
Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

“Discussion with regard to provisions of the ‘Interdistrict Public School Choice Program Act of 1999’ dealing with studies to be conducted to evaluate operation of the program”

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: June 26, 2000
10:30 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman David W. Wolfe, Chairman
Senator Robert J. Martin, Vice-Chairman
Senator Martha W. Bark
Senator Byron M. Baer
Senator Ronald L. Rice
Assemblyman Joseph R. Malone III
Assemblyman Kevin J. O’Toole
Assemblyman Raul “Rudy” Garcia
Assemblyman Craig A. Stanley
Assemblywoman Bonnie Watson Coleman

ALSO PRESENT:

Melanie M. Schulz, Executive Director
Joint Committee on the Public Schools



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ASSEMBLYMAN DAVID W. WOLFE (Chairman): I'd like to call the meeting to order, the Joint Committee on the Public Schools of the Senate and the Assembly. But certainly, the Assembly is here. The Senate may be here. They're on their own time zone, you know. They're on a time warp or something. (laughter) But thank you for being here.

We have really two items to consider today. First is the issue of School Choice, which began this year for the first year. We have a number of people who have indicated that they would like to testify: Jeff Osowski, Assistant Commissioner of Information and Management Services with the Department; Mary Torres, who is the School Choice program person in the Department; Dr. Ernest Palestis, the Superintendent of Mine Hill; Robert Garguilo, of Folsom Schools; and Sandra Kemmerer -- I believe it is? -- also from Folsom, who is a parent; and Scott Abernathy from Princeton University.

Where's Scott? Scott here? Hi, Scott. We need your advice. Get ready, okay.

We're going to begin our meeting. The experts from the Department of Education have indicated that they would like to listen before they speak, if they want to speak, so--

Dr. Ernest Palestis. Did I say it correctly?

ERNEST PALESTIS, Ed.D.: Yes, you did.

ASSEMBLYMAN WOLFE: Come on up. Welcome.

DR. PALESTIS: Well, good morning. I'm on?

ASSEMBLYMAN WOLFE: You're on.

DR. PALESTIS: Good morning. Thank you for this opportunity to testify. My name is Dr. Ernest Palestis, and I am the Superintendent of

Schools in the Mine Hill School District, in Morris County. And I'm pleased that Mine Hill serves as one of New Jersey's public school districts of choice. We have had a positive experience serving as a pilot on behalf of the State of New Jersey. We're excited about the concept. I wanted to share some of our experiences with you, as well as provide some recommendations about what we could be considering in the future for School Choice.

Let me begin by thanking everyone here for providing us with an opportunity to testify. I appreciate the fact that you're here to listen and to absorb a few different points of view about School Choice. I also want to thank members of the Department of Education, and that includes Jeff Osowski, Mary Torres, Anne Casale, and of course, Commissioner Hespe, who has been very supportive of this initiative.

A little bit of background: Mine Hill is in Morris County, a K-6 district, and we will accept, in September, 18 students as part of New Jersey's Public School Choice program. One of the reasons that we got involved with Public School Choice is our belief that the public school system itself can be reformed by looking at exciting initiatives such as School Choice. We think we can serve as a pilot and point out reforms and changes that are taking place in our school districts that, perhaps, other districts also can take advantage of.

Mine Hill attracted 18 students for a number of reasons, and I'd like to talk a little bit about that. We serve as one of New Jersey's Blue Ribbon Schools. We were selected by the United States Department of Education as a National School of Excellence several years ago. We also were selected by *Redbook* magazine as one of America's best schools and have won numerous awards from the State Department of Education. So, when we began looking

at School Choice, we made up a bulk-mail brochure, we had some advertisement on cable TV, and also, we had some very favorable publicity, and as a result of that, drew over 30 applicants to the process.

When we began to meet with our School Choice parents, one thing became very, very clear to me, and that was that the School Choice parents are like all other parents in New Jersey. They simply want a very fine public school for their children, and they had a lot of questions. And so, as a result of that, their basic question was, "Have I made the right decision?" Because it's very unusual in the public school system to give parents that kind of decision-making ability, we tried to assure them that, indeed, they had made the correct decision by a number of steps. And so we began a process of working with our parents, and I'd like to outline some of the steps we made.

We began scheduling Choice Parent Question Nights, in which our parents could come to us and ask any question whatsoever about the school. Some were philosophical. Most were just practical questions: What do we do for lunch? What is the curriculum like? We also established a weekly communication system with our Choice parents so that our Choice parents were informed about the school year simply by reading our weekly calendars and bulletins that I would put out from time to time.

We opened up our school-to-school events for our Choice parents. And so we had our Choice parents attending gym nights. We had a program that we developed called Family ESPA and invited our Choice parents to attend that. And as a result, I believe what took place is that our Choice parents began to develop a comfort level with our facility, with our staff, and more importantly, our Choice parents began to meet other parents in the

school district as well. We established a line of communication with our community taxpayers, because many of them had questions about how this Choice program would work. And when they found out that we would derive revenue-- In our case, we were able to bring in \$130,000 in Choice school aid, and as a result of that, expand our staff. Our taxpayers were pleased with that concept.

I had some thoughts and some recommendations in terms of how this Choice program could be modified. I want to talk about what I think is a simple solution to one of our most significant problems. And one of the problems that we encountered was having a single registration period. Now, that enrollment period took place in January and what occurred is-- Subsequent to that, we have had many inquiries about our School Choice program, particularly the last few weeks of school. But what occurred in April is, our Commissioner of Education, David Hespe, called, came out and visited the Canfield Avenue School in Mine Hill. And as a result of all of the favorable press that developed, we had many calls from parents wishing to enroll their children in School Choice this September. And unfortunately, we needed to inform them that that was not possible because the enrollment took place previously.

So I would urge this body, as well as the State Board of Ed -- I testified in front of the State Board of Ed last week -- to consider a dual admission cycle in which there is a cycle of admission for Public School Choice both in the fall as well as in the spring. I think that would give us greater flexibility, and that's what we're looking for in the districts in order to expand this program.

Another way that flexibility can be enhanced is to develop a wait list. And this is a simple process that a school would use in which we simply had a list of names, and as vacancies develop, we can simply go to the next person on that list. What occurs right now is, I have 18 prospective Choice students. If any of them drop out, I do not, for September, have a mechanism to replace them with the waiting list. So those are, I think, pragmatic suggestions.

One other area that we need to focus in on is siblings, and let me tell you what happened in Mine Hill. We had two of our sending school districts-- We have four districts sending us students next year. Two of those districts conducted lotteries in order to limit the number of students that they would lose and send to us. When the lotteries were conducted, siblings were split up, and as a result of that, I feel we lost children because most parents made a very simple decision that they were not going to send children to two different school systems. So some consideration for a way to have siblings included in this process, I think, would be noteworthy.

And then finally, another thought that I have that might represent a need in Morris County is some greater flexibility in the selection process. I am aware that we have in Morris County at least two other school districts, K-12 districts, that are interested in School Choice, and at this point now are precluded, because we are the Morris County school district of choice. So in the event that the State is not able to fulfill or fill 21 slots, perhaps some consideration could be given to expanding to a different configuration school district within a county.

Those are my comments. I thank you very much, and I'd be pleased to answer any questions that you may have.

ASSEMBLYMAN WOLFE: Thank you very much, Doctor.

Do any Committee members have any questions for Dr. Palestis? Assemblywoman Watson Coleman.

ASSEMBLYWOMAN WATSON COLEMAN: Thank you very much.

Thank you, Doctor.

You know the 18 students that are coming to your school in September. Do you know who they are, I mean?

DR. PALESTIS: Yes, I do.

ASSEMBLYWOMAN WATSON COLEMAN: From what districts did they come?

DR. PALESTIS: We have students from Wharton in Morris County, Randolph, Roxburg, and Dover.

ASSEMBLYWOMAN WATSON COLEMAN: To your knowledge, are any of these districts that are experiencing real challenges in providing a quality education to their children -- none of these are *Abbott* need districts, though. Are any of these districts--

DR. PALESTIS: None of the four districts are special need districts, and some of the districts are noteworthy for a number of awards that they have acquired on behalf of their community. I think what's interesting is, we do know the parents and the students -- and one of the nicest days we had was when Commissioner Hespe came. It was a very informal setting. And he asked the Choice students and their parents, "What are you interested in?"

and that was the biggest surprise. What I found is that parents were not coming to us for major philosophical differences with their local schools. Rather, the parents wanted some specialized programs that we had that perhaps their schools did not offer.

So, for example, we have a very highly regarded parental involvement program, and that attracted a number of the parents. I had one parent say to me that she liked our school because the school itself is on one floor, and she has a child that has difficulty walking up and down stairways. So we found a whole, wide variety of reasons that parents selected us. It could have been individual programs. I think the biggest attraction that I've heard repeatedly from parents is the size of the school. The elementary school has 380 students, and a lot of the parents that we have are coming from districts that just have larger buildings. And I believe that these parents are looking for a more family-oriented, small school, so not necessarily criticizing their home district at all, just looking for something unique.

ASSEMBLYWOMAN WATSON COLEMAN: The four districts from which these students are coming, are they categorized in the same sort of, I guess, it's the wealth level, performance level as Mine Hill?

DR. PALESTIS: No. We are a district factor group *F-G*. I know one of the districts is a *B* factor group and the other is a *J* factor group and the others fall in between. So we really have an eclectic group of school districts that represent various district factor groupings, as determined by the Department of Education.

ASSEMBLYWOMAN WATSON COLEMAN: I'm not familiar with your location. Are there any sort of challenged districts or special needs

districts in proximity to your school, like sort of in the same geographic proximity as the four districts?

DR. PALESTIS: I would say no. We're in Morris County, and there are no *Abbott* districts in Morris County.

ASSEMBLYWOMAN WATSON COLEMAN: My last question to you is, would the 18 students that are coming to your school, are you aware of the sort of racial and ethnic mix of these children, and has it resulted in any diversity in this 18 students?

DR. PALESTIS: We are aware, as a result of communication from the State, and we've recorded the ethnicity of the students, and that will increase the ethnicity of our building. So that has increased our diversity.

ASSEMBLYWOMAN WATSON COLEMAN: So of the 18 students that you are bringing into your school district, how many of them are African-American or Latino or Asian or--

DR. PALESTIS: I believe together we have -- about one out of every three of the students attending represent culturally diverse groups.

ASSEMBLYWOMAN WATSON COLEMAN: To your knowledge, are they African-American or Hispanic?

DR. PALESTIS: Yes. Some are African-American, and some are Hispanic.

ASSEMBLYWOMAN WATSON COLEMAN: Thank you.

Thank you, Mr. Chairman.

ASSEMBLYMAN WOLFE: Thank you.

Doctor, I just had a question. One of the concerns that the Legislature had when we first embarked on this road was the flow of money from both districts. What has your experience been with that?

DR. PALESTIS: What we found is that-- Let me respond in two ways. First, we were very, very pleased that the Department of Education was able to provide the School Choice aid so that it's forthcoming during the 2000-2001 school year. That will help us enormously. And the reason that that has been a significant plus is that I was able then to go into our community and say that we now have-- For us, it was \$130,000, but in the small school district that's a significant piece of revenue. We were able to hire two full-time teachers as well as custodial staff with that funding. So, as a result of that, we've added a fourth-grade teacher and a science teacher to the Canfield Avenue School. That will help the Choice students, but it will also help our resident students as well. In terms of the districts that were sending us students, it's my understanding that they will still receive 75 percent of the State aid they would have received for those students during the first year, and that will decline in year two and in year three.

ASSEMBLYMAN WOLFE: Thank you.

Maybe if you could just stay right there.

Is Sandra here? Sandra and Robert, do you want to come on up? Do you have anything you'd like to say? You are both parents of kids in the district, okay.

SENATOR BAER: Before we go to another witness, I just want to ask a question.

ASSEMBLYMAN WOLFE: Pardon?

SENATOR BAER: Before you go to another witness, can I ask a question?

ASSEMBLYMAN WOLFE: Okay. Well, they're all going to be here.

Go ahead. Go ahead.

SENATOR BAER: There was something I missed in what you were describing about siblings being split up. I'm not quite sure I understand how that came about since this is a Choice program, and a youngster wouldn't be entering unless the family was supportive of that. Is that correct?

DR. PALESTIS: What occurred is this--

SENATOR BAER: You have a situation where one sibling applies and one doesn't or what?

DR. PALESTIS: What occurred is two siblings applied. And two of our school districts decided to implement the component of School Choice that permits them to limit the number of students who can leave their district. So what can occur is, a school district can pass a resolution limiting the number of students who can leave at 2 percent of a grade level. So, when a nearby community did that and they pulled names out of the hat for a lottery, one sibling was selected. However, the second was not and was thereby eliminated from consideration as a Choice student. So, as a result, what I believe then took place is the parents were put in a position of choosing whether to have one child in our school and one child in their home school or not to participate. And in our case, some of the parents chose not to participate because a sibling had been eliminated.

SENATOR BAER: And what are you proposing -- that they go into the lottery joined together with the probability that they won't be the very last picked where there would be a dilemma with only one space?

DR. PALESTIS: Yes. I believe siblings should not be separated. That's just going to diminish the effectiveness of the program by eliminating some families completely.

SENATOR BAER: So they should go into the lottery joined.

DR. PALESTIS: Yes.

SENATOR BAER: Thank you.

ASSEMBLYMAN STANLEY: Mr. Chairman, just one question?

ASSEMBLYMAN WOLFE: Yes. Assemblyman.

ASSEMBLYMAN STANLEY: I'm sorry if I'm being redundant, but I just missed a little bit of Senator Baer's question. But when you went out to advertise for students, was there a geographical area that you had in mind? Yeah, I guess that's the question, and is there-- I mean, I understand there are no limits, or maybe you can correct me if I'm wrong. Are there any limits to distance with respect to--

DR. PALESTIS: You are correct that there are no limits. Technically, anyone who resides in New Jersey may attend any of the Choice districts. When we advertised, we decided to use a bulk mailing. And so what we attempted to focus on were communities that touched our community geographically. And we had some general advertisement in Morris County.

ASSEMBLYMAN STANLEY: Okay. Thank you.

Thank you, Mr. Chairman.

ASSEMBLYMAN WOLFE: Thanks very much.

You parents have anything you'd like to add?

ROBERT GARGUILO: My name is Robert Garguilo. I'm the Chief School Administrator for Folsom School District, and this is Ms. Sandra Kemmerer. She is one of my parents -- Choice parents. She also works in our district. Folsom was very fortunate to be one of the five districts in New Jersey to be a Choice district for the coming year. And if I could have a little bit of your time, I'd like to give you a little background on Folsom and kind of follow up with my colleague, here, on some of the issues he mentioned.

We are a pre-K-to-8 school district in Southern Atlantic County. We have 260 students in the pre-K-to-8 setting. Our school district is only eight square miles, and there's approximately 2500 residents. The reason I mentioned that is because a foundation for us becoming Choice is, if you remember back -- I guess it was in '95 or '96, maybe even earlier -- the Pinelands Commission instituted the Pinelands Act. And that really had a tremendous financial impact on Folsom. We had limited or no growth over those years. They were facing 60-cent tax increases, and at some point up until this year, they were possibly looking at regionalization or eliminating staff because of declining enrollment.

The Choice program has taken Folsom now from that all the way to the other side of the spectrum. This year, before the Choice, we were projecting somewhere around 21-cent to 30-cent tax increase, and that was conservative. With the Choice students, our tax rate this year was 4.5 cents, because of the Department of Ed giving us the financial support for the Choice students.

What we have to offer at Folsom, and again, it mirrors my colleague, we have a state-of-the-art technology program, which was also based on limited resources. I have a wonderful technology coordinator who has done a fantastic job in our district. It's a performance-based technology program based on core-content standards. We have inclusion of special education and basic-skilled children in a regular classroom, within classes of four, which we are continually seeking to expand. We are implementing an accelerated reader program in the primary grades. We have a Persona Plus integrated multimedia software program. We also have Spanish in all grade levels, and we're using the Northern Arizona Elementary Spanish Program. We have an extensive after-school activities program. We have a very strong academic program. Our test scores are extremely high, and it's a very safe and secure environment. And our student attendance rate is above 95 percent with minimal discipline problems. We also limit our class sizes to 20 to 23.

I mentioned that also, because I'm fairly new to Folsom. I came in April. I was Principal of Mullica Township Middle School. And I came to Folsom for two reasons. Working next door in Hammonton for a number of years, I knew the district, but I also saw the opportunity to be really at the forefront of a new, innovative educational program for the State.

I'm also a parent of three boys. One just graduated eighth, one in first and second, and I saw an opportunity for me to have an impact on the Choice program, and also, look down the road for my own children to have that same opportunity in the eastern part of Atlantic County.

The parents that came to our Choice program-- We followed pretty much the same philosophy as my colleague, as far as advertisements, as

brochures. We've offered them to come to all our events throughout the school year, continual communication with our applicants. We started out with 30 applicants. We are now taking 19 students in the fall.

There's a number of reasons why the other parents didn't come. Some was distance. I had several applicants that called from Pleasantville and Atlantic City, but because we were more than 30 miles, transportation was an issue for them.

Sibling was also an issue, and it was a little different spin than my colleague. The sibling issue we ran up against was -- and my parent will talk about this in a few minutes -- the younger sibling. That we could take a child that's coming into first or second grade as Choice, but the parent knew that because of the regulations of being in district for one full year, that if their younger sibling was four or five could not attend my kindergarten program. We lost about three or four of those parents because not just of one year, two or three years down the road knowing this was a five-year pilot program that they would have their child entrenched on a building, and yet, when their sibling came to the kindergarten level, would have to attend their resident district for one year before they become the Choice person in our district. So that became an issue.

The parents chose Folsom for a number of reasons: small, safe school. Our class sizes are small, 21 to 23 per grade level. Our location is centrally located. We're halfway between Philadelphia and Atlantic City. And our Choice students -- to answer the Assemblywoman's question -- came from, basically, the local communities of Hammonton, Winslow, and Buena

Township. Again, we did have inquiries outside the 30-mile limit, but again, distance was an issue in transportation.

We are implementing our first latchkey program this year, and we do have one Choice parent who is coming because of that. They work at South Jersey Gas, which is right next door, and they live in Winslow. And it works out very well for them, because they can put the child on a latchkey program.

Again, for us, what it's done, financially it saved the Folsom School District. We are a family. We are a community. I have a very senior staff. Everybody knows everybody. When the financial impact hit on the Pinelands Act in declining enrollment, it was very scary for these people. Again, it's a very small community, family environment.

Cultural diversity -- it's also helped us in that respect. I don't have the exact numbers, but out of our 19 students, we do have some minority students, and we have multicultural students coming from different environments.

I think it also, for us, brings focus to small and rural schools. Fifty percent of the schools in this state are either classified as small or rural. And because of our fine educational program and our safe environment, I think it's brought a focus not just to us, but also to the other small schools. Our community support has been tremendous. There was questions, obviously, with any program, but I think the communication link between the school and the community and the staff who live in the community, most of them, really helped to solidify the community support. The community realized that their fine school was in jeopardy and that the Choice program would definitely help them out, and they're very supportive. My staff is very supportive of the

program. They, last year when we had the open house-- It was not contractual for them to be there. They are volunteered to come out that night and meet all the candidates who opted for Choice.

Next year, we have potentially 72 seats available pre-K to 8, and we're anticipating at least the numbers we had this year in enrollment. We do have a waiting list of parents that have called and inquired this early in the year, even though people don't start thinking about school until the fall. I think the dual enrollment period is really going to help the Choice school districts. It's tough in the Fall, and as a parent maybe, too, that they decide, well, do I want to do a Choice nine months from now, where if you offer me the opportunity, it may be in the spring, depending on the situation, I might have that opportunity. Gives me a little bit more flexibility as a parent to look at the district a little more closely and maybe do some visitations and things of that nature.

At this time, I'd like to introduce Ms. Kemmerer, my parent, here.

SANDRA KEMMERER: Thank you. I just wanted to come today and let you know that I thought the Choice program was something fantastic, especially for me. When I was married, we moved to Buena Vista Township, which is only about two minutes down the road from Folsom School, and we had every intention of moving within Folsom before we had a child that was school age. With other things, like Mr. Garguilo said with the Pinelands, it's hard to find a piece of land in Folsom that is already approved that you can build on. So we've been putting it by the wayside. And then my daughter turned five, and it was time to figure out what I was going to do for kindergarten.

So we did check into all the schools available to us in Buena Vista Township, and I just was not happy with them. My husband and I both attended Folsom School, as did both of our families. And teachers that taught us are still in Folsom School, so we thought that would be something great. That if we could get our child into Folsom, she'd be with the same teachers that taught us, and it's something a little more personal. It's sort of like a family environment.

Well, we had Folsom School to choose between, and we were also considering a Catholic school in Landisville. We really went with the Folsom choice because we were told that Folsom might be a Choice school. We thought, well, this would be great. We could put her in kindergarten and pay our tuition, and then if, in fact, it does become a Choice school, then we would be in and we wouldn't have to worry about the tuition. So thankfully that's the way it came about. If it hadn't, I still would have continued to pay tuition year after year for her to attend Folsom rather than send her to a school that I was not comfortable with.

The only drawback that I can see is like -- it has already been discussed -- the sibling issue. Now, I have that problem. I have a two-year-old at home. What happens when she turns five, and there's no flexibility there, and I have to say to my oldest child, "Well, you're in Folsom School. Now your sister is going to have to go to another school and be split up." So then I'd have to make the decision, do I leave my oldest in the School Choice program or do I move her to the school where she'll be with her younger sister, and that will make her other sister comfortable. So that's really the only drawback I can see with the program.

I think the program's fantastic, and it's been great for me. I just hope more parents get the opportunity to experience it.

ASSEMBLYMAN WOLFE: Thank you very much.

MS. KEMMERER: Thank you.

ASSEMBLYMAN WOLFE: Any questions from the Committee? Assemblyman.

ASSEMBLYMAN STANLEY: I have a question for the parent. How far do you live from Folsom School?

MS. KEMMERER: I'm actually, probably only about maybe three miles down the road.

ASSEMBLYMAN STANLEY: Okay.

MS. KEMMERER: And I'm actually a different district, but I've always lived in the area. I was born and raised in Folsom. It's more or less just where we eventually want to wind up in the district. But with the Choice program, I don't have that pressure that I had to get there before my daughter could start school.

ASSEMBLYMAN STANLEY: What town do you live in?

MS. KEMMERER: We are in Buena Vista Township. We actually live in Newtonville, which is Buena Vista Township.

ASSEMBLYMAN STANLEY: Okay. And that's -- which district is that? School district, I'm sorry.

MR. GARGUILO: They would attend, if they were going, Collings Lake Elementary School, and then Buena Vista district has a middle school and a high school.

ASSEMBLYMAN STANLEY: Is there any difference in the district factor groups between Folsom and Buena Vista?

MR. GARGUILO: Well, actually we're a *C-D* district at this point after the -- I guess, the reassessments a few years ago. They were a *B*. They went to *C-D*. Buena is a *B* district. Hammonton, which is a next-door neighbor, is a *B* district. I'm not sure about Winslow, if they're *B* or *C-D*, but they're fairly close.

ASSEMBLYMAN WOLFE: Senator Bark, who is the Legislator who represents this district. I'm sorry, Assemblyman.

Senator.

SENATOR BARK: Well, first of all, I'm very familiar with this district, because prior to this district being a Choice district, it was a school district that I always had to try and figure out -- could I save it or couldn't I? And facing, as the superintendent said, the fact is, it was not just one year of 60-cent tax increases. It was year after year -- could we keep this school alive without these people suffering enormous taxes. And this is not a wealthy district at all. The average price of a home, I believe, is about \$90,000. There is one industry, and that is South Jersey Gas, who has been trying to expand now for, I'm not sure how many years, but the fact is the Pinelands absolutely control anything and everything that happens in Folsom. They will not permit South Jersey Gas to expand.

So there are many constraints on Folsom. But I have visited that school district many times, and they are absolutely right, it is a family-oriented school. Everybody knows everybody, and it's a wonderful school district. And anyone who chooses to go there will have an exciting educational experience.

So I am delighted that you are a Choice district, and I also know that your three miles is heaven to drive compared to many other areas. So I'm sure that it is not a burden of any kind. So I'm delighted that you are here today to share your experiences of Choice with this Committee.

Thank you.

MS. KEMMERER: Thank you.

ASSEMBLYMAN WOLFE: Assemblyman.

ASSEMBLYMAN O'TOOLE: It's a compelling story to hear your experience.

But the question I have for this panel is how do we ensure that when your younger child reaches the age of five -- how do we make sure that they enjoy the same educational experience that you enjoyed, you and your husband enjoyed at Folsom? That's something that we're going to have to wrestle with, because I don't think it's very fair to allow the Choice issue, which I'm certainly in favor of, but I think if you're going to allow the Choice, I think going hand in hand with it, you have to have the whole family unit as one package. If it's a lottery system, as we heard about before, perhaps having both or all the members of the family on one ticket would be the solution. It's either all or none, so to speak.

I think it's a terrible experience to have the kids go to-- I grew up with seven kids in my family. We all went to the same school, same grammar school, and same high school. So, for the most part, I think having--

SENATOR RICE: Excuse me. Is your mike on? (referring to PA microphone) Sorry.

ASSEMBLYMAN O'TOOLE: No. It's not on.

SENATOR RICE: I can't hear you, and I'd like to know if I concur or not.

ASSEMBLYMAN O'TOOLE: You probably will concur with what I have to say.

SENATOR RICE: Right. But I'd like to hear it just the same.

ASSEMBLYMAN O'TOOLE: Senator, it's not working for some reason. (referring to PA microphone) But, I've concluded my comments.

SENATOR RICE: Could you give him a decent mike? I think he's earned it over the years here.

ASSEMBLYMAN O'TOOLE: Senator, thank you very much for that-- (laughter) He said I've earned the mike.

I told the panel that I think we have to wrestle with the issue of the family unit being together and present at one school. And if we're going to go with the School Choice issue, we have to make sure that we don't split up the families. It's certainly not the intention of the legislation to split up families, rather to keep them together in a prospering atmosphere. It sounds like, from Senator Bark's experience, you were very fortunate to be in the Folsom School community. But we have to work out a solution to make sure that your two-year-old child will not be split up from your five-year-old son or daughter. So let's work on that, and certainly, I'd love to hear your experience.

ASSEMBLYMAN WOLFE: We're going to be doing some tinkering with the School Choice legislation, hopefully, before you leave today. And I think that might be one of the things you probably could do. Because then the charter-- The Charter School program does have sibling preference.

Someday we could also include that with the School Choice program. Would that help you?

MR. GARGUILO: Yes, it would.

MS. KEMMERER: Sure.

MR. GARGUILO: I think -- and to answer Assemblyman O'Toole's question, too -- at least in our perspective, because there really is zero growth, because the Pinelands has really put a choke hold on the area, I think that at least the lower grade levels, we know there is not going to be an influx of a lot of kids. So that if you do have a two- or three-year-old-- I know, when I was working in Mullica, my Spanish teacher was in Hammonton. She sent me her student, first-grade student, to Folsom this year as a Choice, but she also has a three-year-old. And her and I have talked about this extensively, and I told her we were going to fight tooth and nail. And it wasn't just her situation, but it was Ms. Kemmerer's and others. But I think that our enrollment, because it's declining, that those seats will be there. We're not expecting an influx of a lot of younger people in the community, because there is a limited or no-growth area there.

And if I could have just one more second, I know that you're also in discussion about the study. I think it's important to realize that it's going to take us a couple of years to gather some data. This is the first year. We just started in September. And again, I would like to have the opportunity to take two or three years and really gather the data that you need to really do a full-impact study. So, if you could see the way of maybe not doing it, too, but waiting until the fourth year, that would give us adequate time to really gather the data that you need, and we could get it to you.

ASSEMBLYMAN WOLFE: Okay. Thank you very much.

Now, Scott, would you like to speak? Okay. Scott is a Ph.D. candidate at Princeton University. He's written his dissertation, and his aim is the effects of School Choice programs on accountability relationships between public and schools and the parents. He has two master degrees, one from Woodrow Wilson School and one from the University of Wisconsin in Madison. He was a public school teacher in Wisconsin and a street counselor for homeless adolescents in Boston, and also worked with Mother Teresa's missionaries/charity while an undergraduate at Dartmouth.

Brother Abernathy, welcome? (laughter)

SENATOR BAER: Are you reserving time in the agenda for the presentation by Dr. Osowski, please?

ASSEMBLYMAN WOLFE: He indicated he didn't wish to testify.

SENATOR BAER: Well, I would be very interested in hearing him, nonetheless. So I hope we'll have some time.

ASSEMBLYMAN WOLFE: Okay, we'll see if he wishes to.

Scott.

SCOTT ABERNATHY: Members of the Joint Committee on the Public Schools, thank you for providing the opportunity to contribute to the process of evaluating New Jersey's Interdistrict Public School Choice program. I am a Ph.D. candidate in politics at Princeton University and am conducting dissertation research on the effects of School Choice on the public schools. As part of my research, I have been observing and meeting with the principal of one of New Jersey's 10 Interdistrict Choice schools for the past several months. This individual has been generous enough to allow me to accompany him in

a variety of settings and discuss his role as the school leader in several contexts.

My goal has been to assess how School Choice is affecting how he does his job, how he implements his educational vision in the presence of Choice, and how the opportunity to serve children from other school districts is changing his relationships with and his views of his parent community.

I believe I am the only researcher currently examining the implementation of New Jersey's Interdistrict Choice legislation, and I have not been focusing exclusively on this particular program. That I am not part of a larger group of scholars studying the effects of New Jersey's Interdistrict Choice program on students, parents, and schools suggests that there is a clear need for such a comprehensive study. The importance of the policy decisions to be made and the current scarcity of data suggest that the Committee's efforts are worthwhile and deserving of careful consideration. I would like to offer a few suggestions on the timing and content of such a comprehensive evaluation program from a research perspective.

I chose to study New Jersey's Choice program partly because it is so new. By examining the program in its first year of operation, I have had the opportunity to see what one educational leader is doing in his school without a great deal of guidance from the law or past history to constrain or modify his choices. I also realize, however, that it is very difficult to state with any certainty if any of these initial effects of School Choice, whether positive or negative, are short-term transitional issues or if they are longer-term effects.

At a conference on School Choice at Harvard University this spring attended by many leading educational policy researchers, two separate reports of School Choice programs from other parts of the country, each based

on data from one year of implementation, were presented. Both reports, though promising, were met with a degree of caution, given the short duration of implementation. I would suggest, therefore, that the Committee consider collecting the final performance data on New Jersey's Interdistrict Choice program after it has been in effect for three or more years.

Although I am cautious about drawing too many conclusions from one individual principal after one year of involvement in the Choice program, it is clear to me that he perceives his role as a principal as changing in response to Interdistrict Choice, and that it is changing in a fundamental way. "It is a paradigm shift," he states. "Parental education and mobilization, that's what makes the difference between a status quo high school and one that's on the move." He is becoming much more activist in finding out what his parent community wants and in communicating his vision of education to them, and he tells me that, "You have to do this to survive." This market-oriented approach is precisely the positive effect that school Choice advocates say will happen when parents are allowed more options in choosing their schools. When parents act like customers, it is argued, schools will provide better customer service.

A key tenet of the argument in favor of School Choice is that it will improve all schools, not only those that receive students. As the Committee considers the focus of the evaluation of the Choice program, I suggest that it examine the effects of School Choice on both schools that receive students and schools that send students to Choice schools in detail. Choice, it is argued, will lift all boats by making principals and other administrators of sending districts more entrepreneurial and market oriented,

as they try to compete with the Choice schools for students and their resources. In this way, any siphoning of resources from the less successful to the Choice schools will be counterbalanced by a renewed sense of customer service among the staff in all of the schools. It is critical to assess if this is, in fact, happening by including interviews of school personnel in sending districts. So we find that it's not, and then there may be some issues.

It is possible that the loss of resources among the sending schools may make it more difficult for those schools to compete in the educational marketplace, to conduct the kinds of market research and advertising which will help sort winners and losers under the new rules. My own research suggests, using national data -- suggests that it is the most active and involved parents who opt into the Choice programs when they are offered. The danger is that the less successful schools will become further disadvantaged and more difficult to reform with the loss of their activist core of parents, suggesting that financial losses may not be the only loss of resources among the sending schools.

It will not be possible, however, to assess if this is happening without collecting information from parents who choose to enroll their children in the Choice programs, as well as those who turn down the offer. Therefore, I recommend that the Committee's evaluation of the New Jersey's Interdistrict Choice program include these kinds of detailed interview data from both the sending and receiving schools.

Thank you.

ASSEMBLYMAN WOLFE: Scott, thank you very much.

Do any members have any questions for Scott?

ASSEMBLYMAN STANLEY: Sure.

ASSEMBLYMAN WOLFE: Okay.

ASSEMBLYMAN STANLEY: First of all, let me commend you on your work. We appreciate it. I wanted to ask you if you had a chance to look at any of the scores perhaps-- From what I understand, we've gone through a year of Choice now or we haven't had any students that have--

DR. PALESTIS: September is the first--

ASSEMBLYMAN STANLEY: September the first year, okay. All right.

MR. ABERNATHY: Yes, one academic year.

ASSEMBLYMAN STANLEY: Okay. Well, never mind then. I guess when you're in the Legislature, time seems to go a little slower. (laughter) But thanks-- Thank you very much. And I think it would be very good to see what the performance is in the students that are going into Choice schools and how it compares with their peers from the district that they came from to see if we're seeing positive movement and what the academic ramifications are.

Thanks a lot.

MR. ABERNATHY: May I make a comment?

ASSEMBLYMAN STANLEY: Sure. Absolutely.

MR. ABERNATHY: I agree with you. And I think that the issue of comparing performance of the students is also an issue. It relates to the timing of the study. As of right now, you've got-- I'm not sure of the exact numbers, but I think it's about 100 students, something like that. So, therefore, if you want to compare their test scores to some other group of

students, whether it's their district or state average, statistically it's going to be very difficult for such a small sample size. So I think if you allow more time, you'll have more students and more student years in which to build that kind of data, because it's going to take several hundred students before you can have any confidence in your statistical on the students.

ASSEMBLYMAN WOLFE: Thank you.

Senator Baer.

SENATOR BAER: Yes. I'm very interested in your elaborating on your thoughts about the need for studying what's happening into sending districts, which is something that I have spoken about before at this Committee and elsewhere. I wanted to ask you if you knew, since in the absence of your covering this yourself, whether there were competently done studies that go into this. Not only the issue you raise as to whether there's a problem from diminution of resources, but whether there's a problem from the so-called skimming effect of students, whether there's any impact, demoralizing or other impact, on staff, and whether since this type of program has been often stated is supposed to benefit the sending district -- but that's stated more often as an article of faith on the belief that competition will work its way -- whether any of these studies indicate that there was-- Since the competition is supposed to provide motivation, whether the studies show that there was a lack of motivation originally in the school districts, either because they were unaware of their problem or didn't care about their problem, or whatever.

There are a variety of subquestions that I could identify with this, but I don't want to make this question too complicated, because I think you'll

probably be giving me the general overview. But that interests me a great deal, because we, like medical physicians, believe strongly that first we must do no harm.

MR. ABERNATHY: Okay, sir, thank you. I think that's a very important question. As of right now, there are no data for New Jersey on the effects of New Jersey's sort of systematic kind of data. But the data from other similar programs in other states is starting to come in, in terms of the effects of School Choice on the public schools themselves. And like I said at the conference this spring, it's pretty much -- everyone is working on the issue, and so I got a pretty good glimpse of what's going on right now. The short answer is the jury is still out. These programs are new. We have not found systematic evidence that the sending schools and the regular public schools are improving in this way. We found some evidence of financial impacts on schools, as I think has been brought up in a number of comments today.

On the other hand, we have also not found evidence of the kinds of skimming that is most commonly talked about. And that's two kinds. If I take just a minute to answer this, it's a very important point. There's been two kinds of skimming that are typically brought up is that you'll have, when Choice programs are offered, you'll have higher income and higher social economic status parents, and you'll have lower representation of minority parents in those Choice schools.

SENATOR BAER: And maybe higher achieving youngsters, too.

MR. ABERNATHY: That's correct. They will be leaving the public schools into whatever -- or the regular public schools into these Choice schools. Most School Choice programs are targeted at minority families and

low SCS families, so therefore, we haven't seen that kind of skimming yet, because the programs are targeted at those individuals.

There is a kind of skimming that I mentioned that has not, generally, been studied, but I think is probably more important. And that's the fact that when these Choice programs are offered, it's the most active, the most involved parents, whatever their income, whatever their racial or ethnic status, that they get involved. And so, I think, from an institutional point of view, we need to very carefully examine what happens to the public schools that lose those activist parents. Does how they do their work in terms of-- Parents are quite a resource for principals. They're network resources. They're critical to the function of the schools. So we need to see if that's happening. And we can't, but like I said, we just don't know yet, but we know that it's possibly going to be an issue.

SENATOR BAER: Thank you.

ASSEMBLYMAN WOLFE: I just wanted to point out that we will be entertaining some amendments which will require that both the sending and the receiving district be evaluated.

Assemblyman O'Toole had a question.

ASSEMBLYMAN O'TOOLE: Yes. Fascinating here, first of all, your analysis. First of all, what attracted you to this, and what do you do when you grow up with all this information?

MR. ABERNATHY: I'm sorry, what will I do when I--

ASSEMBLYMAN O'TOOLE: What will you do with all this information when it's all completed? And you have a wonderful background and a wonderful career and matching education.

MR. ABERNATHY: Well, thank you. Hopefully, I will be completing my dissertation this spring. Typically, Ph.D.'s dissertations are not widely read. I think this being an issue, I hope to present the findings.

I think I'll continue to be involved with these issues. Because I think what is very important is we have the opportunity with these-- These programs, although widespread, are still very small, in terms of population of students. So I think we have an opportunity to really carefully examine them to make sure that those studies are done correctly, I guess, is my personal involvement on that, if it answers your question.

ASSEMBLYMAN O'TOOLE: When you complete your thesis, would you mind forwarding to this Committee so we can complete some further analysis. I'm fascinated by your observations.

MR. ABERNATHY: Sure. I'd be happy to.

ASSEMBLYMAN O'TOOLE: The only concern I have academically, intellectually, is that your study is at one--

MR. ABERNATHY: That's correct.

ASSEMBLYMAN O'TOOLE: Is there a reason why you chose one as opposed to three or four? Is it management of time, is that the problem?

MR. ABERNATHY: No, that's a very good question. My goal is not to study the Interdistrict Choice program per se. My goal is to study high schools in a variety of Choice programs. I'm also working with principals from the public schools with charter schools in their districts. So that's why my focus is just slightly different than what the Committee's focused on today. So it's just a time management issue. There's only so many principals I could

follow around. I think when you do look at the Choice, very obviously, you're going to study it.

ASSEMBLYMAN O'TOOLE: Thank you. I appreciate your testimony.

ASSEMBLYMAN WOLFE: Scott, thanks a lot for your enlightening words.

MR. ABERNATHY: Oh, sure.

ASSEMBLYMAN WOLFE: We certainly appreciate that. I think we will follow up on Assemblyman O'Toole's suggestion. Thanks a lot.

MR. ABERNATHY: Thank you.

ASSEMBLYMAN WOLFE: That concludes the testimony, although Senator Baer had asked that Commissioner Osowski-- Jeff, do you want to come on up? He's got a couple of questions for you.

Senator Baer.

SENATOR BAER: Thank you.

First of all, before any specific questions, I thought you might have something you'd want to share with us in terms of observations that you think are important for us to know, since you've been close to this program since it began.

ASSISTANT COMMISSIONER JEFFREY V. OSOWSKI:
Certainly, Senator.

First observation is that New Jersey has some really outstanding educators leading the schools. Ernie Palestis and Bob Garguilo are two examples that we've encountered in this pilot Choice program. There are, as you know, 10 altogether. Innovation is one of the things we're looking for,

and these are educational leaders that have been innovative before they got into Interdistrict Public School Choice, and I think, as a result of being in Interdistrict Public School Choice, they're getting more energy to that innovation. So I want to thank them.

Second observation is that this is, by design, a small, controlled pilot project. So any illusions that some of the general public might have about it being a very large-scale program are incorrect. It was designed through the legislation and the regulations to be a test of the concept of Interdistrict Public School Choice in the state. So we are going to have no more than 21 by design, 10 in this first year coming up. That's one of the controlling factors, the pilot nature of the project. But there are some other controlling factors. As you know, New Jersey is a state that is growing in student population. So we're finding that there are not a lot of school districts that have available seats, and that, too, constrains the size of the project.

The third observation is that small is one characteristic of this project, but we believe it's going to be very successful because of the kind of reactions that you've heard today from educators and parents. I've been out to visit a number of the school districts. I've had the good fortune to be in both Mine Hill and Folsom -- Folsom more recently, Mine Hill before they were actually a Choice district -- and have been to a number of the others. The parents and educators and students that we meet there are incredibly enthusiastic about this project.

One last thing I wanted to say is on the issue of sibling preference. Actually, Sandy's younger child will be able to exercise sibling preference, because the law was written in a way that said that if there is a student already

enrolled in an Interdistrict Public School Choice program, then siblings in the next cycle will be given preference and won't have to go through the lottery. The problem with preference is when there are two siblings who come into the lottery in the same year and there is no other sibling in the Choice program, and these two for the first time come forward and one wins in the lottery and the other one loses. That's the problem that I think needs to be resolved, is when you have that simultaneous sibling situation coming into the lottery.

SENATOR BAER: Thank you.

ASSISTANT COMMISSIONER OSOWSKI: You're welcome.

SENATOR BAER: I guess there are good ways of doing that, and you will be doing that. I wanted to ask you, since the press reports indicated that some -- the Choice school had a very poor response in terms of people choosing -- the students choosing to go to them. Have you attempted to determine what factors were involved where there was such a low number of applicants? Did it correlate racially? Did it correlate with other factors? Have you had this studied or do you have any idea from just what might be obvious from observation?

ASSISTANT COMMISSIONER OSOWSKI: Senator, I think the first crop of applicants-- There are only 100 who are going to be beginning in the Choice program in September of 2000, students. And that number was small, largely because this was the first year. And as you may note, the legislation wasn't passed until the middle of the school year, the regulations a little bit before that. So parents had very little time in this first year to learn about the program, express their interest, and make the commitment to

participate in the program. It was a matter of only a couple of weeks over the holiday season in December.

SENATOR BAER: I understand, but undoubtedly, the time was a factor, but in some schools there was nonetheless given a short time, a number of applicants, and others who were very few. Do you have any idea of what made the difference? Some folks have suggested that there may have been fewer applicants to a district that already had a large minority ratio. What was involved in the big differences between the level of applications?

ASSISTANT COMMISSIONER OSOWSKI: I think, Senator, one of the biggest differences is in the degree of outreach conducted in the Choice districts in this first year, which was rushed, albeit somewhere seemed to hit the right things. I think the two districts we had here today were advertising small programs, not large numbers of students starting, and also had very effective outreach. What we're trying to do is to get all the districts together in a collegial environment to learn from each other so that those who may be doing something really well in program development will be able to impart that knowledge to others. Those who are doing something really well in outreach will be able to impart that to others.

SENATOR BAER: So, in other words, there was no racial correlation on this?

ASSISTANT COMMISSIONER OSOWSKI: We just met with the superintendents last week, and we asked the question, what kind of students are you getting? Their response was, it's a slice that is very similar to what we already have.

SENATOR BAER: No, I'm talking about the schools systems that had so few youngsters apply. I'm talking about the composition of the districts where there was so few applicants. I'm not talking about the composition of those few applicants.

ASSISTANT COMMISSIONER OSOWSKI: The districts of Salem City and Englewood, for example, both had had small numbers of applicants applying to their district. In both cases, they are in the process of developing theme-based specialized programs which, when we accepted them as Choice districts, were impressed with the plans that they had developed. I want to underline the word -- they are in the process of developing those programs so there will be some time in picking up speed. They are two districts in which, particularly Englewood, in which there is a large minority population. This Choice program is part of a larger effort they're making to attract a more diverse student population.

SENATOR BAER: So there is a racial correlation without going into speculation or studies that haven't been completed yet or initiated to determine why there isn't racial correlation with that?

ASSISTANT COMMISSIONER OSOWSKI: I think it's a little early to draw the conclusion that there is a racial correlation. First of all, we haven't really started yet. The students haven't started. And secondly, it's a very small number in this first year with only 100 pupils. I don't get the impression, though, that we are getting an imbalance on the race and ethnicity issue.

SENATOR BAER: I notice in your publication, these districts are identified as rural, urban, and suburban. What criteria did you use in making those specifications?

ASSISTANT COMMISSIONER OSOWSKI: I'm not exactly sure how we came to those classifications, but that's essentially what the districts are describing themselves as. We have two *Abbott* districts in the initial 10, and a number of districts that are clearly rural, Folsom, and a number, as an example, a number that are clearly suburban, Kenilworth and Morris.

SENATOR BAER: Well, I would appreciate it if you could get that information--

ASSISTANT COMMISSIONER OSOWSKI: Certainly.

SENATOR BAER: --to the Committee, because I don't think Englewood normally describes itself as urban.

ASSISTANT COMMISSIONER OSOWSKI: You're correct. I think Hoboken would, for example, though.

SENATOR BAER: Thank you.

Now you have under way studies about the effect of the Choice program on both sending and receiving districts. I assume it's much too early for you to have any results. But am I correct in thinking that there are studies that have been initiated by the Department?

ASSEMBLYMAN WOLFE: Excuse me, can I interrupt?

ASSISTANT COMMISSIONER OSOWSKI: Sure.

ASSEMBLYMAN WOLFE: We are going to be voting on amendments soon to the School Choice bill that would require those studies be done. They have not done them yet.

SENATOR BAER: Well, is there a bill before this Committee?

ASSEMBLYMAN WOLFE: Yes, we have amendments.

SENATOR BAER: That's been referred to this Committee?

ASSEMBLYMAN WOLFE: Yes. As soon as we're done, we're going to be discussing that.

SENATOR BAER: Have they been distributed?

ASSEMBLYMAN WOLFE: Yes -- no, well, they are in the process of being distributed.

SENATOR BAER: Well, first of all, I didn't even know that there was legislation referred--

ASSEMBLYMAN WOLFE: Well, I apologize.

SENATOR BAER: --to this Committee, as opposed to the standing committees, and I'll be very interested in seeing that, because the original legislation also had studies referred to it.

Thank you.

ASSEMBLYMAN WOLFE: Okay.

Thanks very much, Jeff.

What I'd like to do is--

Do you have a question?

ASSEMBLYWOMAN WATSON COLEMAN: I just have a question. I wanted to follow up with something the Senator was saying. I may have overlooked this in the material that was given to me, but the Senator indicated that, I guess, Englewood district and maybe Hoboken had received 32 applicants. Is that the sort of center here of--

SENATOR BAER: Well, Englewood-- There were very few youngsters who applied to go to the Englewood Choice district.

ASSEMBLYWOMAN WATSON COLEMAN: Do we have a list of the districts and the number of students that applied to enter the Choice programs for each of the districts?

ASSISTANT COMMISSIONER OSOWSKI: We could provide that to you, certainly. We have that.

ASSEMBLYMAN WOLFE: Assemblyman Garcia.

ASSEMBLYMAN GARCIA: I represent the Hoboken district, and I work very closely with the superintendent of those schools, in addition to superintendents of the schools in Union City. I represent some of the North Hudson schools. One of the problems which, I guess, led in great part to the low number of applicants, Hoboken school district, was just the timing and the window in which they solicited students, which really didn't leave too much time for parents or other members of the community to become aware of the program being offered there. And that's what led in great part to not having a great number of applicant pools. I think for this bill to be successful, one of the things that we have to improve on in the districts is making that timing and that transitional period available and the information available to the parents, otherwise it will never work as well as it should.

At least the Hoboken part, I do not believe had anything to do with anything other than just the fact that the application period and the timing for when the children thus involved and the information was really lacking. Because the applicant pool for the districts that would be sending to

the Hoboken district is virtually the same as the one that Hoboken would receive.

ASSISTANT COMMISSIONER OSOWSKI: Assemblyman, I'd think that's a very accurate analysis of the situation. We're fully expecting that as we head on into the second year, which will be enrollment for September 2001, that you're going to see a significant increase in the number of pupils applying. We also have before the State Board of Education, currently, regulations that will enable a dual enrollment period with a fall sign-up for those parents that are ready to make the decision at that time, and then another spring sign-up. The reason why we don't have a rolling admission -- really two reasons. One is the lottery issue. You couldn't do that with a rolling admission or it would be very, very difficult to do. And the second is because we did want to provide, as both superintendents testified, aid in the current year. We can't do that if we only get a pupil count in the spring. So whoever signs up for the fall generates State aid in that year when the student starts school. And whoever signs up in the spring will ultimately generate aid in the adjustment in the subsequent year.

ASSEMBLYMAN WOLFE: Thanks very much.

Now, for the Committee-- I apologize, Committee members, Senator, I thought this had been distributed before. But you have draft amendments which we cannot introduce, but these are, hopefully, for our approval, to be passed on to be codified in bill form. But basically, what they include is what has been discussed today. Number one, the amendments directs the Commissioners a report to be made in the third year, August 30 of the third year of the program, instead of June 30 of the second year, which

would be next June. The second is that our Committee, which is required to have a report next year -- as Scott Abernathy had suggested -- that would be moved back two additional years, which would actually be the fourth year of the program.

The report would include what I believe Senator Baer had suggested, both the impact on the sending, but also the receiving district, the staff, and the students' educational programs and finances. And finally, that instead of January 1 of the third year, it would be November 30 of the fifth year, the Joint Committee would submit a report to the Legislature, really, on the implementation or changes in the program, School Choice program.

We also had a suggestion by both superintendents and the parents to have some type of sibling preference codification, and the words, I believe, then were made to simultaneous sibling preference, which I guess is I don't think really redundant. But we would have some language to provide for sibling preference.

So this is just an outline of some of the changes which, based on what was testified today and some suggestions of the speakers, that we would suggest that the Committee consider to be recommended for implementation, probably in the fall. We have to vote on these in the fall, because there's really no bill for these.

Assemblyman.

ASSEMBLYMAN GARCIA: We're not going to be voting on these recommendations today then?

ASSEMBLYMAN WOLFE: Well, I think we need some time to advise whether to draw it up or not.

ASSEMBLYMAN GARCIA: Okay.

SENATOR BAER: Mr. Chairman.

ASSEMBLYMAN WOLFE: Yes.

ASSEMBLYMAN GARCIA: If I--

SENATOR BAER: Go ahead. I didn't mean to interrupt you.

ASSEMBLYMAN GARCIA: One of the things I was concerned-- Since this is such a small -- really like a pilot program, moving it back to maybe like the fourth year. I don't really believe that it's necessary. I think we could conduct this type of study, then track it.

ASSEMBLYMAN WOLFE: Okay, that's part of the proposal here.

ASSEMBLYMAN GARCIA: No. I'd say I'd rather not go to a fourth year. I'd rather track it from the second year, go on to the third year, and keep tracking it. There's really not a large number of school districts that are involved in this process--

ASSEMBLYMAN WOLFE: Okay.

ASSEMBLYMAN GARCIA: --and therefore, I think it's manageable. The study can be conducted at the same time. The parents that are sending their kids there who are very involved, they also can get a better handle as to what type of, I guess, progress is being made along these lines. So all these moves to move back the reporting deadlines and stuff, if we could, since it's such a small group, I really don't think it would be worthwhile since we could really actually study and just learn from the inception of really what's going on there, having people looking at it right away. I think it may be a better way to go rather than to push off these deadlines.

ASSEMBLYMAN WOLFE: Okay, Senator.

SENATOR BAER: Mr. Chairman, I have somewhat similar feelings as I read this over. The scope of the study that's printed here may not be obvious to everybody, because this is not exactly in the form our legislation is, although this section is close to that. The scope of the study has already been adopted in the statute. The only operative changes this would make would be to delay when the study needs to be ready. I also have some reservations as to whether we are helping anything by delaying the time in which the results of the study are available. Because it seems to me that this information may be very valuable in guiding policy makers in the Legislature and elsewhere, as soon as it's available. However, I can see that there may be some elements of this study where there may be some serious practical problems in getting the information together.

So I would suggest that we request the Committee staff, since this isn't going to be voted on now, and not until we come back in the fall at the end of the summer and identify those components where there's a real time squeeze so that we might consider separately having those items deferred for a later report or whether alternatively we want to have this whole thing reported in the original date, but recognizing that there may be some weaknesses in the dated validity of it when it's only based on the two-year period that we want the study to continue with further results at a later time. But I would be reluctant to have us, on an across-the-board basis, delay the whole report when that might not be in the public interest and might not be necessary.

ASSEMBLYMAN WOLFE: Senator Martin.

SENATOR ROBERT J. MARTIN (Vice-Chairman): First of all, I need to figure out where I'm talking. (referring to PA microphone)

Let me apologize for not being here on time. I was here. We got delayed because of judicial appointment in the Senate Judiciary Committee in which I had an active role and wanted to make sure that my friend wasn't left stranded to the wolves downstairs. So I apologize for not being up here in this hectic week.

I think that the comments just made raise more general questions about how we should be undertaking various types of studies about a number of issues. But in some indirect way, we're going to be asked to -- I think today, if it hasn't been addressed already -- about how our independent evaluations over the State takeover districts have been done and how they should be continued. We've had the Allen Group and the Andersen Group act as our representatives with the State takeover districts. I fully support the kind of work they've done, which is a very comprehensive, thorough investigation of matters involving literally billions of dollars of our State commitment to public education.

We also have some ongoing questions about a smaller, but very large and hotly debated issue. And that is the charter schools in the State of New Jersey and how we should conduct investigations of our charter schools, which have grown from 13 districts to 47 this year, and I guess, another approximately 20 additional districts next year. We have current legislation which is working its way through the two Houses, as I'm sure the Assembly members know, and Senator Baer knows it, where we have recommended certain paths with respect to the charter schools. And now the topic directly

before us is how we're going to investigate still a smaller program which has not yet been started. I assume, too, it will be up and running from what I've heard today, and we have high expectations that at least in Morris and in some of the other districts where there's been a strong commitment that that will go forward.

I think this Joint Committee really needs to look at how we should manage the studies of this new program, which I was a proud sponsor of -- the Interdistrict Choice. To a degree, I was sort of willing to go along with this, that maybe we needed to have a longer period, but on the other hand, I agree with Assemblyman Garcia and, I guess, Senator Baer, that if we're going to be committing to this and it's going to grow from 10 counties to 21 within a period of three years, I think we need some feedback and the end, during the second year, or at least at the end of the second year as to how it's doing. It doesn't have to be the definitive report as to whether we should continue the program, but I think having looked at--

I had invited Dr. Cade (phonetic spelling) here, who had done a study of charter schools in New Jersey in the first year. She had done a report which I looked at. Well, I'm not going to-- It's not important right now whether -- about the merits of that report. I learned a lot, and I think the charter schools learned a lot and others learned a lot, even at the end of one year of charter schools, about some of the ways that they were working, some of the problems that they experienced with school districts, where resources needed to be placed. So I think that some of these studies, even if they're not definitive and absolutely comprehensive, may be good for both charter schools and with Interdistrict Choice in the early stages as they go along,

understanding that they may not be -- they might have some problems as far as being exhausted. And I would ask this Committee, I think, to try to develop that.

I think there are some questions we need to ask, and that is who should be doing it? I know when we looked at charter schools, the reasons we had that pending piece of legislation is that the NJEA has said, "We don't want the Department to do the only report. We think that they have a bias." They probably do. So does the NJEA, for that matter. But if that's so, who should do it, how much resources we should have, I think is a fair question that we should ask ourselves. It sort of repeats itself with Interdistrict Choice.

And I don't know if we can do it today with both Houses about the embark on 100 pieces of legislation between now and Thursday. But I think that we should, perhaps, at least direct our esteemed executive director and others to maybe provide us with some recommendations and some guidelines that we could act upon during this summer to try and understand what our timetable should be. If we're going to have interim reports, let's call them. What they should be? And maybe some of the issues that we should look at as is to who should be doing that?

Rutgers has people who have made inquiry to me about, perhaps, doing some reports. Columbia TC has made some inquiry. Temple has some people. Maybe it should be somebody else? There's some private consulting groups that do different types of work, but maybe we should at least try and get this straight. Because on the basis of those reports, I think to a large degree, the future of these programs is going to hinge.

If we do have good interim reports, we may be able to help these programs along so we don't get to four years and we have a final report, and it says, but if they had -- maybe had a larger number or smaller number or paid more attention to whether there were only certain types of students being attracted, we would have known that to be able to take a corrective course of action. So that would be what I would ask this Committee to consider, at least at this stage of our review of what we should be doing in terms of how we are reporting and investigating these pilot programs.

ASSEMBLYMAN STANLEY: Mr. Chairman?

Oh, I think Senator Rice wanted to speak.

If I may? I concur with what Senator Martin just said, Senator Baer, and Assemblyman Garcia before, in terms of not necessarily wanting to delay in reviewing what we have or what we will have in two years, as opposed to waiting for a four-year period and getting a report maybe in the fifth year. And in addition to all the great reasons that have been stated before, we have to also look at the effect of all of these various programs upon each other and upon the-- And we need to look at the Department of Education's capacity to deal with their expanding role in and the expansion of these programs, Charter Schools, *Abbott*, Whole School Reform. We're going to have a mammoth-- You didn't even talk about the mammoth school construction project that we're about to embark on.

I think we need to be getting tighter, not necessary reins, but certainly review and reporting in terms of where we're going with these programs. I mean, I couldn't really agree any more with all three of our colleagues. We have to take a serious look. And this Committee has to take

a serious look at our role and our function and how we're going to be engaged in these undertakings, these projects. I think we've seen a lot of evidence of how not to implement a program. We've seen enough data as far as that's concerned, and a lot of times it's after the fact and without enough review or enough study. I think we need to take real consideration of what the Senator said and look at coming up with exactly how we're going to go about reviewing and studying the Interdistrict Public School Choice program and not delay but stick to our original study timetable.

Thank you.

ASSEMBLYMAN WOLFE: Senator.

SENATOR RICE: Thank you very much. I'm sitting here quietly today to listen to this subject. Seriously, I agree with Senator Martin in terms of what he stated today, which is really what he stated in the past, and we should determine who, what, and how we are going to proceed. It was me, if you recall, to Chairman Martin at that time -- and I didn't think it would happen -- and I want to thank him. I've been looking at it partisan, that's why I didn't think it would happen -- that we have subcommittees, and that we make sure Democrats and Republicans participate. The whole concept I had in mind was that this Committee and the other Commission will be very busy with a lot of things, and the subcommittees can take some of these responsibilities.

The other problem I have is that I'm not that comfortable with Arthur Andersen's group, because I was dealing with the group, I believe, prior to Senator Martin becoming chairman. Senator Ewing was chair, and I'll never forget the Paterson experiments when they came for this data and statistics and

it was skewed. And then by their own admission, they left out elements and variables that should have been placed there because “we didn’t ask them.” I have a problem with that.

I also have a problem -- we hire consultants and we pass legislation, but we’re going to spend money or get information where we don’t have a diversity of ethnic mix if it means getting two independent consultants or not, if it means getting someone or have someone on the board that’s participating in the economic process, but more so in the knowledge. Because when you go into these districts, there are not a lot of people here who know much about Mine Hill. But if I go see Bill Bess (phonetic spelling), he does. Because Bill Bess lives up there, the Redevelopment Authority, the brother who runs that. I said brother intentionally so you would know what he looked like.

And so my point is, is that when we start to look at who is making decisions from my experience -- and my background has some planning in it. From my planning background, at least in terms of what I was taught academically, there are certain assumptions that may have to be made once the data is collected. And if, in fact, that data is collected and people that are making basic assumptions do not understand the background, the cultural background, the ethnic background, and some other variables, from those communities in which they do not live and interact, then we’re going to make some wrong assumptions, which means we’re throwing money away anyway.

And so before I go hiring consultants, my preference is to have those subcommittees to go out into the community as we start to do and get some input and let them know where we’re trying to go. And one thing about

the professionals and special interest and the taxpayers and the voters and those who impact on, they will testify that if you're going to do this, take a look at this as well.

And now you have a more objective look in terms of what you want consultants to do, because consultants will come in and they assume that they have a monopoly on brains in their profession. And they talk to legislators and other people with a bunch of data and a bunch of academic-type jargon and think that we don't understand. If it sounds good, we say, yes, that makes sense. It need not make sense from their perspective. It needs to make sense from our perspective, interacting with the communities.

So I think the first thing we should do is make sure, Mr. Chairman -- now I'm speaking to Chairman Wolfe -- that the committees that we have been assigned to, that the members are willing to do what it is you want us to do and that is to work. And if, in fact, we can't find time to make meetings and work from our various capacities, then make it clear that we need not be on the Committee, period. Because I'm tired of sitting in committees and-- I fought *Abbott* districts. I know Senator-- My co-chair has been busy with Parsons. But my point is we should be back in those urban districts talking about *Abbotts* and things that need to be done. We should be talking about what legislation is going to look like for school construction, because it looks good in terms of dollars and cents, but it doesn't look good in terms of economic benefits as to who is going to participate.

If we're going to build schools and we're not even thinking about minority contractors or big contractors -- five super contractors involving little people -- and we're not mandating local participation, like HUD does and

Housing Authority, there's only going to be a statement with no meaning. If we don't go in and talk about the interdistrict schools, as we were talking about here with input-- You know, it's nice to know that there's Choice in Morris County. But the question is, does that Choice include Morristown? And I suspect it does.

But my point is that if we don't know that, we'll make bad assumptions, because the only poor town you really have in Morris County is Morristown. That's why they can't get the--

SENATOR MARTIN: And a couple more, Ron.

SENATOR RICE: Well, you know, they're so small that we don't know the name of them. I really think, in ending, Mr. Chairman, the approach should be that we should be calling the meetings. We had one with the co-chair, at least, we'd like to give respect in minority to the co-chair who is Republican, for he or she cannot call a meeting, then we should be able to proceed on anyway after dialoguing with them. Because often times we don't need everybody to take public record. We don't need everybody to have input. And that's the reason that Assemblyman Stanley called the meeting in Newark for some input, because he knew that the Education Committee cannot be everywhere and everybody can't get to Trenton. That's what I think. Once again, I don't think we should give approval to any consultant until we know who they are.

And I want to close by asking, through you, Mr. Chairman, and I've asked this before, not through you, but through others, to have the administration give us all the consultants who were a part of the Newark school district evaluation takeover, whatever they were doing. What it is they

were doing? How much money they made? Because I think by not having early input, we blew it up there, too.

Thank you very much.

ASSEMBLYMAN WOLFE: Thank you, Senator. I think that last request was made at the recent hearing we had with the Commissioner of Education at the meeting regarding Newark.

All right. Well, let's put it this way. We will not have any vote on any draft amendments. We will not have sibling preference. We'll continue as we have, and I have to say, quite honestly, I'm rather concerned that as legislators, we are stuck in the mud and we cannot be flexible. Because we had two superintendents and a graduate student who has looked at this issue -- have said that the one-year data is really insignificant to produce any type of meaningful structure to look at really where we're going. And I'm certainly not going to argue with the Committee if the Committee doesn't want to pursue with this. But I think that we're going with the original mandate that was passed by the Legislature, I said, a year ago. We're going to continue with that. We're not going to make any changes, and we will just go as we have originally said a year ago. And I have to say quite honestly that I think as legislators we really have to be flexible, to look very seriously--

I personally did not support School Choice. I don't know if Senator Martin did. I know both of us, as chairmen of committees in the Senate and the Assembly, met for over a year and a half. And finally, the Governor instituted a program with the Commissioner of Education. So we're stuck with the program. I'd rather have a program that we can all agree on and

has an excellent chance to succeed. And I don't know if we can evaluate a program just based on limited information, but I will not beat a dead horse.

We'll go on to the next issue, which is Newark Schools.

SENATOR RICE: Mr. Chairman, excuse me. I don't mean to cut you off. I'm not so sure, maybe I misunderstood. I'm like you. I think we should move forward with some things. I was responding to Senator Martin's concern about heretofore where we go. That was not said to delay what we do. I'm not even sure if I heard my colleagues -- and they can speak for themselves, maybe I wasn't paying attention -- I said that we should move forward. I think what they were indicating is that rather than do the four-year piece, that this plan should be a little bit more. So you accomplish the same purpose, I believe. Now maybe I've missed something in that translation, but I'm on the same wave that you are. I was just more concerned about not just this piece, where we go and respond to having us moving as a Committee, so we don't get stuck.

ASSEMBLYMAN WOLFE: Well, maybe like you, I misread the comments of the Committee, but I took from what was said that the sense of the Committee was not to make any changes in the deadlines -- to keep the deadlines that were in the original legislation.

SENATOR BAER: Mr. Chairman?

ASSEMBLYMAN GARCIA: Mr. Chairman, sibling preference, though, I think is something that I don't think any member in the Committee has voiced any objection to.

ASSEMBLYMAN WOLFE: Yes, Senator.

SENATOR MARTIN: I agree with Assemblyman Garcia. I think the sibling preference is a separate issue. I have no problem with it. Let me just try to crystallize a point I was trying to make. I don't disagree with the idea of having a final report, perhaps, after four years as being a more comprehensive evaluative report. I guess, what I was trying to make a distinction is, is between interim information reports, if you will -- interim reports and a final report.

I think there is value, if not after the first year, at least during the second year, of learning what took place in the 10 systems that operated the first year. I don't know that that should-- I leave it to the Committee to decide what the scope of that kind of report should be, but I think there's data and input that would be valuable after having a year and even after each successive year. And assuming that we could do that and it wouldn't break the bank, I think that that would be valuable. But I would support your recommendation, Assemblyman, Mr. Chairman, with respect to the putting off, perhaps, the final decision until that four-year period. I think that would be more beneficial.

SENATOR BAER: Mr. Chairman?

ASSEMBLYMAN WOLFE: Yes, sir. Senator, go ahead.

SENATOR BAER: Yes. I don't think that we're stuck in mud. It seems to me that we would be moving sooner, but we would be, in the end, moving further so far as the evaluation. But I didn't hear any opinion here that proposed delaying an expression relative to the sibling question. I suggest that we get a sense of the Committee now on the sibling issue.

I would suggest that it go like this. That families with more than one sibling be invited to indicate whether they want the choice on them to go as a group, whether it's two or three or four, to take their chances, assuming that if when they're picked, there's room for all of them, they all go and assuming that if they're among the last to be picked and there's only enough room left for part of them, none of them go. But do we use that as a method where they go together, all, except for filling the last space? And maybe, if you think it would be worthwhile, allow the family that choice in advance as to whether they are to be linked?

ASSEMBLYMAN WOLFE: Well, let me ask. What is the consensus of the Committee on having the simultaneous or some kind of sibling preference change? Is that okay? (affirmative response from Committee) Don't give a speech. Don't give a speech. Are you in favor of it?

ASSEMBLYMAN STANLEY: Yes. I'm in favor of it.

ASSEMBLYMAN WOLFE: Okay.

ASSEMBLYMAN STANLEY: But I just want to make sure that it's done in a way that it doesn't give either an unfair advantage or an unfair disadvantage to the group, if you understand what I'm saying. Statistically, we can do-- Scientifically, there are methods of doing that, but I just wanted to make sure you understand what I'm saying.

SENATOR BAER: Agreed. That's the sense of what I meant, too.

ASSEMBLYMAN WOLFE: Okay. So we'll have a draft amendment drawn up. We'll have it sent to you over the summer, and we won't be able to do anything probably till the fall to have that introduced, but we'll do that. Okay.

Now, we're going to move on to our second item, which is the contracts -- the extension for five more quarters of contracts that have already been issued with Arthur Andersen Company and for the Allen Company, specifically for the Newark school district. These are contracts which were begun, I guess, under previous Joint Committee structures, and they're almost done with their work, and they really needed another year to complete their work.

SENATOR MARTIN: Could you have the Executive Director give us some--

ASSEMBLYMAN WOLFE: Yes, Melanie will explain a little bit about this. We also have Mr. Allen here, if we have any questions.

Go. You're on.

MS. SCHULZ (Executive Director): The Andersen Company and the Allen Company will complete their work in the Newark evaluation. The Andersen Company is almost finished, and the Allen Company would conclude in the fall. If we wait until the fall to make a decision on this, then we have to go back out for an RFQ, request for quotations, and the process becomes long. If we decide to extend the contract, while there's a contract in force, we can propose an amendment to the contract and extend their work. They are proposing five more quarters, which would be the rest of this year and all of next year, to be finished December of 2001, with a final report. It's the Committee's-- It's for the Committee to decide. If they want to continue to have a voice in Newark and to-- This is the only oversight that the Legislature has currently other than Committee meetings, but it's the only way that there's a direct contact.

SENATOR RICE: Excuse me, Mr. Chairman, through you. I have not heard from Andersen, Allen, or anybody else that we had voted contracts for in quite some time. I don't know what they're doing. What I do know is there's no accountability at this point for the fiasco in the City of Newark. And I got my behind kicked doing the right thing when takeover came. There was only two choices. I tried to move legislation to prevent that stuff. No one listened. But what the State has done is uncalled for. I know we're trying to adjust that. But in the interim, I've been paying consultants to go in there, and maybe we didn't give them the right direction, and we're caught. Now we're starting to expand that. I don't even know what the team looks like anymore.

But I can assure you this. I've had dealings with Andersen in the City of Newark. They did some good things. And I had some problems on council-- And way back, I even got (indiscernible). And I'm not saying they're doing a bad job here, but someone needs to report to me and give me some real look-in-the-eye answers based on whatever they're doing. And if necessary, give me a chance to go back to my constituency, whether it's the unions, whether it's the people, or whatever, and have them raise the questions that need to be answered and find out if they can answer them. If not, make it part of the contract to get the answers. I don't even know where Allen is.

ASSEMBLYMAN WOLFE: Okay. Mr. Allen is here today. Mr. Axelrod is here. Do you want to come on up? Come on up, gang.

SENATOR RICE: And these are basic, professional contract services, you know, so there's not really any heavy, heavy bidding, okay, on per se. I think that's how we got locked into this Parsons--

SENATOR MARTIN: Just so the Committee is aware, these are two separate contracts, so--

SENATOR RICE: Yes.

SENATOR MARTIN: --if we make a decision, we should -- just don't lump them into one. I'm not saying where you should go with it, but they're doing separate functions, as I'm sure they'll explain.

ASSEMBLYWOMAN WATSON COLEMAN: May I speak on that point? And so, I really don't know what I'm being asked to do here. I mean, I don't know what's left to be done. I don't know what Allen is doing versus Andersen.

ASSEMBLYMAN WOLFE: Okay, we're going to have--

ASSEMBLYWOMAN WATSON COLEMAN: I don't know the costs associated with it.

ASSEMBLYMAN WOLFE: We're going to have them explain what they've done and what they need to do.

ASSEMBLYWOMAN WATSON COLEMAN: But you're asking me to have this information brought to me in one minute and vote on it in a next minute, and that just doesn't seem to be fair for someone who has not had any information thus far. Now, Mr. Chairman, you may have advanced information and other people may have advanced information, but I don't. And the three people sitting next to me don't.

ASSEMBLYMAN WOLFE: Okay. Here's what we'll do. Well, not here's what we'll do. We will do this. We will hear from these two gentlemen today. We have all the time until we got to go vote. And if you all promise to come back in September, we can make a decision in September.

How's that? Now, it is my understanding that you all should receive periodic copies of the updates from both of these gentlemen. I don't send them out. I get them sent to me, and I assume they get sent to all the other members of the Joint Committee. Have you folks not received any reports from any of these?

ASSEMBLYMAN STANLEY: I just came on in January, so I don't know--

ASSEMBLYMAN GARCIA: I receive reports from time to time.

ASSEMBLYMAN WOLFE: Okay. Mr. Axelrod, why don't you start first. Just basically, thumbnail explain what you were hired to do and what else has to be done. Then, the same thing with Mr. Allen. Okay.

EMANUEL AXELROD: Thank you, Assemblyman Wolfe.

SENATOR MARTIN: Mr. Chairman, can I just say one thing? In fairness to the consultants, and I'm not-- Again, I'm not telling the Committee, but since some of you are new, these gentlemen have been willing to -- besides for filing voluminous reports with us -- come to our district offices and talk one-on-one. I think if you made that request, I think, they'll probably agree to do that now. I mean, obviously, it's in their self-interest to try to represent themselves in the strongest way, but if there's a fault about us not getting information, and I've been guilty of this at times, too, it's not because they have been reluctant to present information to us. It's almost the opposite. That they have had so much information that some of us have sort of said, you know, I can't deal with it, because there's so many problems and so much information that they've undertaken.

ASSEMBLYWOMAN WATSON COLEMAN: I don't expect the consultants to sit here and explain their existence at this stage either. I don't. I just simply wanted to know, and I think that somebody -- and we should think about it internally. We could have just had sort of just bullets on what we were expected to think about today and what we were going to be presented with. Because if we sit there and ask these gentlemen to sit there and tell us what they've been doing for a year now--

ASSEMBLYMAN WOLFE: Are you saying we operate like the Appropriations Committee?

ASSEMBLYWOMAN WATSON COLEMAN: Pardon?

ASSEMBLYMAN WOLFE: Are you saying we operate like the Appropriations Committee? (laughter)

ASSEMBLYWOMAN WATSON COLEMAN: That's not what I'm interested in either.

Thank you.

ASSEMBLYMAN WOLFE: Mr. Axelrod.

MR. AXELROD: Yes. Thank you very much. Is this on? Is it on now? (referring to PA microphone)

ASSEMBLYMAN WOLFE: Yes.

MR. AXELROD: Thank you.

Our focus and what we were asked to do was to look at student performance and issues related to student performance, and we've done that. We really-- We've got some ideas. We've got some suggestions for the Legislature that I think would help Newark. I have to tell you that, just in an overall statement, I mean, the performance has not improved in Newark. The

high school proficiency exams, and we've quantified everything, have gone down over the takeover period. So that has not been good.

Now, we've looked at this year's tests. We couldn't do the kind of comparison that we did with the HSPTs, because this year's was the first year where we were working with GEPA and ESPA tests. So we compared those tests with their district factor group and with the rest of the state. They do not compare favorably, obviously, with the State. But with the district factor group, there are some key issues that, if I could just take a second, I think would help the situation.

One, we looked at special education not for quality of program, but what's happening in special education. There's approximately 5200 children that are classified in special education. Three years ago, two children were declassified, meaning that they don't have the label of being handicapped. Now I could talk-- I'm not -- as a consultant, as much as I did this, I was a county superintendent. I was in charge of a (indiscernible) season. We had a very large special ed program. Our focus was when children are ready to declassify those kids, they shouldn't carry that label on their back throughout their life. We talked to parents. They didn't even have a clue that their children can come out to special education.

Just to make a long story short with this particular issue, I think as the Joint Committee, you should ask questions about -- we're spending a lot of money on special education, and rightfully so. The kids need the help. You should be providing that money, but there also should be a report as to what are your goals in special education. Are you attempting to get children to a point where they can come out of special education? I think you should ask

that question. I believe that the focus, if it's done with the State, would become a focus in not only Newark, but throughout the districts, throughout the state. Right now, the only report that the Department is doing is for children 14 to 21. And the reason why they're doing it is because that's what the Federal government is asking for. Basically, kids should be coming out of special education.

Secondly, we found that the hiring process is flawed in Newark in that the timing of hiring of competent professionals is really too late. And the process that they've used is to have principals identify what their needs are, it goes to the SLTs, then to central administration, and so forth. It takes weeks, months, at a very long time for this to occur. There are people who want to work in Newark, and yet, by the time it gets to where they can be hired, they may have maybe five or six job offers and they have taken another job. That's a major problem.

What do I think you ought to do? I think that if I were the Legislature, I would ask the State colleges to set up relationships with -- certainly with the takeover districts, but particularly Newark we're looking at, and require them to send their student teachers into Newark. I have a lot of confidence in young people. I think that if young people will go into Newark and serve their student teaching experience there, they will want to work there. They will want to be a part of that school district. They'll want to help the children. We need to have young, fresh blood, new ideas there. I think they should be required to do it. I think that the Newark district should then be prepared to offer the jobs to young people who they see are real quality teachers. And there's a lot of them that, I think, they can hire.

As we looked in schools and we talked to principals, I mean, they're using people on a substitute basis -- this I remember -- particularly in some schools in December and January. They haven't had teachers working there full time. They've had just subs. They come a week, two weeks, two days, three days. There's no way that you're going to have quality educational programs when you've got teachers that are in and out of the schools. We need to have long-term, quality professionals there.

Another point: The leadership in the school buildings needs to be improved. I'm talking about at the principal level. You've got to have principals that have high expectations and will expect their staff to accomplish what they should be accomplishing. I believe that, and it's very hard. It's easy for me to say get competent principals in there. It's very easy to say that. It's another story getting them. I think that as a Legislature I would develop a program that could encourage quality teachers who have administrative interest -- for you folks to provide a program where their internships are real, they're paid during their internships, not an after-school internship or before school or a summer. That's not a real internship. No, not at all. I think you should pay people to serve their internships, pay for their educational programs so we can get quality leaders into the school buildings. That's the key.

Also, they do not have an integrated database system for human resources and budget. The whole process that I talked about in hiring gets hung up when they have to check to see whether there's money available. Please, have a system developed and paid for so they can have an integrated system there. And another system that's extremely important that they don't have is a student database system. With the kids moving around, the high

mobility that they have in the Newark school system, they don't have a database system. If a kid moves from this building to that building, it's got to be done all manually. They send it and things get lost, and the kid moves to another building. You've got to have an on-line student database system. They don't have it. They need it. They need it. Okay.

Now, we looked at student performance--

SENATOR RICE: Excuse me, Mr. Chairman. Mr. Chairman, through you, I don't mean to be rude to the speaker.

ASSEMBLYMAN WOLFE: Sure.

SENATOR RICE: But my concern was not you trying to give a synopsis of your findings, as per this document I've been glancing through that's in here.

MR. AXELROD: Yes. Yes.

SENATOR RICE: And I think we should look at this first and then raise some questions with you prior to approving and reapproving your contract.

MR. AXELROD: Okay.

SENATOR RICE: And we can do it in September. The other question that I wanted to invoke that we were trying to get answers, who is responsible for what? I believe you indicated that Andersen was asked to look at students' performance--

MR. AXELROD: Yes, surely.

SENATOR RICE: --which means you wouldn't be looking at financing and other kinds of situations, okay?

MR. AXELROD: No.

SENATOR RICE: That's what we're trying to document, who's responsible.

MR. AXELROD: No, but the impact on--

SENATOR RICE: I understand it. You know, but one thing I want to talk to you about later, because I only glanced at this and I don't need you to answer today--

MR. AXELROD: Sure.

SENATOR RICE: --if you go and you talked to teachers and you talked to parents, from what I can tell--

MR. AXELROD: Yes.

SENATOR RICE: --you talked to administrators and you listed some of those people. I don't know if you really talked to the unions. And if you don't talk to all sides, you don't get a whole evaluation. You don't want to sway one way or the other. You want to know what everyone understands about the questions you were raising, but that is what generates concepts and ideas. But don't respond to it. Those are the kinds of things we have to talk about, but I don't want you to be too verbose going through the documents, and this panel doing the same thing. I just want to know what you're responsible for.

MR. AXELROD: Student performance.

SENATOR RICE: And then once when I figure that out, then we'll come back and ask you questions before you get a new contract with my vote.

ASSEMBLYMAN WOLFE: Okay. Well, Senator, I had asked both these gentlemen to kind of synopsisize what they were doing.

So maybe, Mr. Allen, do you want to talk a little bit about what you've been doing? And then we can move on.

JOHN ALLEN: Thank you, Mr. Chairman.

As per your inquiry, I wanted to go to that first, Assemblywoman. I have on just three pages, which could be copied for your benefit for all members of the Committee, what we were asking, what is our unfinished work, which deals mostly with Whole School Reform as it relates to the State's standards. That's what we've been looking at. There are other critical areas, which we have addressed in past reports, and this relates again to Senator Rice's remarks. Perhaps, we have not-- I apologize to the entire Committee, if we have not been as responsible for getting this information to you saying what we have done and what we haven't done, whether we've looked at facilities, which we have, whether we've looked at finance, whether we've looked at communications, positives and negatives as they exist in Newark right now.

Specifically, we've looked at curriculum in depth and in every six ways that we can. The evaluation we found -- this is a very subject remark -- in the central office situation, how that relates out to the individual schools, to the individual teachers and principals, seems to be at the core of both the problems -- both the positives and the negatives of Newark. Will it-- The question at the core of all of this, and at the core of our work, and I'm the sure the work of the Andersen Company, is how can we bring these -- and I might add the Chairman -- schools back on line? How can they go back to local control? And do they have the confidence and the responsibility? How have they addressed the State -- the standards that have been put there for them?

How are they-- In other words, are they supporting these Whole School Reform measures that have gone from policy to law.

And we've tried to look at that, and part of our, as I said, unfinished work relates directly to an evaluation of the central office down to the teacher, down to the student and parent level. Do they know what Whole School Reform models are? Are they going to be able to adapt to them? How can they support them? Are the teachers supporting them? Are the principals supporting them?

And again, thank you, Senator Rice. I mean, I can bring in our, as Senator Martin says, our voluminous documents. If we have been remiss, I apologize, again, in getting that information to you. And I have tried to make my two lead guides in our evaluation, Mr. Schiller (phonetic spelling) and Mr. Saltrick (phonetic spelling), available to any of the Assemblymen or any of the Senators that needed a face-to-face briefing, as Senator Rice alluded to. Whatever information you need, we're a call away from you, and we have tried to see that all of the reports have gotten to you. And if they haven't, again, I apologize. But going to your bullet points, I have these on three sheets. And I'm sure if someone on staff can copy, I could get those to you at this very instant.

ASSEMBLYMAN STANLEY: Mr. Chairman.

ASSEMBLYWOMAN WATSON COLEMAN: Mr. Chairman.

ASSEMBLYMAN WOLFE: Go ahead.

ASSEMBLYWOMAN WATSON COLEMAN: I understand the two components here are-- Your company is-- Arthur Andersen is looking at

student performance and factors affecting it, and you're looking at everything else?

MR. ALLEN: Just about. That's a good summary.

ASSEMBLYWOMAN WATSON COLEMAN: Doesn't that--

UNIDENTIFIED MEMBER OF PANEL: Whole School Reform, correct, or is it beyond the scope of Whole School Reform?

MR. ALLEN: Whole School Reform as it compares and as it's being supported or not supported with State standards that still relate to all of that across the board.

ASSEMBLYWOMAN WATSON COLEMAN: How does this-- Is this in any way supposed to relate to the impact of State takeover in either facilitating or impeding this process?

MR. ALLEN: You're close. It comes in on the end.

SENATOR MARTIN: Assemblywoman, maybe I can help you there. When we voted for the State Takeover bill in the late 1980s, part of the legislation implied that we, as a Legislature, would provide oversight. And as it developed, since I was there at the time -- so was Ron and a few others here -- we felt we couldn't do it personally. So we decided that we would hire our own consultants. And at that time, I mean, I wasn't in the leadership to choose, but the decision was made to select these two consultant firms to provide certain areas for us. What's different about this, unlike when we had the Committee meetings last week, was that these were our eyes and ears and our report back for us.

ASSEMBLYWOMAN WATSON COLEMAN: Senator, they're evaluating these elements of the Newark experience from the beginning of the takeover to now?

MR. ALLEN: Yes.

ASSEMBLYWOMAN WATSON COLEMAN: And they're comparing it with things that existed before the takeover?

SENATOR MARTIN: Basically, they did anything we asked them to.

ASSEMBLYWOMAN WATSON COLEMAN: Did we ask them to do that?

MR. ALLEN: Actually, if I could--

SENATOR RICE: We didn't ask them to do-- Excuse me, we didn't-- I was on the Committee with Senator Ewing from day one. I don't remember asking them to do too much of anything. I think I've had maybe two or three meetings back with you when they reported, and our report was on Paterson, some were on Jersey City. Paterson was a nightmare, and I raised some very serious statistical planning, elementary-type questions. I didn't like the response. You need to be from Paterson and this district to raise the questions. So after that, it's just been, I guess, whatever they're doing, they went on. We haven't been meeting that much. Then we changed the leadership, and that's where we are right now.

I do know that some of this is geared towards what, at that time, we thought may be extension of districts, in terms of the takeover, what it should look like to take over a new district. But I can say emphatically for the record right now, I don't care what the report shows, because I think they're

going to be distorted now anyway given the loss of so much money. I do not look for Newark to be extended. I do look for some process to come and say, "Here's how you get out and still keep some basic oversight and control."

And that's why I got to figure out what question you're asking and who they're asking them to, because no one expected such a bad hit like Newark took on the takeover. The other cities took hits, but not like this. This is a bad situation. They're not doing finances still. Whole School Reform is not doing what it needs to find out what really went wrong inside those systems there per se. And that's why I'm making a-- I got two consultants down on paper, there, three to go. At least, three to go.

ASSEMBLYMAN WOLFE: We have, as part of our packet today, a letter from Commissioner Hespe about these two gentlemen. And I don't know if you've all had a chance to read it, but he said "that he knows that our Committee is going to be discussing the reauthorization of independent evaluations, such as these two gentlemen. And that in order for the Legislature to fulfill its role in the oversight of State operations, a certain independent evaluations are needed. Although the Department conducts its own independent evaluations, we have benefited from the past work of both Arthur Andersen and the Allen Company on behalf of the Legislature. And these evaluations will be important as we begin to discuss returning these districts to local control." And I think that's really what we have to look at. That's really -- we're kind of coming to the end of the process for some of these districts.

I like-- I was not here as long as Senator Rice, nor Senator Martin, on this Committee, so I basically have a lot of catching up to do with what it also -- they've done in the past.

Can you come back in September--

MR. ALLEN: Oh, yes.

ASSEMBLYMAN WOLFE: --and meet the gang again?

ASSEMBLYMAN STANLEY: Mr. Chairman.

ASSEMBLYMAN WOLFE: And meet with the individual legislators, if they require that?

MR. ALLEN: Absolutely.

ASSEMBLYMAN WOLFE: Yes.

ASSEMBLYMAN STANLEY: If it's possible and if it would be helpful for myself who, I guess, just began serving on the Committee in January, if there is any documents or anything that's been distributed that we have not seen yet, we got an extra room--

SENATOR MARTIN: Be careful what you ask for.

ASSEMBLYMAN STANLEY: --in our office we can put that stuff in. (laughter) No. But, hopefully, if there's either a condensed format or just so it's not redundant, if there's something that would be useful. I represent Newark, which is a takeover district and an *Abbott* district, so I'm very much concerned with anything that you have on that issue.

MR. AXELROD: Do you want the interim reports?

MR. ALLEN: That's not a problem at all. We can go back and end with any questions. You may communicate them to us in writing over the summer, and perhaps that would bring you the knowledge you need.

ASSEMBLYMAN STANLEY: That would be-- Any documents that you share with members of the Committee that may be helpful, I would appreciate it.

SENATOR RICE: Include your business cards, so we know how to get in touch with you.

ASSEMBLYMAN WOLFE: Okay. Thank you very much.

MR. AXELROD: Thank you.

ASSEMBLYMAN WOLFE: I'd like to thank the Committee members for their diligence of being here today. I think we had pretty good representation and thank you -- very difficult subjects. Look forward to seeing you soon.

Anything else before we go?

SENATOR RICE: I just want to thank you, Mr. Chairman, for your leadership. I thank you -- your letting us participate very well.

ASSEMBLYMAN WOLFE: Can I tell you it's fun. Thanks a lot. Thank you.

(MEETING CONCLUDED)