in a district that is now nearing 30 students in each class in the elementary school.

I guess what I have to say to you most, ladies and gentlemen, is that a district like Willingboro -- and we are not alone-- If we don't get equity, if we don't get help from the State in funding our schools, we're going to create another 30 urban 30s, because we can't do it-- The taxpayers, many of them older citizens, are unable and unwilling to pay these exorbitant taxes and are voting down the budgets, and we have had to deal with the fallout of that. It's getting to be an impossible situation. A good school district can disappear down the drain very, very quickly if no one is paying attention.

So, I don't want to repeat myself. I think I've made my point.

ASSEMBLYMAN ROCCO: You are, indeed, a brave man to take on Willingboro. (laughter) Could you tell us how much money you will receive in your next school budget year in terms of a plus or minus factor over this budget year?

MR. GUMBS: It's a minus factor of \$1,211,000.

ASSEMBLYMAN ROCCO: That's because you're a rich district, right?

MR. GUMBS: Yes, absolutely.

ASSEMBLYMAN ROCCO: I mean, really. Based on the QEA formula, Willingboro is a rich district, and that is precisely why the QEA is so wrong; because Willingboro is a district that is working hard and overcoming numerous board/superintendency problems in the past -- without mentioning names -- and has certainly come a long way in terms of when I used to have student teachers in Willingboro. I remember there were children's classrooms held in the hallways of the elementary school. That's how quickly it grew, and over the years has overcome those problems and to develop into a district that was really beginning to move ahead quickly. It seems to me that the QEA put a quick kibosh on the growth of the district in terms of what they were offering the students to move that district ahead. I don't know if that's a fair analysis or not. What's your opinion in that regard?

MR. GUMBS: I think that's a fair analysis.

ASSEMBLYMAN ROCCO: What we're having now is in the upcoming budget year, a loss of over \$1 million for this community that has done such a good job to do precisely what we want done in the State of New Jersey, and that's to move ahead and to continue advanced programs and to continue to provide the students with the best that community can possibly provide.

If I were to ever use a district for my arguments, certainly Willingboro would be a prime example of the negative impact of QEA. So, we wish you well. I'm in hopes that your court challenge will be successful, because I truly believe that your district, as so many others, are not being given the fair shake that it should be given under the QEA.

MR. GUMBS: Thank you.

SENATOR LaROSSA: Just a quick question. I'm somewhat familiar with Willingboro, having lived in New Jersey my entire

life. A number of years ago you mentioned that the size of the district-- What was the size of the district at its largest -- say, ten years ago.

MR. GUMBS: About 13,000.

SENATOR LaROSSA: You're now down to 6000?

MR. GUMBS: We're down to 6000 students.

SENATOR LaROSSA: Thank you.

MR. GUMBS: I think as a corollary to that though, Senator, I have to add that we probably have a teaching staff that is senior in Burlington County. Our average salaries are \$38,000 and this after a strike with a settlement. That's extremely low when compared with other settlements that have been made in the last two years in this State. We have laid off administrators and continue to do so -- will probably do so after tomorrow.

SENATOR LaROSSA: I would ask one other question, if I may, Mr. Chairman?

You had indicated that the cost of your insurance premium benefits in terms of whatever the percentage increase was-- I just want to make sure. Are you implying the State should pick up the cost of the negotiated settlement that your board gave out?

MR. GUMBS: No, not at all, sir. What I was trying to illustrate was how our costs are escalating. We have done-- Mr. Thomas sitting behind me has gone out and renegotiated our insurance benefit package and, indeed, we have cut it significantly in this budget.

SENATOR LaROSSA: Okay. If, maybe the last question. When you said you closed three schools, was that within the last year or two years? What was the time period?

MR. GUMBS: Two years. I took over in August 1990 for three months. (laughter)

SENATOR LaROSSA: I just wanted to get a perspective because, again, I was familiar with the size of what the

Willingboro district was, and Willingboro also happens to be similar in terms of the property equity problem, the wealth factor, with at least two of the districts that I have in Mercer County, as well. But again, the downsizing in terms of the size I think is another interesting twist, if you will, to the maze of QEA. Again, you have a district that was here, it's now down here, and you have a lot of other factors still impacting that you're held hostage to, if you will.

MR. GUMBS: Absolutely.

SENATOR LaROSSA: Thank you.

SENATOR EWING: Mr. Gumbs, what were the main things in the negotiations that had the teachers go out on strike?

MR. GUMBS: Well, the fact that they hadn't had a contract in well over a year-and-a-half was one of the factors. As I said earlier, the board flip flopped from very conservative -- fiscally conservative -- to pro education, pro teacher groups and as they flipped back and forth nobody was able to settle a contract. So after being without one and going into the second year, the teachers chose to walk.

SENATOR EWING: Were there other fringe items, too, as well as just--

MR. GUMBS: Well, our board was looking for some givebacks in terms of benefits: health benefits and things like that.

SENATOR EWING: And did you get any? I mean, what was the final outcome?

MR. GUMBS: We were not able to break into that-- What we were able to do was to change carriers and to increase in one case-- No, we didn't break through with the prescription plan-- Okay, an increase in the copay from \$1 to \$3.

SENATOR EWING: That's on the prescriptions.

MR. GUMBS: Right.

SENATOR EWING: And what about on the medical benefits?

MR. GUMBS: What we did was to renegotiate with another company, other than Blue Cross/Blue Shield. They gave us a very attractive package and saved us quite a bit of money.

SENATOR EWING: Yeah, but what's the copay and the deductible in that, do you know?

UNIDENTIFIED MEMBER OF AUDIENCE: There's no change in that, Senator.

SENATOR EWING: Well, what was it before, then? One hundred dollars deductible--

UNIDENTIFIED MEMBER OF AUDIENCE: On the major medical?

SENATOR EWING: Yeah.

UNIDENTIFIED MEMBER OF AUDIENCE: One hundred dollars deductible. That's correct.

SENATOR EWING: You know, there's very few corporations that even do that nowadays.

MR. GUMBS: We understand that, and we are working very hard to do something about that, Senator.

SENATOR EWING: If that company goes sky high, though, unfortunately in their rates and everything, you can't come back to the State plan.

MR. GUMBS: No, it wasn't the State plan.

SENATOR EWING: No, you were never in the State plan.

Are there any other questions of Committee members?

SENATOR KYRILLOS: I do. I don't know if Dr. Hall has to leave or wrap up or not. I just wanted an update on the timing of the court case. Do we have any idea on how that's going to evolve?

DR. HALL: Well, Judge Levy denied us last week -- the week before last. We're on appeal now to the Appellate Division. We're still trying to enjoin Abbott v. Burke which we're not sure we'll be successful with that. The judge indicated that Abbott v. Burke was a very narrow case. He denied us enjoining that case because of the narrowness of it and did indicate that we may have a case that would stand on

its own merits. We're on appeal to the Appellate Division and then we'll decide then with regard to where to go after the Appellate Division deals with this -- maybe on to the Supreme Court, but we do want to stay with this through the whole process. I think it's vital that we do. That's pretty much the status of it now.

ASSEMBLYMAN ROCCO: Joe, do you have something?

ASSEMBLYMAN CHARLES: Yeah, on that point of the lawsuit-- You're saying that lawsuit that we're talking about -- that, Dr. Hall, is part of its purpose and some of the relief it's requesting is to enjoin the Abbott v. Burke lawsuit?

DR. HALL: Yes.

ASSEMBLYMAN CHARLES: That's the lawsuit that was started in the early part of the '80s?

DR. HALL: Right.

ASSEMBLYMAN CHARLES: That's the lawsuit that was predicated on the argument that T&E was constitutionally infirm where it came to funding education in some districts. Is that correct?

DR. HALL: That's correct.

ASSEMBLYMAN CHARLES: And that proposition of Abbott v. Burke was a proposition that people and kids in some districts were not getting education that was funded as well as education in other districts?

DR. HALL: Absolutely.

ASSEMBLYMAN CHARLES: The court, if I understood Abbott v. Burke, at least on that now agreed that the formula did not produce fair and constitutional funding for kids in some districts.

DR. HALL: That's correct.

ASSEMBLYMAN CHARLES: And this lawsuit that you're bringing now on behalf of education, on behalf of children, on behalf of equipping the people and the young people in the State of New Jersey to compete is a lawsuit that's directed at

overturning what was declared to be something that wasn't good for them?

DR. HALL: Well, you know, Chapter 212 was only funded fully twice in its history and so the court never really had the opportunity to address the full funding of that law and also Chapter 212 did not provide for those districts that were, indeed, having great difficulty in the urban areas of this State. There were tremendous inequities because there were districts spending considerably above the ability of the urban districts to spend. And the case Abbott v. Burke addressed that, really. The basis for that case was that in those districts in the urban areas of our State those children should have the same opportunities that a Princeton child or one of the other affluent districts might be able to provide a child.

Our case is based on basically the inequities in the law; the inequities that exist in the way the money is distributed. And, again, I have to quote you Chapter 18A deals specifically with that and says specifically that any moneys emanating from the State, provided by the State for the funding of education, should address the inequities in the tax burden. And that's basic to our--

ASSEMBLYMAN CHARLES: Well, like my question now-- Were you, your district, was it a minimum aid district?

DR. HALL: No, we were a foundation aid district.

ASSEMBLYMAN CHARLES: Before QEA, was it minimum aid?

DR. HALL: No, foundation aid.

ASSEMBLYMAN CHARLES: Did you start a lawsuit before QEA challenging minimum aid as an unfair and disequaling allocation of money?

DR. HALL: We had another case-- We had another lawsuit a couple of years ago when-- You remember three years ago our State aid was cut about 20 percent? That was prior to QEA. Substantial cuts in State aid occurred that year. We did initiate a case based on the inequities in the way those moneys were distributed that year.

ASSEMBLYMAN CHARLES: Did you institute a case specifically directed at minimum aid and the fact that minimum aid was being distributed on the grounds that it represented an unfair distribution of educational moneys? Did you ever do that?

DR. HALL: The case probably addressed that as one of the corollary issues. Michael?

MR. KLAVON: It addressed it right on point.

ASSEMBLYMAN CHARLES: All right. Michael, you're here now. Minimum aid came into effect in 1976? Somewhere thereabouts?

MR. KLAVON: '75, '76, yes.

ASSEMBLYMAN CHARLES: And minimum aid from 1976 through QEA: How much money was given away under minimum aid, that part of the T&E formula over that period of time?

MR. KLAVON: I'm taking a wild guess that you're talking about \$100 million per year, roughly. And I'm guessing without going back and looking. Over those years, each one of those years, that's what happened. And our case--

ASSEMBLYMAN CHARLES: And how much money are we talking about -- minimum aid, from inception to QEA?

MR. KLAVON: Fifteen times \$100 million, just to give you a rough--

DR. HALL: No, not 15 times--

MR. KLAVON: Each year was \$100 million.

ASSEMBLYMAN CHARLES: So we're talking about roughly \$1.5 billion that was distributed not on the basis of need, not on a basis of educational support and necessity, but just distributed.

MR. KLAVON: Correct. And just one point, sir. Our case three years ago made it all the way to the Supreme Court, and the Supreme Court was just about ready to decide on Abbott v. Burke. What they said in our case was, our case would be mooted by their decision on Abbott v. Burke because the Court

felt that their decision was going to remedy the inequity in funding. Unfortunately, QEA did not remedy the inequity in funding. It did provide some additional relief to the urban 30 but it exacerbated the unevenness of funding that existed previously.

ASSEMBLYMAN CHARLES: Mr. Chairman, through you?

SENATOR KYRILLOS: Go ahead.

ASSEMBLYMAN CHARLES: Going back to what produced-- Now Abbott v. Burke-- Well T&E came about as a result of Robinson v. Cahill, is that correct?

DR. HALL: That's correct.

ASSEMBLYMAN CHARLES: And that was also a lawsuit that was directed at the constitutional infirmity of the distribution of education moneys. Is that correct?

DR. HALL: Yes, sir.

ASSEMBLYMAN CHARLES: Was your organization-- Put it this way: Were you around at that point?

DR. HALL: Yes.

ASSEMBLYMAN CHARLES: Did you join in the Robinson v. Cahill litigation which was also directed at this issue of fair funding for all of our children throughout the State of New Jersey?

DR. HALL: I was in another school district at that time that was not nearly as impacted as the district I'm presently in. So, no, I was not a party to that. I don't know of anyone that did institute a case at that time.

ASSEMBLYMAN CHARLES: During the 1980s, from 1982 through 1990, did your organization as an organization challenge the government -- the State government -- on the basis of the T&E skim? Were you down here in organized fashion challenging the skim of moneys from full funding of T&E?

DR. HALL: No, sir.

ASSEMBLYMAN CHARLES: So it's only been from 1971 through 1990 you've never done anything. It's been since 1990

when we had QEA when we're talking about an allocation of money that you don't agree with, that's when you begin your activity with respect to the allocation and distribution of educational funding.

DR. HALL: Yes. I think it would be fair to say though, that prior to QEA the impact was not nearly as great with regard to the distribution of State aid as it is under QEA now, presently with the factors that are used that drive that formula.

Mr. Chairman, if I might, call Mr. Jim Cox?

SENATOR EWING: Wait just a moment.

Is there a question here? Senator Kyrillos.

SENATOR KYRILLOS: I just wanted to chime in for a second in response to Assemblyman Charles' question. I think, Dr. Hall, there are probably many citizens of Matawan-Aberdeen and many non minimum aid districts -- but not the special 30 category -- were here in front of the State House fighting for full funding.

DR. HALL: Oh, many times.

SENATOR KYRILLOS: I think that's what Joe was asking you about.

ASSEMBLYMAN CHARLES: Were you there in front of Governor Kean asking for--

SENATOR KYRILLOS: I was there as well.

ASSEMBLYMAN CHARLES: I remember seeing you, Joe.

SENATOR KYRILLOS: I remember going into Governor Kean's office and saying that we need some more money for places like Matawan-Aberdeen and Middletown.

DR. HALL: We always were fighting for it.

SENATOR KYRILLOS: I don't want to see Dr. Hall sell himself short. I mean, you've been here for years, at least people from your district have. I know that.

DR. HALL: Yes. Oh yes, we've always fought for additional aid and with regard to the inequities, but we never

brought a court case. That's what I was saying. We never really went to court.

ASSEMBLYMAN CHARLES: So the minimum aid aspect of educational funding is not as obnoxious to you as just the distribution of funding under QEA. Is that it?

DR. HALL: That's a fair statement

SENATOR EWING: Any other questions?

ASSEMBLYMAN ROCCO: Jack, I do. I just have one more in regard to Willingboro. In your estimation what factor in the formula threw Willingboro into being-- Was it the income factor or was it the property wealth factor that--

MR. GUMBS: I think it's property wealth and income; both were factors.

ASSEMBLYMAN ROCCO: So you think both factors threw you well above? And you're paying 64 percent above the State average?

MR. GUMBS: Right now it's 65.

ASSEMBLYMAN ROCCO: Okay, thank you.

DR. HALL: One other person. We have Mr. Jim Cox, Mr. Chairman, with a brief statement.

SENATOR EWING: Fine. Would that be number 38?  
(laughter)

DR. HALL: Sir?

SENATOR EWING: Is that number 38?

DR. HALL: (laughter) That's the last one. This is the last one. Mr. Jim Cox is the Manager of our municipality in Aberdeen and is just coming aboard. He's been very helpful to us, I'll say that.

J A M E S M. C O X: Thank you very much, gentlemen. I'll make mine quick so we can get out of here.

This is the fourth day on the job as Manager of Aberdeen. I'm here to support Ken and the school districts. I would also like to point out to you some of the problems -- and it's kind of related with the problems with the school. One of

the first things I found out when I arrived is that when I go to get prepared for the budget hearing -- which the budget I didn't prepare, but the hearing I have to prepare for -- I find that reserve for uncollected taxes is in serious trouble because tax collections over the past few years, as a result of the economy, have dropped somewhere in excess of 98 percent collection rate to this first quarter less than about 91 percent. Over the past four years the tax rates have been dropping quite dramatically in communities like this -- probably all communities in the State.

Since the township has to fund the school system in the sense that we collect the money and we have to pay out exactly what the county tells us that we need to pay and the schools tell us what we need to pay, what happens is we, as a municipality, have to continue cutting our own services.

One of the things you possibly could do to help us is, if, in fact, the State is going to continue to fund a certain amount of money for the various communities to help alleviate the tax rate, possibly getting that money to us quicker than it has come to us in the past. We just really received the money for 1991 a month ago.

So to the extent that the State can fund the townships a little bit quicker than they have in the past, it will be helpful to us. And you can be assured that even though this is one little community and one manager, that we're going to work as hard as we can to help the school system.

SENATOR EWING: You said that you just got the money?

MR. COX: Yes, sir.

SENATOR EWING: For the school year you're in now?

MR. COX: No, no, I'm talking about now for the community itself. For Aberdeen we just received our money that we were promised last year to alleviate the tax rate. We received it this year, so the cash flow gets to be a little difficult when you're expecting something in the neighborhood of--

SENATOR KYRILLOS: Municipal aid, I think, is what Jim's talking about.

MR. COX: Yes.

SENATOR EWING: When should it have gotten to you?

MR. COX: Well we would have liked to have received it at least in the first quarter of last year, no later than the second quarter.

SENATOR EWING: Of last year.

MR. COX: Yes, sir. We're talking about 1991 money now that we didn't receive until 1992. What I'm saying is, we have a budget in 1992, and I don't want to wait till 1993 to get the money for funding, because we're having cash flow problems.

SENATOR EWING: Who does that come from, Community Affairs?

MR. COX: The Department of Community Affairs. Yes, sir.

ASSEMBLYMAN WOLFE: I'd just like to follow up on that question, and that is--

SENATOR EWING: Pull the mike up and pull the button up towards the front of it.

ASSEMBLYMAN WOLFE: I don't need a microphone. Ordinarily when would you receive that money? Would there always be this 12 to 18 months--

MR. COX: Well, you remember last year specifically there was an effort put out to either hold tax rates at the same level or reduce tax rates. So there was an extra special move last year, and this is the first year we received money under that particular program. What we were hoping for, is that we would get it in the first half of the year that we were going to use it.

As it happened, it didn't arrive until the first quarter of this year. And what I'm afraid is going to happen, the money for 1992 won't arrive until 1993. With the reserve

for uncollected taxes increasing with no one -- I shouldn't say no one -- with people dragging out paying the taxes and the State dragging out paying the money that is coming to us, the municipalities -- it's not only our municipality; I'm sure others are in the same boat -- are having cash flow problems. We had to break a CD a month early and so give up an interest rate of 6 percent for an interest rate of about 3 percent.

So, the communities are hurting financially because cash isn't coming in. You can't invest your money at any kind of a significant rate. You have to borrow above the cost -- you can't even arbitrage anymore, which I know is illegal, but there are ways around that. You can't do anything anymore, and the communities are just getting hurt. I'm sorry, I don't want to bore you with all this.

ASSEMBLYMAN ROCCO: Let me take you down a path a little bit here, for those that have not served in municipal government. A phrase -- and unfortunately, in this business a simple phrase can mean millions -- but the phrase, "dealing with the reserve for uncollected taxes," may not mean a whole lot to people sitting on this Committee or in the audience. Just for budgetary purposes -- having served as Mayor, myself, and having faced this problem -- what does that do to you when the reserve for uncollected taxes is low?

MR. COX: Well each year that you have to add-- Take a community like Aberdeen. Each year that you have to add a percent for your reserve for uncollected taxes, you're talking about roughly \$300,000 added to the budget. And the community itself or the administration in the community has no control over that. It's things like that plus--

ASSEMBLYMAN ROCCO: Well, let me pursue this.

MR. COX: Oh, let me just go one--

ASSEMBLYMAN ROCCO: If you were to take, let's say, in the '91-'92 budget, an amount of-- Let's say your collection ratio is about 97, 98 percent.

MR. COX: That's correct.

ASSEMBLYMAN ROCCO: If it were to drop to 80 percent and you failed to collect in time for your deadline -- let's say for purposes of an example; let's say \$2 million -- then in the '92-'93 year, the upcoming year, you would have to start off your budget year by putting that \$2 million right into the budget. Is that correct?

MR. COX: That's correct.

ASSEMBLYMAN ROCCO: So you have the money, but you can't use it. Because your collection ratio was down, it has to go into the reserve for uncollected taxes. Is that correct?

MR. COX: That's correct, Assemblyman.

ASSEMBLYMAN ROCCO: So it is an extremely important factor to have your collection ratio way up in order not have to put huge amounts of money into reserve in the following year.

MR. COX: That's correct, and increase your tax rate as a result of that.

ASSEMBLYMAN ROCCO: That's important; very important.  
Thank you.

SENATOR EWING: Assemblyman Charles.

ASSEMBLYMAN CHARLES: Yes, Mr. Chairman.

Your name? I forget your name.

MR. COX: Jim Cox.

ASSEMBLYMAN CHARLES: Mr. Cox, you're on the-- We've been listening to the educators -- those who are pure education advocates -- and we respect their advocacy. You're on the money side, though.

MR. COX: That's right.

ASSEMBLYMAN CHARLES: There's the education side with those who advocate education programs, things like that. You're on the money side whose responsibility is to taxpayers. I mean, you have a responsibility to the kids, too, but the taxpayers look to you for some kind of monitoring. Correct?

MR. COX: Yes, they don't want us to raise their taxes.

ASSEMBLYMAN CHARLES: Exactly. Now, you said you received some moneys last year under this QEA formula. Is that correct? This QEA legislation.

MR. COX: If you recall, last year there was money taken out of QEA, as I understand it, for the municipalities to either reduce or hold tax rates at the same level or at least modify increases.

ASSEMBLYMAN CHARLES: All right. So coming out of that, this abomination which we call QEA, there was tax relief to the cities, to the taxpayers of your municipality?

MR. COX: That's correct.

ASSEMBLYMAN CHARLES: Did the taxpayers of your municipality-- They haven't told you to send that money back to the State of New Jersey and give it over to the education district, have they?

MR. COX: No, sir, they haven't.

ASSEMBLYMAN CHARLES: You haven't said to the taxpayers that they ought to send that money back to the State of New Jersey or they ought to send that over to the school district, have you?

MR. COX: No, sir, we haven't.

ASSEMBLYMAN CHARLES: So to that extent, QEA, this abomination that we're talking about has been helpful and welcome -- a happening as far as the taxpayers of the town of Aberdeen are concerned. Isn't that right?

MR. COX: Well, I'd like to say that, if we got the money on time. See, we had to operate without that money in the budget for a full year, and it's the same problem this year. We have a cash flow problem, and when you reduce your taxes by that amount and then don't have the cash to operate, it gets to be very difficult, and probably we'll have to have tax anticipation notes and the like.

ASSEMBLYMAN CHARLES: By the way, did you have a tax increase last year just over all, or did they stabilize more than they had in previous years?

MR. COX: I'm sorry, Assemblyman, this is my fourth day on the job.

DR. HALL: I'll answer that for him. We did have--

ASSEMBLYMAN CHARLES: You had a tax--

DR. HALL: Oh, yes. We had a substantial tax increase last year.

ASSEMBLYMAN CHARLES: Increase or decrease?

DR. HALL: Increase.

ASSEMBLYMAN CHARLES: On the education side?

DR. HALL: Oh, yes.

ASSEMBLYMAN CHARLES: What about the municipal side? Same thing?

DR. HALL: They did have a slight increase on the municipal side.

SENATOR EWING: Did Community Affairs give you any reason why they were so late in giving you the money?

MR. COX: They didn't give any reason to anybody, I don't think. Aberdeen wasn't the only one that didn't receive the money. It was all the communities that received their money the first quarter of this year.

SENATOR EWING: Senator Ciesla.

SENATOR CIESLA: Just a quick question. I assume you were employed in New Jersey as a Municipal Business Administrator prior to taking your current position?

MR. COX: Yes, sir.

SENATOR CIESLA: And I'm sure in that capacity you were aware of the development of QEA and the switch which provided for certain funds to go to municipalities for property tax relief?

MR. COX: Yes, sir.

SENATOR CIESLA: Are you aware of any educational benefit that that particular money provided for the people in your municipality -- or your current municipality -- when it was proposed to be taken away from the educational formula?

MR. COX: Help me with that question a little bit. You mean the money that we got in that particular year from-- What happened there was that the tax rate was reduced by that amount.

SENATOR CIESLA: Let me just ask: In your capacity as a municipal official who is at least charged with making a recommendation for the proper functioning of a municipality, does it make sense to take a funding formula designed for educational improvement and, shall we say, alter the formula in some fashion in order to take the money away from education for property tax relief, in your opinion?

MR. COX: Do you want this as a personal opinion or as a manager's opinion?

SENATOR CIESLA: I want it as your testimony.

MR. COX: In my opinion, I didn't think it was the right thing to do last year. I think we would all have been better served if we had straightened out the QEA and not fiddled with the money that was collected under that sent out to the communities. As a manager, we're depending on it in our budget these days. But personally, I don't think it's the right way to go.

SENATOR CIESLA: Thank you. I appreciate your answer.

SENATOR EWING: Any other questions? (no response)

Thank you.

Is there anybody else from the public who wishes to be heard? (no response)

I'd like to announce in closing then-- Oh, excuse me.

ASSEMBLYMAN CHARLES: Just before you-- I want to say something.

SENATOR EWING: Please do.

ASSEMBLYMAN CHARLES: I don't know whether you want me to say it before you make your remarks--

SENATOR EWING: No, no, no. I want to have the last word. (laughter)

ASSEMBLYMAN CHARLES: All right. You will have it anyway, as the Chairman, no matter what you say. I had to say that, Mr. Chairman. (laughter)

I'd just like to say these hearings are something that I know are inevitable. They were promised some time ago. It's been repeated, reiterated in just the Assembly Education Committee meetings and, you know, I don't think anybody as legislators, or as citizens of the State of New Jersey, have any problems with public hearings on very public issues.

I think, however, that public hearings on public issues involving major public policy -- particularly education issues which impacts just so many aspects of the lives of the people of the State of New Jersey -- ought to be handled in the, I think, calmest of ways and the least hyperbolic of ways. I think it does not serve the interest of the debate, the discussion, the open hearing, to refer to things in bombastic ways or in provocative ways. I think if we engage in this, discussion ought to be a discourse that's based upon dispassionate, reasoned, objective consideration of what information, what testimony is given. We can have our viewpoints but I think that we ought not color the debate, we ought not color the hearing by that kind of rhetoric.

I think, also, in reference to the hearings as we've gone through them, it would seem to me-- I don't know what's been happening on the Senate side, but I know what's been happening on the Assembly Education side. Dr. Hall has been very, very helpful to us, and I respect the gentleman for the information that he has provided us. I think he's been very, very diligent in his efforts to come forward with his viewpoint. But it seems to me that his viewpoint has monopolized all of the discussion, all of the debates, so far. That's not his problem. He has a point of view, and he's putting it out there. I think it is the responsibility of this Committee if it's searching for a broad spectrum of views, to

work affirmatively to try to put into the record feelings and attitudes by everybody across-the-board. Dr. Hall has been down here at more Education Committee meetings than I've been at, presenting charts and graphs which have a focus on Cherry Hill and thereabout, Aberdeen and thereabout.

I think there are other districts which -- another 190, 192 or so -- I'd like to hear. I think that this Committee if it's going to do its job fully and professionally, it ought to affirmatively seek to have others here to present viewpoints that develop that information. I think that that would further the debate a whole lot, too, and that might help us generate legislation that might address some of the problems.

He has raised some concerns. We all have heard some things that really need to be looked at in QEA but I think we need to get broader viewpoints from other than Mr. Hall, and the gentleman who is with him from his district. I think that would help us a lot. I'm just getting the feeling that I may not be getting the full picture--

ASSEMBLYMAN ROCCO: Joe, you mean similar to when the QEA was heard last time before the Committee when the QEA was initiated? Do you mean that type of hearing?

ASSEMBLYMAN CHARLES: No, I'm saying--

ASSEMBLYMAN ROCCO: You mean the hearing where we only had one meeting, no one testified, the bill was shoved through? You mean that type?

ASSEMBLYMAN CHARLES: I'm saying this. I advocate this. I say this to you: If we say something, let us mean what we are saying. If the rhetoric is that we are having full and fair discussions, let's have that. If that is the proposition--

ASSEMBLYMAN ROCCO: Well, Joe, that was the rhetoric--

ASSEMBLYMAN CHARLES: I'm not finished yet, Mr. Vice-Chairman.

ASSEMBLYMAN ROCCO: --that was utilized when the QEA--

ASSEMBLYMAN CHARLES: I'm not finished yet, Mr. Vice-Chairman.

ASSEMBLYMAN ROCCO: --was first initiated--

ASSEMBLYMAN CHARLES: Am I being stopped now?

ASSEMBLYMAN ROCCO: --and certainly--

ASSEMBLYMAN CHARLES: Can I go on with my remarks?

ASSEMBLYMAN ROCCO: --this is just a reiteration. This is much more than we ever had on the initial hearing on the QEA which was run through in one session where there were no hearings, and no one participating. So, if you're talking about that type of hearing, I mean, we can have that type of hearing. I think this is much more open. Anyone is entitled to attend if they so desire, and if someone doesn't show, that's not our problem.

ASSEMBLYMAN CHARLES: Now who's the-- Could I speak now, or should I-- Are you finished?

ASSEMBLYMAN ROCCO: Well, you have to wait your turn, I guess. The Chairman has the--

ASSEMBLYMAN CHARLES: I was speaking when you interrupted me. I'll let you interrupt me. I'll wait.

SENATOR EWING: Assemblyman Charles, go ahead.

ASSEMBLYMAN CHARLES: Am I going to be interrupted again?

ASSEMBLYMAN ROCCO: Maybe.

ASSEMBLYMAN CHARLES: All right, I'll wait then. You're the Vice-Chair. I'll wait for you to interrupt me whenever you get ready. I'll wait until you finish, and I'll ask the Chairman and the Vice-Chairman if I can continue with my remarks.

SENATOR EWING: Please do.

ASSEMBLYMAN CHARLES: My point is this: If there are these pronouncements-- The issue of what happened in 1990, that's something we can talk about. I don't perceive that that is the issue on the table right now. We can take that into

another forum and we can debate that -- whether or not there were hearings, or adequate hearings then. I'm talking about the proposition which is announced--

ASSEMBLYMAN ROCCO: There were no hearings then.

ASSEMBLYMAN CHARLES: --or no hearings. I'm talking about the proposition which has been announced from the beginning, which is that there are going to be hearings. Now if there are going to be hearings, if we are going to live up to that pronouncement, let us do it in as broad and as fully informative a manner as we can do. That's the point I wish to make.

SENATOR EWING: Fine. Now I will say something. All the Assembly members and all the Senate members have been invited to the seven regional meetings. I did not see one person. I did not see you there at any of those meetings. We had seven regional meetings that were set up by the Association of Superintendents, Principals and Business Administrators. We did three counties at a time. They invited 25 to 30 people. These are the so-called secret meetings, as those who are members of the Common Cause like to call secret, and we discussed openly there -- without the public, without the press -- what their thoughts and ideas were. The Associations know--

We're going to be sitting down with the NCEA; we're going to be sitting down with the School Boards, all separately. We're going to sit down with the NAACP. I'm even going to get five or six of these reporters who proposedly talk about education in papers, bring them in to see what they've got to say. We're going to meet with the urban superintendents. We're going to meet with the foundation superintendents; we're going to meet with the transition groups; we're going to meet with the special needs groups and any other group that feels they should be heard. We're going to hear them.

Now I don't know how in hell you can make it more broad than that? And also, I'd like to say that yes, this meeting was called rather quickly; there's no question about that. And the main people attending these meetings certainly are the legislators, but also of extreme importance are the staff from the Minority and Majority side, and I've not seen any staff from the Minority side at any of the seven regional meetings I had. But the OLS attended, and they've been taking notes and everything. We're going to get all this input and come up with what we feel will be best for the child, as I reiterated earlier.

Also, just so it's out in the public now, the next public hearing will be on April 23 at 3:00 in the Alumni Lounge, Downs Hall at Kean College, on May 6 at 3:00 at Town Hall on Mercer Street in Cherry Hill, and every one of these meetings, the Assembly and Senate members of the Committee have been invited to. So if you don't show up, I can't help that. I've been at them, so far. Thank you.

ASSEMBLYMAN CHARLES: I understand. I think it's a good development we just had. Now we do know, and we have heard from the Chairperson with respect to the people that are going to be contacted; that is, the experts in the area who are going to be contacted with respect to this issue. I am a lot more comfortable knowing that it is the intention-- I figured it all along, but it's good to hear explicitly that it is the plan of this Joint Committee to meet with all of those persons. That was my point. I had not heard what you just said earlier, and I'm glad that you told me--

SENATOR EWING: But you were invited to the regional meetings. You haven't shown up at the regional meetings.

ASSEMBLYMAN CHARLES: Well, the point I'm making is not so much my attendance, Mr. Chairperson. I'm talking about the attendance of those who work in the field of education, those who have the data, those who live with it day to day.

We're looking for input -- from the legislators -- but mainly from those who work with QEA, those who work with children--

SENATOR EWING: They're the ones that know.

ASSEMBLYMAN CHARLES: Those are the people who, I think, if no one else shows, they have to be here giving their input. It is input from them we are looking for.

SENATOR EWING: That's what we are counting on.

ASSEMBLYMAN CHARLES: Thank you.

SENATOR EWING: Any other members of the Committee?  
(negative response) Thank you very much. The hearing is closed.

(MEETING CONCLUDED)